CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

SHARES OF COMMON STOCK
$100,000 MINIMUM INVESTMENT

This confidential private placement memorandum (as amended or supplemented, including all appendices, this "Memorandum") is being furnished on a confidential basis to prospective investors in connection with their evaluation of a proposed investment in Bonaventure Multifamily Income Trust, Inc., a Maryland corporation (referred to herein as "we," "us," "our" and "our company"). We are an actively managed, direct investment fund formed to acquire and invest in multifamily real estate that benefits from the mega trends of population migration to the Mid-Atlantic and Southeast and the shortage of quality housing in those regions.

We are externally managed by Bonaventure MIT Adviser, LLC (the "Adviser"), a wholly-owned subsidiary of our sponsor, Bonaventure Holdings LLC ("Bonaventure"). Bonaventure is a vertically integrated real estate investment firm headquartered in Alexandria, Virginia that specializes in designing, developing, acquiring and operating multifamily apartment communities. We elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes commencing with our taxable year ending December 31, 2021.

We are offering an unlimited number of shares of our common stock, par value $0.01 per share (the "Shares"), on a continuous basis. The purchase price per Share sold in this offering will vary and generally will equal our net asset value ("NAV") per Share for the most recently completed calendar month, which we refer to herein as the "transaction price." We may offer Shares at a transaction price that we believe reflects the NAV per Share more appropriately than the prior month's NAV per Share in cases where we believe there has been a material change (positive or negative) to the NAV per Share since the end of the prior month. We have adopted a distribution reinvestment plan ("DRIP"), whereby stockholders will have their cash distributions automatically reinvested in additional Shares unless they elect to receive their distributions in cash. The purchase price for Shares purchased under the DRIP will be either (i) the transaction price for such Shares at the time the distribution is payable (pursuant to the Standard DRIP, as defined herein), or (ii) a 5% discount to the transaction price for such Shares at the time the distribution is payable, if the stockholder elects to participated in the Enhanced DRIP (as defined herein).

We have adopted a share repurchase plan ("SRP") whereby stockholders will be able to request that we repurchase all or any portion of their Shares on a quarterly basis, subject to the terms and conditions of the SRP. The repurchase price per Share will equal the then-current transaction price.

The Shares are being offered and sold on a "best efforts" basis by Metric Financial LLC (the "Managing Dealer"), a broker-dealer registered with the Financial Industry Regulatory Authority, Inc. ("FINRA") and our exclusive managing broker-dealer for this offering, and registered investment advisers and broker-dealers engaged by the Managing Dealer to participate in this offering.

The Shares are being offered and sold in a continuous private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and are available for purchase only by investors that certify and validate their qualification as "accredited investors," as that term is defined in Rule 501(a) promulgated under Regulation D of the Securities Act.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any other federal, state or foreign securities commission or similar authority has determined whether this Memorandum is truthful or complete. The Shares have not been registered under the Securities Act or the securities laws of any state or country in reliance on exemptions from the registration requirements of such laws. There is no public market for the Shares, and the Shares are subject to significant restrictions on transfer. An investment in the Shares involves significant risk. See "Risk Factors."

This Memorandum was initially dated July 28, 2023, and is amended, supplemented, and restated as of September 30, 2024

PROSPECTIVE INVESTORS ARE ENCOURAGED TO DIRECT INQUIRIES TO:

Bonaventure Multifamily Income Trust, Inc.
c/o Phoenix American Financial Services, Inc.
125 E Sir Francis Drake Blvd, Suite 301
Larkspur, CA 94939-1820
Phone: (855) 889-1778
Email: bonaventuresupport@phxa.com

IMPORTANT NOTICES TO INVESTORS

THE WORDS "WE," "US," "OUR" AND THE "COMPANY" REFER TO BONAVENTURE MULTIFAMILY INCOME TRUST, INC., TOGETHER WITH ITS CONSOLIDATED SUBSIDIARIES, BONAVENTURE MIT OPERATING PARTNERSHIP, LP (THE "OPERATING PARTNERSHIP"), A DELAWARE LIMITED PARTNERSHIP OF WHICH WE ARE THE GENERAL PARTNER, UNLESS THE CONTEXT REQUIRES OTHERWISE.

THIS MEMORANDUM HAS BEEN FURNISHED SOLELY FOR THE INFORMATION OF THE PROSPECTIVE INVESTOR TO WHOM IT HAS BEEN DELIVERED ON OUR BEHALF AND MAY NOT BE REPRODUCED, DISTRIBUTED OR USED BY SUCH RECIPIENT FOR ANY OTHER PURPOSES. EACH RECIPIENT OF THIS MEMORANDUM HEREBY AGREES TO (1) MAINTAIN THE CONFIDENTIALITY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM, AS WELL AS ANY SUPPLEMENTAL INFORMATION PROVIDED TO THE RECIPIENT BY THE COMPANY OR ANY OF ITS REPRESENTATIVES; AND (2) TO RETURN THIS MEMORANDUM, AS WELL AS ALL SUPPLEMENTAL INFORMATION PROVIDED TO THE RECIPIENT, UPON REQUEST.

INVESTMENT IN THE SHARES INVOLVES A HIGH DEGREE OF RISK THAT PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER BEFORE INVESTING. THERE CAN BE NO ASSURANCE THAT OUR INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A COMPLETE RETURN OF THEIR CAPITAL. INVESTMENT IN THE SHARES IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT IN AN INVESTMENT IN THE SHARES.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY, THE ADVISER OR ANY OF THEIR RESPECTIVE AFFILIATES AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. EACH INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS OWN ADVISORS.

STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE OF THIS MEMORANDUM UNLESS STATED OTHERWISE AND THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY SUBSEQUENT DATE. NO SHARES MAY BE SOLD WITHOUT DELIVERY OF THIS MEMORANDUM.

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, THE SECURITIES LAWS OF ANY STATE OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED. THE SHARES ARE BEING OFFERED AND SOLD UNDER THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 506(C) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT, AND EQUIVALENT EXEMPTIONS IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING IS MADE. ACCORDINGLY, SHARES WILL BE AVAILABLE ONLY TO INVESTORS WHO QUALIFY AS ACCREDITED INVESTORS AS DEFINED IN RULE 501(A) OF REGULATION D OF THE SECURITIES ACT, AND EACH PROSPECTIVE PURCHASER WILL BE REQUIRED TO FURNISH TO THE COMPANY OR TO THIRD-PARTIES ENGAGED BY OR ACTING ON BEHALF OF THE COMPANY SUCH ADDITIONAL DOCUMENTATION AND FINANCIAL AND OTHER SUPPLEMENTAL INFORMATION AS IS DEEMED NECESSARY OR APPROPRIATE TO EVIDENCE SUCH PURCHASER'S STATUS AS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A) OF REGULATION D OF THE SECURITIES ACT AND TO SATISFY THE REQUIREMENTS OF RULE 506(C) OF THE SECURITIES ACT.

THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION OR BY THE SEC, NOR HAS ANY REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

ANY TARGET RETURNS SET FORTH HEREIN ARE BASED ON ESTIMATES AND ASSUMPTIONS ABOUT PERFORMANCE BELIEVED TO BE REASONABLE UNDER THE CIRCUMSTANCES. HOWEVER, THERE IS NO GUARANTEE THAT THE FACTS ON WHICH SUCH ESTIMATES AND ASSUMPTIONS ARE BASED WILL MATERIALIZE AS ANTICIPATED AND WILL BE APPLICABLE TO THE COMPANY. ANY TARGET RETURNS SET FORTH HEREIN ARE HYPOTHETICAL AND ARE NOT A GUARANTEE OF THE COMPANY'S FUTURE PERFORMANCE. IMPORTANT RISK FACTORS ARE SET FORTH IN THIS MEMORANDUM.

PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE SHARES. THIS MEMORANDUM DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND THIS MEMORANDUM MAY NOT BE DISTRIBUTED IN ANY JURISDICTION, EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION.

THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ORGANIZATIONAL DOCUMENTS OF THE COMPANY, THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF STATES AND OTHER JURISDICTIONS. EACH INVESTOR SHOULD BE AWARE THAT IT MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF ITS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THERE IS CURRENTLY NO SECONDARY MARKET FOR THE SHARES AND SUCH A MARKET IS NOT EXPECTED TO DEVELOP.

CERTAIN INFORMATION CONTAINED HEREIN IS BASED ON OR DERIVED FROM INFORMATION PROVIDED BY INDEPENDENT THIRD-PARTY SOURCES. WHILE SUCH INFORMATION IS BELIEVED TO BE ACCURATE AND RELIABLE FOR THE PURPOSES FOR WHICH IT IS USED HEREIN, NO REPRESENTATIONS ARE MADE AS TO THE ACCURACY OR COMPLETENESS THEREOF AND NONE OF THE COMPANY, THE ADVISER OR ANY OF THEIR RESPECTIVE AFFILIATES ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THIS MEMORANDUM CONTAINS A SUMMARY OF THE COMPANY'S ORGANIZATIONAL DOCUMENTS AND CERTAIN OTHER DOCUMENTS REFERRED TO HEREIN. THE SUMMARIES OF SUCH DOCUMENTS SET FORTH HEREIN DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. IF THE DESCRIPTION OF ANY DOCUMENT SET FORTH HEREIN IS INCONSISTENT WITH OR CONTRARY TO THE TERMS OF SUCH DOCUMENT, SUCH DOCUMENT SHALL CONTROL.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words or the negatives thereof. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved.

You should carefully review the "Risk Factors" section of this Memorandum for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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WHO MAY INVEST

An investment in the Shares involves a high degree of risk and is suitable only as a long-term investment for persons of adequate financial means who do not need liquidity from this investment. The offer and sale of the Shares offered hereby are being made in reliance on an exemption from the registration requirements of the Securities Act. Because there is no public market for the Shares, it may be difficult for you to sell your Shares if stockholder demand for repurchases exceeds the volume limitations under our SRP, or if our board of directors modifies, suspends or terminates our SRP following a determination that such action is in the best interests of our stockholders. We reserve the right to declare any prospective investor ineligible to purchase the Shares based on any information that may become known or available to us concerning the suitability of such prospective investor or for any other reason. An investment in the Shares may only be made by investors who meet the investor suitability standards established by us (as described below).

Investor Suitability Standards

We are offering the Shares only to persons that are "accredited investors," as that term is defined by Rule 501(a) of Regulation D of the Securities Act. All investors must complete and execute a subscription agreement in the form provided by us, pursuant to which each investor must certify, among other things, that it qualifies as an accredited investor and that it meets such other investor suitability standards for investment in Shares as may be established by us. Furthermore, each investor in Shares will be required to provide to us or to third parties engaged by us or acting on our behalf such additional documentation and financial and other supplemental information as is deemed necessary or appropriate to satisfy the requirements of Rule 506(c) of the Securities Act.

The investor suitability requirements set forth in the subscription agreement represent minimum suitability requirements for investors in the Shares. Accordingly, the satisfaction of such suitability requirements by an investor will not necessarily mean that the Shares are a suitable investment for such investor or that we will accept the investor as a subscriber. Furthermore, we may modify such requirements in our sole discretion from time to time, and any such modification may raise the suitability requirements for investors.

HOW TO SUBSCRIBE

Investors who meet the suitability standards described herein may purchase Shares. See "Who May Invest" in this Memorandum. Investors seeking to purchase Shares should:

- Read this entire Memorandum, including all appendices and supplements hereto.
- Complete the execution copy of a subscription agreement, in the form attached hereto as Appendix A.
- Deliver a completed subscription agreement, together with any other documents and information that we may request in connection with the completion of a subscription agreement (collectively, the "Subscription Documents"), together with payment in full for the Shares being subscribed for, in accordance with the written instructions set forth in the Subscription Documents.

By executing the Subscription Documents and paying the total purchase price for the Shares subscribed for, each investor attests that the investor meets the suitability standards as set forth in the Subscription Documents and agrees to be bound by all of the terms thereof.

Acceptance and Rejection of Subscriptions

We expect to continue to hold closings on a monthly basis on the last business day of each month, provided that we may hold closings on different dates in our sole discretion. Following each closing, the subscription proceeds of each stockholder whose subscription was accepted at such closing will be available for use by us. We have the right to accept or reject, in whole or in part, any subscription for any reason. If for any reason we reject a prospective investor's subscription, we will promptly return the prospective investor's Subscription Documents and any subscription payment received in connection with such Subscription Documents, without interest or deduction, within ten business days after rejecting the subscription. If Subscription Documents are received less than five business days prior to the monthly closing date, the purchase of Shares reflected by such Subscription Documents may, unless we elect otherwise, be executed in the immediately following month's closing at the transaction price applicable to that closing. As a result of this process, the price per Share at which a subscription is executed may be different than the price per Share for the month in which the subscription was submitted.

Withdrawn Subscriptions

Subscribers are not committed to purchase Shares at the time their Subscription Documents are submitted and any subscription may be canceled at any time before the time it has been accepted by us at a closing. You may withdraw your purchase request by notifying our transfer agent, Phoenix American Financial Services, Inc., through your financial intermediary or directly, on our toll-free, automated telephone line, (855) 889-1778. If a prospective investor's subscription is withdrawn, we will promptly return the prospective investor's Subscription Documents and any subscription payment received in connection with such Subscription Documents, without interest or deduction, within ten business days after such withdrawal.

Purchase Price

The purchase price per Share will vary and will equal the then-current transaction price, which will generally be our NAV per Share as of the last calendar day of the prior month. Generally, we will disclose our NAV per Share for each month on the fifteenth day after the end of such month. We began disclosing our monthly NAV following the initial closing of this offering. Our NAV may vary significantly from one month to the next, and although the transaction price for Shares you purchase will generally be based on the prior month's NAV per Share, such prior month's NAV may be significantly different from the current NAV per Share as of the date on which your purchase occurs. We may offer Shares based on a transaction price that we believe reflects the NAV per Share of such Shares more appropriately than the prior month's NAV per Share or suspend this offering in cases where we believe there has been a material change (positive or negative) to our NAV per Share since the end of the prior month. In cases where our transaction price is not based on the prior month's NAV per Share, the offering price will not equal our NAV per Share as of any

time. See "Net Asset Value Calculation and Valuation Guidelines" for more information about the calculation of NAV per Share.

During this offering, we will provide the transaction price to our existing stockholders promptly after it becomes available via our password-protected investor relations website, www.bonaventure.com, and will make it available upon request to any prospective investor or their financial advisor. Prospective investors will not be provided with direct notice of the transaction price when it becomes available. Therefore, prospective investors should confirm the applicable transaction price with their financial advisors.

If you participate in the DRIP, the cash distributions attributable to the Shares that you own will be automatically invested in additional Shares. The per Share purchase price for Shares purchased pursuant to the DRIP will be equal to either (i) the transaction price for such Shares at the time the distribution is payable, which will generally be equal to our prior month's NAV per Share (pursuant to the Standard DRIP, as defined herein), or (ii) a 5% discount to the transaction price for such Shares at the time the distribution is payable, if the stockholder elects to participate in the Enhanced DRIP (as defined herein).

Fiduciary or Custodial Accounts

Shares purchased by a fiduciary or custodial account will be registered in the name of the fiduciary account and not in the name of the beneficiary. If you place an order to buy Shares and your payment is not received and collected, your purchase may be canceled and you could be liable for any losses or fees we have incurred.

TOD Designations

Investors which are natural persons have the option of placing a transfer on death (TOD) designation on your Shares purchased in this offering. A TOD designation transfers the ownership of the Shares to your designated beneficiary upon your death. This designation may only be made by individuals, not entities, who are the sole or joint owners with right to survivorship of the Shares. If you would like to place a TOD designation on your Shares, you must check the TOD box on the subscription agreement and complete the TOD section of the subscription agreement, in order to effect the designation.

SUMMARY OF TERMS

This summary highlights certain information contained elsewhere in this Memorandum. This is only a summary and it may not contain all of the information that is important to you. Before deciding to invest in this offering, you should carefully read this entire Memorandum, including "Risk Factors."

The Company

We are organized as a Maryland corporation. We elected to be taxed as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2021.

The Sponsor

Bonaventure, founded in 1999 by Dwight D. Dunton, III, our Chairman of the Board, Chief Executive Officer, and Chief Investment Officer, is a vertically integrated real estate investment firm headquartered in Alexandria, Virginia specializing in multifamily real estate. Bonaventure designs, develops, acquires, and operates multifamily apartment communities in the United States. Bonaventure has four corporate offices and over 300 employees.

As of June 30, 2024, Bonaventure owns, manages, or is developing multifamily assets with an aggregate value of approximately $2.33 billion and comprised of over 8,961 units. Since its formation, Bonaventure has completed over $3.35 billion in transactions.

For additional information regarding Bonaventure's prior investment programs, see "Prior Performance and Representative Transactions."

Adviser

The Adviser, a wholly-owned subsidiary of Bonaventure, serves as our external adviser. The services provided by the Adviser, and the compensation paid by us to the Adviser in exchange for such services, are set forth in an advisory agreement with the Adviser (the "Advisory Agreement"). For additional information, see "Management—The Adviser and the Advisory Agreement."

Investment Objectives

Our primary investment objectives are to:

- preserve and protect invested capital;
- provide attractive current income in the form of regular, stable cash distributions;
- realize appreciation in NAV from proactive investment management and asset management; and
- provide an investment alternative for investors seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than public real estate companies.

We cannot assure you that we will achieve our investment objectives. See "Risk Factors."

Investment Strategy

We intend to continue to invest in an actively managed portfolio of multifamily real estate opportunities that benefit from the mega trends of population migration to the Mid- Atlantic and Southeast and the shortage of quality housing in those regions. We expect that our investment strategy will evolve based on market conditions in order to find the optimal risk-adjusted returns available from time to time. Our investments will consist primarily of core plus, stabilized multifamily properties, however we may

also selectively invest in value-add properties. Our investments in such properties may take the form of common equity, preferred equity or mezzanine debt to maximize our risk-adjusted returns. To a lesser extent, we will also invest in securities of other multifamily real estate companies to provide current income and a source of liquidity for our SRP, cash management and other purposes. At all times, we intend to make investments in a manner consistent with maintaining our qualification as a REIT.

For additional information, see "Investment Strategy and Process."

Property Portfolio

As of the date hereof, we own 20 multifamily apartment communities with an aggregate of 3,790 units, and we have made a preferred equity investment in one multifamily apartment development project that is expected to be completed in 2025.

For additional information regarding our current property portfolio, see "Property Portfolio."

UPREIT Structure

We plan to continue to own all or substantially all our assets through the Operating Partnership. We are the sole general partner of the Operating Partnership and Bonaventure MIT Special Limited Partner, LLC (the "Special Limited Partner"), a wholly-owned subsidiary of Bonaventure, owns a special limited partner interest in the Operating Partnership that entitles it to receive certain special allocations from the Operating Partnership. In addition, each of the Adviser and the Special Limited Partner may elect to receive units of limited partnership interest in the Operating Partnership in lieu of cash for the Management Fee (as defined below) we pay to the Adviser and the special allocations from the Operating Partnership to which the Special Limited Partner is entitled. The use of the Operating Partnership to hold all of our assets is referred to as an Umbrella Partnership Real Estate Investment Trust ("UPREIT"). Using an UPREIT structure gives us an advantage in acquiring properties from persons who want to defer recognizing a gain for U.S. federal income tax purposes.

To date, nearly all of our properties were acquired via UPREIT transactions in which the former owners of the properties (or the legal entities which owned the properties) contributed their ownership interests in such properties to the Operating Partnership in exchange for the issuance of Operating Partnership units to the contributors (and, in certain instances, the payment of cash consideration). We expect to continue to issue a significant number of additional Operating Partnership units as consideration in connection with our acquisition of properties in UPREIT transactions. As a result of our focus to date on UPREIT transactions as a means of acquiring properties, we currently own a minority stake in the Operating Partnership.

Term of the Company

We are a "perpetual-life REIT," meaning that we are an investment vehicle of indefinite duration whose Shares are intended to be sold monthly on a continuous basis at a transaction price generally equal to our prior month's NAV per Share.

As a perpetual-life REIT we are not required, by our charter or otherwise, to pursue a sale of our assets, a listing of the Shares on a securities exchange or any other event that provides liquidity to our stockholders by any date certain or at all.

We believe our structure as a perpetual-life REIT allows us to acquire and manage our investment portfolio in a more active and flexible manner. We expect the structure to be beneficial to our stockholders, as we are not limited by a pre-determined operational period and the need to provide a "liquidity event" at the end of that period.

The Offering

We are offering an unlimited number of Shares in a continuous private offering; *provided, however*, that we may terminate this offering at any time. The purchase price per Share will vary and will equal our NAV per Share for the most recently completed

calendar month, which we refer to as the transaction price. We may offer Shares at a transaction price that we believe reflects the NAV per Share more appropriately than the prior month's NAV per Share in cases where we believe there has been a material change (positive or negative) to the NAV per Share since the end of the prior month. The Shares will not be listed on any securities exchange or any other trading market.

As of the date of this Memorandum, we have sold a total of 7,696,068.25 Shares in this offering, including 269,267.65 shares issued pursuant to our DRIP. As of the date of this Memorandum, we have also privately issued an aggregate of 24,897,113.88 Operating Partnership units, primarily to persons who contributed properties to the Operating Partnership in UPREIT transactions.

Minimum Investment

The minimum initial investment in Shares is $100,000 and the minimum subsequent investment in Shares is $500 per transaction, provided that such minimum amounts may be waived by the Managing Dealer. The minimum subsequent investment amounts do not apply to purchases made pursuant to the DRIP.

Investor Suitability

This offering is being conducted in accordance with the exemption from registration under the Securities Act provided by Rule 506(c) of Regulation D promulgated under the Securities Act, which requires us to take reasonable steps to verify each investor's status as an "accredited investor." Accordingly, Shares will be available for purchase only by investors who qualify as an "accredited investor," as that term is defined by Rule 501(a) of Regulation D promulgated under the Securities Act, and meet any other investor suitability standards we may establish. Each investor in Shares will be required to provide to us or to third parties engaged by us or acting on our behalf such additional documentation and financial and other supplemental information as is deemed necessary or appropriate to satisfy the requirements of Rule 506(c) of the Securities Act.

Closings

We expect to continue to hold closings on a monthly basis on the last business day of each month, provided that we may hold closings on different dates in our sole discretion.

Plan of Distribution

The Managing Dealer, a FINRA-registered broker-dealer, acts as the managing broker-dealer for this offering pursuant to a Managing Dealer Agreement between us and the Managing Dealer (the "Managing Dealer Agreement"). Pursuant to the Managing Dealer Agreement, the Managing Dealer will identify and engage third party registered investment advisers and broker-dealers to make the Shares available to their clients ("Participating Advisers" and "Broker-Dealer Members", respectively).

This offering is conducted on a "best efforts" basis, meaning that the Managing Dealer is only required to use its best efforts to sell the Shares, and no underwriter, broker-dealer, Participating Adviser or Broker-Dealer Member or other person has any firm commitment or obligation to purchase any Shares.

Broker Dealer Fees

The Company will pay the Managing Dealer a managing dealer fee ("Managing Dealer Fee") in an amount equal to up to 0.75% of the aggregate gross purchase price of the Shares sold in this offering; *provided, however*, that no Managing Dealer Fee will be paid in connection with Shares issued pursuant to the DRIP or purchased by Bonaventure or its affiliates or certain other investors designated by the Adviser. As applicable, the Company will also pay the Managing Dealer a due diligence reallowance fee of up to 1.5% ("Due Diligence Fee") and a wholesaling fee of up to 1.0% ("Wholesaling Fee") of the aggregate gross purchase price of the Shares sold in this offering, which the Managing Dealer may reallow to Broker-Dealer Members. The Managing Dealer Fee, the Due Diligence Fee, and the Wholesaling Fee (collectively,

the "Offering Fees") will be an operating expense of our company. The Adviser or an affiliate may agree to refund certain investors for all or a portion of the Offering Fees paid in connection with such investors' purchase of Shares. Any such refund payments will not be a cost of our company.

For additional information, see "Plan of Distribution."

Distributions

We intend to declare distributions as authorized by our board of directors (or a committee of the board of directors) and intend to pay such distributions on a monthly basis. Our distribution policy is set by our board of directors and is subject to change. We cannot guarantee the amount of distributions paid, if any.

For additional information, see "Description of Capital Stock—Distribution Policy."

Distribution Reinvestment Plan

We have adopted the DRIP, whereby stockholders and holders of Operating Partnership units will have the cash distributions otherwise payable to them by us or the Operating Partnership, as applicable, automatically reinvested in additional Shares unless they elect to receive such distributions in cash. Any cash distributions attributable to the Shares or Operating Partnership units owned by participants in the DRIP will be immediately reinvested in additional Shares on behalf of the participants on the business day such distributions would have been paid to such stockholders or holders of Operating Partnership units. The per Share purchase price for Shares purchased pursuant to the DRIP will be equal to (i) the transaction price at the time the distribution is payable (such option being referred to herein as the "Standard DRIP"), or (ii) a 5% discount to the transaction price at the time the distribution is payable, if the stockholder elects to participate in the Enhanced DRIP. The "Enhanced DRIP" provides the aforementioned discount but requires that if the investor redeems or elects to have such Shares repurchased prior to 5 years from the date of the issuance of such Shares, then such Shares shall be subject to an early redemption penalty as follows:

- 5% of the value of such Shares if such Shares were held for less than 1 year after the date of issuance;
- 4% of the value of such Shares if such Shares were held for at least 1 year but less than 2 years after the date of issuance;
- 3% of the value of such Shares if such Shares were held for at least 2 years but less than 3 years after the date of issuance;
- 2% of the value of such Shares if such Shares were held for at least 3 years but less than 4 years after the date of issuance; and
- 1% of the value of such Shares if such Shares were held for at least 4 years but less than 5 years after the date of issuance (together, the "Enhanced DRIP Early Termination Penalty").

Our board of directors may amend, suspend or terminate the DRIP for any reason at any time.

For additional information, see "Description of Capital Stock—Distribution Reinvestment Plan."

Fees Payable to Adviser

Pursuant to the Advisory Agreement, we will pay the Adviser the following fees.

Management Fee.

We will pay the Adviser a monthly management fee (the "Management Fee") in an amount equal to one-twelfth (1/12) of 1.5% of our NAV for the applicable month. The Management Fee may be paid, at the Adviser's election, in either (i) cash or (ii) Shares or Operating Partnership units with an aggregate NAV amount equivalent to the cash fee otherwise payable. See "Management – Fees to the Adviser –

Management Fee" below.

Acquisition Fees

We will pay the Adviser a fee equal to 1.0% of the gross purchase price, inclusive of associated acquisition expenses and the amount of any debt assumed by us or the Operating Partnership in connection with the acquisition, for each investment we acquire (including investments contributed to the Operating Partnership in exchange for Operating Partnership units) (the "Acquisition Fee"). No Acquisition Fee will be paid with respect to investments acquired from Bonaventure or its affiliates.

Disposition Fees

We will pay the Adviser a fee equal to 1.0% of the sales price of each investment sold or otherwise disposed of, including sales of one or more investments in portfolios (the "Disposition Fee").

For additional information, see "Management—The Adviser and the Advisory Agreement."

Property Management Services

We expect to enter into property management agreements with Bonaventure Property Management Services LLC, a wholly-owned subsidiary of Bonaventure and a full-service multifamily property manager (the "Property Manager"), with respect to the management and leasing of certain of our multifamily properties. Pursuant to the property management agreement with respect to each property managed by the Property Manager, we will pay the Property Manager a management fee at or below the percentage of gross revenues of the property that is usual and customary for comparable property management services rendered to similar properties in the same geographic market. To a lesser extent, we may also engage experienced third-party property managers, particularly with respect to properties located in markets where the Property Manager does not have a pre-existing market presence. We will pay such third-party property managers customary management fees at or below market rates.

Other Services

We have, and in the future may continue to, retain third parties, including certain of the Adviser's affiliates, from time to time for services relating to our investments or operations (in addition to the property management services discussed above), which may include accounting and audit services, account management services, data management services, information technology services, finance/budget services, human resources, legal services, operational services, risk management services, tax services, treasury services, loan management services, construction management services, transaction support services, consulting services, architectural services, development management services, insurance services, and other similar operational matters. Any fees or other compensation we pay in connection with such arrangements will be at or below market rates.

Special Limited Partner's Performance Participation Allocation

The Special Limited Partner holds a performance participation interest in the Operating Partnership (the "Performance Participation Allocation") that entitles it to receive, for so long as the Advisory Agreement remains in effect, an allocation from our Operating Partnership equal to 20% of the Total Return, subject to an 8% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined herein). Such allocation is made annually and accrues monthly.

For additional information, see "Summary of Our Operating Partnership Agreement—Special Limited Partner Interest."

Adviser Expenses	The Adviser will be responsible for, and will receive no reimbursement from us or the Operating Partnership with respect to, any expenses related to any personnel of the Adviser or its affiliates who provide investment advisory services to us or the Operating Partnership pursuant to the Advisory Agreement (including each of our officers and directors who are also directors, officers or employees of the Adviser or any of its affiliates), including, without limitation, salaries, bonuses and other wages, payroll taxes and the cost of employee benefit plans and insurance with respect to such personnel.
Organizational and Offering Expenses	The Adviser has agreed to pay on our behalf any and all costs and expenses in connection with the formation of our company, the Operating Partnership or any of our respective subsidiaries, and the offer and sale of the Shares, including, without limitation, legal, accounting, printing, mailing, filing fees, and other costs and expenses ("Organization and Offering Expenses"). We will reimburse the Adviser for such Organization and Offering Expenses incurred by the Adviser on our behalf; *provided, however*, that the aggregate Organization and Offering Expenses reimbursed by us to the Adviser will not at any time exceed an amount equal to 1.5% of the gross offering proceeds from the sale of Shares in this offering (measured as of the date of each reimbursement of Organization and Offering Expenses). The Adviser may elect to receive reimbursement of Organization and Offering Expenses in cash or in Shares with an equivalent value. The Adviser may, in its sole discretion, defer or waive reimbursement of all or any portion of any Organization and Offering Expenses incurred by the Adviser on our behalf.
Operating Expenses	We will reimburse the Adviser or its affiliates for all operating costs and expenses incurred by the Adviser or its affiliates on behalf of us or the Operating Partnership, including, without limitation, acquisition expenses, expenses associated with managing, developing, operating and selling our investments, fees paid to attorneys, consultants, technology providers and other services providers and salaries and other personnel-related expenses (excluding any expenses of the Adviser as discussed in "Adviser Expenses" above).
Share Repurchase Plan	We have adopted our SRP, whereby our stockholders are able to request that we repurchase all or a portion of their Shares on a quarterly basis. Shares will not be eligible for repurchase until the stockholder requesting the repurchase has held such Shares for at least 12 months, provided that such minimum holding period requirement will not apply in the case of shares issued pursuant to the DRIP (although Shares under the Enhanced DRIP will be subject to the Enhanced DRIP Early Termination Penalty) and repurchase requests resulting from the death of a stockholder. In addition, stockholders who receive Shares in exchange for redeemed Operating Partnership units will be allowed to include the time period that such Operating Partnership units were previously held for purposes of the 12-month minimum holding period. We will repurchase Shares pursuant to our SRP at a repurchase price equal to the current transaction price on the repurchase date (which will generally be equal to our NAV per Share as of the last day of the month immediately preceding the repurchase date). We are not obligated to repurchase any Shares and may choose to repurchase only some, or none, of the Shares that have been requested to be repurchased in any quarter in our discretion. In addition, the aggregate repurchases of Shares pursuant to our SRP will be limited to no more than 5.0% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV attributable to stockholders as of the end of the immediately preceding three months). Our board of directors may make exceptions to modify, suspend or terminate our SRP if it deems such action to be in the best interest of our company and our stockholders. As of the date hereof we have repurchased 2,225,630.2 Shares pursuant to our SRP for

an aggregate repurchase price of $41,254,422.45

For additional information, see "Share Repurchases."

NAV Calculation

The Adviser is responsible for calculating our NAV in accordance with the valuation guidelines adopted by our board of directors. The Adviser calculates our NAV per Share as of the last calendar day of each month by dividing our NAV at the end of each month by the number of Shares outstanding at the end of such month. The NAV calculation will generally be available within 15 calendar days after the end of the applicable month. We began calculating our monthly NAV following the initial closing in this offering.

Our NAV is based on the net asset values of our investments, the addition of any other assets (such as cash on hand), and the deduction of any liabilities. RERC, LLC, an independent valuation firm, has been selected by the Adviser and approved by our board of directors to serve as our independent valuation advisor. Our independent valuation adviser prepares the annual appraisals of our properties that the Adviser considers when calculating our NAV.

For additional information, see "Net Asset Value Calculation and Valuation Guidelines."

Credit Facilities

Fannie Mae Master Credit Facility

On October 29, 2021, the wholly-owned subsidiaries of our Operating Partnership that own certain of our multifamily properties (collectively, the "Borrowers") entered into a Master Credit Facility with KeyBank National Association ("KeyBank"). As of June 30, 2024, there was $120.7 million in aggregate principal amount of loans outstanding under the Master Credit Facility. Future advances may be made under the Master Credit Facility, subject to the terms thereof.

The current advances under the Master Credit Facility mature in 2031 or 2033 and bear interest at an average rate per annum of 3.39%. Each advance made under the Master Credit Facility is secured by a security interest in each of the Borrowers' properties, and each such advance is cross-defaulted and cross-collateralized. The Borrower's obligations under the Master Credit Facility are guaranteed by our Operating Partnership.

Revolving Facility

On November 22, 2023, we amended our $35 million secured revolving credit agreement with KeyBank (the "Revolving Facility") which was originally entered into on September 29, 2022. BankUnited has agreed to become an additional lender and we increased the Revolving Facility from $35 million facility amount to $70 million. We believe that the facility increase will further allow us to manage our debt from a portfolio perspective by decoupling the debt from our assets and providing additional access to liquidity. Availability under the Revolving Facility is based on satisfying various covenants, including a minimum fixed charge coverage ratio, a minimum debt yield and a maximum loan to value ratio. Borrowings under the Revolving Facility bear interest at SOFR plus 325 basis points. We may use the Revolving Facility to fund property acquisitions and for general corporate purposes. As of June 30, 2024, we had approximately $16.25 million utilized under the facility.

The Adviser believes that the Master Credit Facility and Revolving Facility will continue to allow us to manage our debt from a portfolio perspective by decoupling the debt from our assets, which allows us to retain debt placed in low interest rate environments beyond the property's life cycle and drive value for our investors.

Reports to Stockholders; Financial Information

We will provide stockholders with:

- confirmation statements (after transactions affecting your Share ownership, except reinvestment of distributions in Shares);
- a quarterly statement providing material information regarding each stockholder's participation in the DRIP and an annual statement providing tax information with respect to income earned on Shares under the DRIP for the calendar year;
- in the case of certain U.S. stockholders, an annual Internal Revenue Service ("IRS") Form 1099-DIV or IRS Form 1099-B, if required, and, in the case of non-U.S. stockholders, an annual IRS Form 1042-S; and
- an annual report (including audited consolidated financial statements of our company as of the previously completed fiscal year prepared in accordance with GAAP), within 120 days after the end of each fiscal year or as soon as practicable thereafter.

Depending on legal requirements, we may post the foregoing information on our password-protected investor relations website, www.bonaventure.com, or provide this information to our stockholders via U.S. mail or other courier, electronic delivery, or some combination of the foregoing.

Our monthly NAV per Share will be posted on our password-protected website promptly after it has become available.

Our audited consolidated financial statements as of and for the period ended December 31, 2023 are attached hereto as Appendix C.

Tax Considerations

We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our taxable year ending December 31, 2021. Furthermore, we intend to operate in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code so long as our board of directors determines that REIT qualification remains in our best interest.

The tax consequences to any particular stockholder of holding Shares will depend on the stockholder's particular tax circumstances. **You are urged to consult your own tax advisors concerning the U.S. federal income tax consequences in light of your particular situation as well as consequences arising under the laws of any other taxing jurisdiction.**

For additional information, see "U.S. Federal Income Tax Considerations."

Additional Regulatory Considerations	We intend to engage primarily in the business of investing in real estate and to conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). For additional information, see "Certain Regulatory Considerations—Investment Company Act of 1940." The section of this Memorandum titled "Certain ERISA Considerations" describes the effect that the purchase of Shares will have on individual retirement accounts ("IRAs") and retirement plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code. ERISA is a federal law that regulates the operation of certain tax-advantaged retirement plans. Any retirement plan trustee or individual considering purchasing shares for a retirement plan or an IRA should consider, at a minimum: (1) whether the investment is in accordance with the documents and instruments governing the IRA, plan or other account; (2) whether the investment satisfies the fiduciary requirements associated with the IRA, plan or other account; (3) whether the investment will generate unrelated business taxable income to the IRA, plan or other account; (4) whether there is sufficient liquidity for that investment under the IRA, plan or other account; (5) the need to value the assets of the IRA, plan or other account annually or more frequently; and (6) whether the investment would constitute a non-exempt prohibited transaction under applicable law. For additional information, see "Certain ERISA Considerations."
Risk Factors	AN INVESTMENT IN OUR SHARES INVOLVES A HIGH DEGREE OF RISK. There can be no assurance that our investment objectives will be achieved. For additional information, see "Risk Factors."
Auditors	We have engaged Withum Smith + Brown PC to act as our independent auditors and prepare our annual audited financial statements.

INVESTMENT STRATEGY AND PROCESS

INVESTMENT OBJECTIVES

Our primary investment objectives are to:

- preserve and protect invested capital;
- provide long-term, tax-efficient, compounding returns;
- provide attractive current income in the form of regular, stable cash distributions;
- realize appreciation in NAV from proactive investment management and asset management; and
- provide an investment alternative for investors seeking to allocate a portion of their long-term investment portfolios to commercial real estate with lower volatility than public real estate companies.

We cannot assure you that we will achieve our investment objectives. See "Risk Factors."

INVESTMENT STRATEGY

Overview

We are an actively managed perpetual life direct real estate vehicle focused on generating long-term, tax-efficient, compounding returns. We target excess returns within the multifamily real estate space by leveraging the mega trends of population migration to the Mid-Atlantic and Southeast and the shortage of quality housing in the places such migrants want to live. We constantly identify, refine, and deploy tactics to make those mega trends investable.

We intend to acquire and actively manage a diversified portfolio of multifamily apartment communities located primarily in secondary and tertiary markets in the Mid-Atlantic and Southeast regions of the United States. We will focus on investments in core plus, stabilized multifamily properties, however we may also selectively invest in value-add properties. Our investments in these properties may take the form of common equity, preferred equity, or mezzanine debt in order to maximize our risk adjusted returns. To a lesser extent, we will also invest in securities of other multifamily real estate companies in order to provide current income and a source of liquidity for our SRP, cash management and other purposes. At all times, we intend to make investments in a manner consistent with maintaining our qualification as a REIT for U.S. federal income tax purposes.

We consider a "core plus" property to be a property at which cash flows can be increased through relatively minor property enhancements, improved management efficiencies or changes to tenant quality. Core plus properties tend to be high-quality with low vacancy rates and associated with a low to moderate investment risk profile. "Stabilized" properties generally have already completed the initial lease-up period and have reached occupancy levels that are reasonably expected to continue into the future with proper marketing, management and maintenance. In terms of risk, stabilized properties tend to present lower volatility in their cash flows and also tend to be more liquid than value-add properties. A "value-add property" is a property that offers opportunities to increase the property's cash flows and value through significant renovations, rebranding or improved operational efficiencies (*e.g.*, changes to the management team).

Investment Tactics

The Adviser believes that our active management and tax-conscious design differentiates us from competitors and may enhance risk-adjusted returns to stockholders. We take a solutions-oriented approach to structuring transactions that meet the needs of the broader market. These investment tactics include:

UPREIT Acquisitions. To date, nearly all of our properties were acquired via "UPREIT transactions" in which the former owners of the properties (or the legal entities which owned the properties) contributed their ownership interests

in such properties to the Operating Partnership in exchange for the issuance of Operating Partnership units to the contributors (and, in certain instances, the payment of cash consideration). We expect to continue to execute UPREIT transactions, consistent with our solutions-oriented approach. An UPREIT transaction, also known as a "721 Exchange" per the Internal Revenue Code, can be a tax-deferred alternative to a 1031 Exchange, which can be an attractive solution for property owners looking to dispose of an asset while deferring their capital gains tax on appreciated real estate. We take a relationship focused approach to structuring deals which are accretive for our stockholders. As a result of our focus to date on UPREIT transactions as a means of acquiring properties, we currently own a minority stake in the Operating Partnership.

Mezzanine Debt and Preferred Equity Investments. We may invest in higher priority portions of a property's capital stack by investing in the form of mezzanine debt or preferred equity when there is a need in the market. The Adviser believes such investments represent an opportunity to invest in core plus properties with a more protected capital stack position and fixed rate of return, which may provide superior returns to common equity positions in certain market conditions.

Strategic Financing. We will pursue long-term financing through assumable debt and/or new loan originations where we can generate a significant spread between our fixed interest rate and capitalization rate. We may acquire properties that have long-term, low interest rate, assumable loans in certain volatile or higher interest rate environments. In other situations, we may pursue new loan originations, always acting with our long-term objective in mind.

Value-Add Acquisitions. We may also seek out value-add investments through the acquisition of multifamily communities that are distressed due to operational inefficiencies or that are in need repositioning or recapitalization. We do this with a focus on creating value through the acquisition of undermanaged or undercapitalized assets that we can stabilize and refurbish, implementing value-add asset management plans to maximize value.

Potential Competitive Strengths

We believe our greatest competitive strength is our affiliation with Bonaventure. Our long-term success in executing our investment strategy will be supported by Bonaventure's competitive strengths, which include those set forth below.

Extensive Market and Asset Knowledge. Bonaventure has an extensive track record of successfully investing in and managing multifamily properties. As of June 30, 2024, Bonaventure owns, manages or is developing multifamily assets with an aggregate value of approximately $2.33 billion and comprised of over 8,961 multifamily units. Since its formation, Bonaventure has completed over $3.35 billion in transactions. Bonaventure's existing portfolio provides the Adviser with valuable real-time market data that we expect will enable the Adviser to identify and act on relevant market conditions and trends.

The Bonaventure Approach to Investing. Bonaventure's investment philosophy is built for the long-term. It selectively identifies attractive, geographically diverse markets, and then seeks to acquire multiple assets within those markets to create operating efficiencies and capitalize on underperforming assets, value-add opportunities, and overlooked market trends. The following reflects Bonaventure's approach to investing:

- Bonaventure has built a portfolio of investments in attractive markets that demonstrate strong growth potential, are unlikely to be mass marketed, and appeal to highly sophisticated investors.

- While avoiding short-term trends, Bonaventure focuses on opportunities where it can leverage the Bonaventure platform and create repeatable processes that generate positive long-term outcomes.

- Bonaventure looks for value that is overlooked, misunderstood, or mispriced by others and then works to unlock the hidden value.

- Bonaventure works to minimize downside risk, and we will generally favor investments with slightly lower returns and reduced downside risk over investments with higher returns but without downside protection.

A Continuing Commitment to Multifamily. The Bonaventure team continues to view multifamily apartment communities as relatively low risk assets because they fulfill a basic human need, the income they generate is diversified across numerous individual tenants, and they permit a long-term asset to be paired with favorable debt that may include long-term, fixed-rate, non-recourse financing through Government-Sponsored Enterprises ("GSEs") like Fannie Mae, Freddie Mac and United States Department of Housing and Urban Development ("HUD").

A Continuing Commitment to Investors. Because Bonaventure evolved out of a family office, it remains investor centric, continues to evaluate investment opportunities from an investor perspective and focuses on long-term investment objectives. The Adviser believes that our stockholders will benefit from the investment strategies Bonaventure has developed and used to create wealth for its own account for over two decades.

The Bonaventure Culture. Bonaventure's culture is built and empowered by our Core Values. Bonaventure's tagline "We Create Assets®" is two-fold. Bonaventure creates assets from the ground-up, but our people are also our greatest asset. Bonaventure seeks to build enduring value for its investors through its ingenuity. Bonaventure believes that investing in the right people, processes and platforms promotes operational excellence, innovative solutions, efficiencies, improved productivity and enhanced investment returns.

Investment Guidelines and Portfolio Allocations

Our board of directors has adopted investment guidelines which set forth, among other things, guidelines for investing in our targeted types of multifamily properties and certain investment policies which we describe in more detail below. Our board of directors will review the investment guidelines on an annual basis or more frequently as it deems appropriate. Changes to our investment guidelines must be approved by our board of directors, including from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors. Our board of directors may revise our investment guidelines without the consent or approval of our stockholders.

Our investment guidelines delegate to the Adviser authority to execute acquisitions and dispositions, in each case so long as such acquisitions and dispositions are consistent with the investment guidelines adopted by our board of directors. Our board of directors will at all times have oversight over our investments and may change from time to time the scope of authority delegated to the Adviser with respect to acquisitions and dispositions.

Pursuant to the Investment Guidelines, the Adviser may not execute any acquisition of any property or group of related properties requiring a net investment (including anticipated financing, which may not be in place at the time of acquisition) at the time of acquisition that is in excess of the greater of (i) $100 million or (ii) if our NAV exceeds $1 billion, 10% of total NAV at the time of acquisition, without the prior approval of a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors.

Over time we will seek to invest:

- At least 80% of our assets in multifamily properties; and
- up to 20% of our assets in real estate-related securities, cash, cash equivalents and other short-term investments.

Notwithstanding the foregoing, the actual percentage of our portfolio that is invested in each investment type may from time to time differ significantly from the allocation targets set forth above due to various factors, including without limitation, large inflows of capital over a short period of time, the Adviser's assessment of the relative attractiveness of available investment opportunities or an increase in anticipated cash requirements or Share repurchase requests. We may not expect to be able to achieve the allocation targets set forth above until we have raised substantial proceeds in this offering and acquired a broad portfolio of our target investments in multifamily properties. In addition, our allocation targets will in all cases be subject to any limitations or requirements relating to our intention to be treated as a REIT for U.S. federal income tax purposes. Certain investments, such as preferred equity investments, could be characterized by us for purposes of our allocation targets as either real estate or real estate debt depending on the terms and characteristics of such investments.

Risk Management

The Adviser believes that evaluating investment returns is only one aspect of an overall investment strategy, and that the corresponding risks presented by each investment must also be evaluated. The Adviser intends to systematically identify and measure risk and will actively manage risk by focusing on both macro and micro risks across our entire portfolio. The Adviser intends to further mitigate risk by investing with a long-term investment horizon and primarily utilizing fixed rate non-recourse debt. The Adviser will generally give investments with slightly lower returns and reduced downside risk preference over investments with higher returns but without downside protection. Finally, the Adviser will stress test target investments to determine their ability to withstand adverse market movements.

INVESTMENT SELECTION

Geographic Focus and Market Identification

Although we may acquire properties meeting our investment objectives located anywhere within the United States, we intend to focus on investment opportunities in secondary and tertiary markets in the Mid-Atlantic and Southeast regions of the United States. Although there is no universally accepted definition for such terms, the Adviser considers "secondary" markets to be mid-sized markets with a population of at least 1,000,000 and "tertiary" markets to be smaller metropolitan areas that are not large enough to be secondary markets.

We intend to focus on the Mid-Atlantic region of the United States because of its proximity to Washington D.C., where the Federal government infrastructure and jobs are a significant part of the economy and provide support for stabilized rent premiums. In addition, the Mid-Atlantic region has seamless access to Interstate 95, the predominant highway connecting the Northeast and Southeast regions of the United States.

We intend to focus on the Southeast region of the United States because of the population growth that the Southeast region is currently experiencing. U.S. citizens are migrating in significant numbers from the Northeast and Western regions of the United States to the Southeast due to the lower population density and cost of living in the Southeast. According to U.S. Census Bureau data, from a regional population growth perspective, the South led the way in 2021 with year-over-year growth of 0.65%, followed by the West (0.05%), the Midwest (-0.14%), and the Northeast (-0.64%). Furthermore, a decade-to-decade analysis from the U.S. Census Bureau (May 2022) recognized that 7 of the 15 fastest growing cities in the United States are located in the Southeast region.

To identify target markets and submarkets, the Adviser will implement a rigorous evaluation process using data extracted from Bonaventure's research platforms. The Adviser will analyze, based upon both historical trends and forward-looking forecasts, numerous key market indicators at a macro and micro level, including rent, employment, income growth, vacancy rates, sales activity, inventory of units, competitive pipeline product and absorption of pipeline supply. The Adviser intends to target markets with consistently strong historical and projected employment growth, rent growth, high absorption rates for new supply, high barriers to entry, minimal new supply planned or under construction and opportunities to buy assets below replacement cost. In order to mitigate risks associated with population declines, the Adviser will seek to identify local economies with stable employment sectors such as healthcare, government, and education. The Adviser will consult with market analysts, local real estate experts, and government officials in each target market to ensure that it fully understands the economic activity and political climate toward multifamily apartment communities where the potential investment is located.

Sourcing of Investments

As a result of its over 20-year track record in the multifamily industry, Bonaventure has deep market knowledge and relationships that give it access to off-market investment opportunities. As a result, the Adviser's acquisitions and business development teams will be able to source investment opportunities through proprietary deal flow in addition to both private and public offerings.

Due Diligence Process

The Adviser will perform a comprehensive due diligence review on each investment opportunity that it proposes to pursue on our behalf. The Adviser has developed a comprehensive process that typically consists of three primary types of due diligence:

- **Physical Due Diligence**. The Adviser's extensive experience in ground-up construction, architectural design, renovations, and value-add projects gives it a competitive advantage when evaluating investment opportunities. Immediately upon execution of a letter of intent with respect to a potential acquisition, the Adviser's acquisition team will request work proposals from environmental, property condition, termite, and survey consultants to eliminate time delays during the inspection period. Upon execution of a legally binding site control agreement, senior members of the Adviser's acquisition, asset management and property management teams, in addition to the third-party consultants, will visit the target property to inspect units and common areas, gain an understanding of systems and operations and inspect interior and exterior conditions. Before visiting the property, the acquisitions team will inquire about systems, perform an accounting audit of the property's income statement and general ledger and request invoices for all existing contracts, capital expenditures, unusual expenses, or any payments in excess of the Adviser's internal thresholds. Such measures mitigate uncertainty regarding operational activities and alert the Adviser to any historical or frequent physical condition issues that may need to be evaluated in person by the Adviser and third-party consultants. Once the target property's physical conditions have been evaluated and all applicable third-party reports have been received, the Adviser's architecture and construction teams will analyze potential solutions to any material issues that have been identified and firm contractor quotes for performing any required work on the property will be obtained. Any associated costs or issues are immediately communicated across all teams through the Adviser's project management platform, accounted for in the financial analysis, and depending on the severity, may result in a renegotiation or credit to the purchase price.

- **Financial Due Diligence**. The Adviser will implement a standardized financial due diligence process for evaluating any potential investment opportunity. As part of the financial due diligence process, the Adviser's proprietary financial underwriting template will be used to evaluate the attractiveness of each potential transaction. Prior to executing a letter of intent with respect to a potential acquisition, the Adviser will prepare detailed financial projections based on the target property's historical operating performance, competitor research, proprietary portfolio operating data, and internal consultation. The historical financials of each target property are carefully scrutinized, and extensive questions will be asked of the seller, in order to mitigate the risk that time and resources are devoted to assets that do not meet our investment objectives. The extensive relationships of the Adviser's debt team with banks and other lenders will be used to accurately forecast debt assumptions based on current market conditions, and the Adviser's financial analysis will be submitted to potential lenders for debt sizing and quotes. The Adviser has a strict interest rate policy it applies across the entire acquisition pipeline and debt quotes are updated frequently to ensure that the underwriting reflects real time debt pricing and projected returns are not overstated. Once a legally binding site control agreement is signed, the Adviser will perform a lease audit in order to identify opportunities to improve the target property's operational and financial performance.

- **Legal and Tax Due Diligence.** The Adviser will work closely with outside counsel through the initial site control negotiations, due diligence, loan and closing processes, to review, diligence and negotiate all applicable legal documents pertaining to each investment (*e.g.*, loan documents, management agreements and purchase contracts). The Adviser will also conduct extensive background checks on counterparties and prospective partners. The Adviser also works with tax advisors to structure investments in a tax efficient manner.

PROPERTY MANAGEMENT

We have, and expect to continue to, enter into property management agreements with the Property Manager for the management and leasing of certain of our multifamily properties. Pursuant to the property management agreement with respect to each property managed by the Property Manager, we will pay the Property Manager a management fee at or below the percentage of gross revenues of the property that is usual and customary for comparable property management services rendered to similar properties in the same geographic market. To a lesser extent, we may also

engage experienced third-party property managers, particularly with respect to properties located in markets where the Property Manager does not have a pre-existing market presence. We will pay such third-party property managers customary management fees at or below market rates.

FORM OF OWNERSHIP

The Operating Partnership or one or more subsidiary entities controlled by the Operating Partnership will acquire properties on our behalf. In many cases, we will acquire the entire equity ownership interest in properties and exercise control over such properties. However, as discussed below, we may also enter into joint ventures, general partnerships, co-tenancies and other participation arrangements with other investors, including affiliates of Bonaventure, to acquire properties. We generally will acquire fee simple interests for the properties (in which we own both the land and the building improvements), but we may invest in leased fee and leasehold interests if we believe the investment is consistent with our investment strategy and objectives.

Joint Ventures and Other Co-Ownership Arrangements

We may enter into joint ventures, partnerships, tenant-in-common investments or other co-ownership arrangements with entities affiliated with the Adviser as well as third parties for the acquisition or improvement of properties. In some cases, we may not control the management of the affairs of the joint venture. In determining whether to invest in a particular joint venture, the Adviser will evaluate the real property that such joint venture owns or is being formed to own under the same criteria described herein for our selection of investments in properties.

The terms of any particular joint venture will be established on a case-by-case basis considering all relevant facts, including the nature and attributes of the potential joint venture partner, the proposed structure of the joint venture, the nature of the operations, the liabilities and assets associated with the proposed joint venture and the size of our interest in the venture. Other factors we will consider include our ability to manage and control the joint venture, our ability to exit the joint venture and our ability to control transfers of interests held by other partners to the venture. Our interests may not be totally aligned with those of our partner.

In the event the joint venture partner elects to sell property held in any such joint venture, we may not have sufficient funds to exercise any right of first refusal or other purchase right that we may have. Entering into joint ventures with affiliates of the Adviser will result in certain conflicts of interest.

Lease Terms

Tenants of each of our apartment communities will execute a lease agreement with us. Such leases will typically follow standard forms produced by the National Apartment Association or by the state apartment association where the apartment community is located. Under such leases, tenants will be responsible for paying monthly rental charges and, depending on the credit risk associated with the resident, may be required to pay an initial security deposit. We will be responsible for all real estate taxes, special assessments (if applicable), community-level utilities, insurance on the building improvements, building repairs, and other building operation and management costs. Individual tenants generally will be responsible for the utility costs of their apartment home and for insuring their personal possessions.

We anticipate that the leases we enter into will be for a term of one year or less. These terms provide us with maximum flexibility to implement rental increases when the market will bear such increases and may provide us with a hedge against inflation.

DISPOSITION POLICIES

Our investment strategy is not reliant on prompt sale of the properties we acquire, and our strategy is generally to buy and hold properties for at least ten years. However, we may opportunistically exit an investment before the end of its anticipated hold period. One of the Adviser's primary considerations in evaluating any potential investment opportunity is the likely exit strategy. When determining whether to sell or otherwise dispose of a particular asset, the factors considered by the Adviser will include:

- Opportunities to enhance our overall investment returns by reallocating capital;

- Diversification benefits associated with disposing of the asset and rebalancing our portfolio;
- Underperforming assets or assets with declining value;
- Opportunities to pursue an asset that is more consistent with our investment strategy;
- Assets acquired as part of a portfolio acquisition that do not meet our investment objectives;
- The need to liquidate assets in order to satisfy repurchase requests, pay distributions, or for working capital; and
- Any other factor deemed relevant in the judgment of the Adviser.

The Adviser believes that holding our target properties for an extended period of time will enable us to execute our business plan, generate favorable cash-on-cash returns and drive long-term cash flow and NAV growth.

Generally, we will reinvest proceeds from the sale, financing or disposition of properties in a manner consistent with our investment strategy, although we may be required to distribute such proceeds to the stockholders in order to comply with REIT requirements.

INVESTMENTS IN SECURITIES

Overview

Our investments in securities will focus on debt secured by multifamily properties and securities of other companies that own or invest in multifamily properties, including, but not limited to, mortgage loans, mezzanine and other forms of debt and equity securities of REITs and other real estate-related companies. We expect that for any investment in such real estate related assets, the underlying real estate will generally meet our criteria for direct investment.

Real Estate-Related Debt

We may invest in loans, which may include commercial mortgage loans, bank loans, mezzanine loans and other interests secured by or relating to multifamily real estate. Commercial mortgage loans secured by multifamily properties are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower.

Mezzanine loans that we invest in may take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning the real property or an entity that owns (directly or indirectly) the interest in the entity owning the real property. We may selectively make mezzanine loans to entities sponsored or managed by Bonaventure or its affiliates in order to fund the development of multifamily properties by such entities ("Bonaventure Development Funds"). The terms and conditions of each mezzanine loan to a Bonaventure Development Fund will be negotiated by the Adviser on a case-by-case basis, Any loans we make to Bonaventure Development Funds must be approved by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, as being fair and reasonable to us. Our investments in mezzanine loans, including any mezzanine loans we make to Bonaventure Development Funds, may involve a higher degree of risk than mortgage lending because the investment may become unsecured as a result of foreclosure by the senior lender.

Equity Securities

We may invest in equity securities of REITs and other real estate-related companies that invest in multifamily properties, including common stock and preferred equity securities. These investments will be subject to the risks of the real estate market and securities market. Investing in certain REITs and real estate-related companies, which often have small market capitalizations, may involve the same risks as investing in other small capitalization companies.

REITs and real estate-related companies may have limited financial resources and their securities may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

Cash, Cash Equivalents and Other Short-Term Investments

To a limited extent, we intend to hold cash, cash equivalents and other short-term investments. These types of investments may include the following, to the extent consistent with our intended qualification as a REIT:

- money market instruments, cash and other cash equivalents (such as high-quality short-term debt instruments, including commercial paper, certificates of deposit, bankers' acceptances, repurchase agreements, interest-bearing time deposits and credit rated corporate debt securities);

- U.S. government or government agency securities; and

- Credit-rated corporate debt or asset-backed securities of U.S. or foreign entities, or credit-rated debt securities of foreign governments or multi-national organizations, and bank loans.

LEVERAGE POLICIES

General; Leverage Ratio

We intend to use financial leverage to provide additional funds to support our investment activities. The Adviser believes that the prudent use of leverage will allow us to make more investments than would otherwise be possible, resulting in a larger and more diversified investment portfolio.

We will seek to obtain both secured and unsecured debt. Secured debt may include long-term, fixed-rate, non-recourse financing through GSEs like Fannie Mae, Freddie Mac and HUD. We will seek to blend interest-only and amortizing debt in order to balance cash distributions with long-term appreciation. We intend to stagger loan maturities across assets in order to manage downside risk. We may obtain a line of credit or other financing that will be secured by one or more of our investments. The proceeds from any line of credit or financing may be used to bridge the acquisition of, or to acquire, multifamily properties or make other investments. As discussed below, Bonaventure has agreed to provide us with an unsecured revolving line of credit.

Our target leverage ratio is approximately 65% to 75%. As used herein, "leverage ratio" is measured by dividing (x) the sum of our consolidated property-level debt, entity-level debt, net of cash and restricted cash, by (y) the asset value of our real estate investments and equity in our real estate-related securities portfolio (in each case measured using the greater of fair market value and cost), including our net investment in unconsolidated investments. The leverage ratio calculation does not include (i) indebtedness incurred in connection with funding a deposit in advance of the closing of an investment, (ii) indebtedness incurred as other working capital advances, (iii) indebtedness on our investments in real estate-related securities, or (iv) the pro rata share of debt within our unconsolidated investments. Further, the refinancing of any amount of existing indebtedness will not be deemed to constitute incurrence of new indebtedness for purposes of the leverage ratio calculation so long as no additional amount of net indebtedness is incurred in connection therewith (excluding the amount of transaction expenses associated with such refinancing). We may exceed the target leverage ratio set forth above. There is no limit on the amount that we may borrow with respect to any individual asset or with respect to our entire portfolio.

Our actual leverage level will be affected by a number of factors, some of which are outside our control. Significant inflows of proceeds from the sale of Shares generally will cause our leverage ratio to decrease at least temporarily. Conversely, significant outflows of equity as a result of repurchases of Shares generally will cause our leverage ratio to increase at least temporarily. Our leverage ratio will also increase or decrease with decreases or increases, respectively, in the value of our portfolio. If we borrow under a line of credit to fund repurchases of Shares or for other purposes, our leverage will increase and may exceed our target leverage ratio. In such cases, our leverage may remain at the higher level until we receive additional net proceeds from our continuous offering or sell some of our assets to repay outstanding indebtedness.

Fannie Mae Master Credit Facility

On October 29, 2021, the Borrowers (wholly-owned subsidiaries of our Operating Partnership that own certain of our multifamily properties) entered into a Master Credit Facility with KeyBank. KeyBank made aggregate advances to the Borrowers under the Master Credit Facility of $84.47 million, the proceeds of which were used to finance the acquisition of the Messenger Place Apartments and to refinance the indebtedness secured by the Magnolia Run property and the Promenade Pointe property. On December 1, 2022, KeyBank made an advance of $36.25 million to finance the acquisition of The Fieldhouse. As of June 30, 2024, there was $120.7 million in aggregate principal amount of loans outstanding under the Master Credit Facility. Future advances may be made under the Master Credit Facility, subject to the terms thereof.

The current advances under the Master Credit Facility mature in 2031 or 2033 and bear interest at an average rate per annum of 3.39%. Each advance made under the Master Credit Facility is secured by a security interest in each of the Borrowers' properties, and each such advance is cross-defaulted and cross-collateralized. The Borrower's obligations under the Master Credit Facility are guaranteed by our Operating Partnership.

Revolving Facility

On November 22, 2023, we amended our $35 million secured revolving credit agreement with KeyBank (the "Revolving Facility") which was originally entered into on September 29, 2022. BankUnited has agreed to become an additional lender and we increased the Revolving Facility from $35 million facility amount to $70 million. We believe that the facility increase will further allow us to manage our debt from a portfolio perspective by decoupling the debt from our assets and providing additional access to liquidity. Availability under the Revolving Facility is based on satisfying various covenants, including a minimum fixed charge coverage ratio, a minimum debt yield and a maximum loan to value ratio. Borrowings under the Revolving Facility bear interest at SOFR plus 325 basis points. We may use the Revolving Facility to fund property acquisitions and for general corporate purposes. As of June 30, 2024, we had approximately $16.25 million utilized under the facility.

The Adviser believes that the Master Credit Facility and the Revolving Facility will continue to allow us to manage our debt from a portfolio perspective by decoupling the debt from our assets, which allows us to retain debt placed in low interest rate environments beyond the property's life cycle and drive value for our investors.

TEMPORARY INVESTMENT STRATEGIES

During periods in which the Adviser determines that economic or market conditions are unfavorable to investors and a defensive investment strategy would be to our benefit, we may temporarily depart from our investment strategy as set forth herein. During these periods, subject to compliance with the Investment Company Act and any other applicable law, we may deviate significantly from our target investment allocations or invest all or any portion of our assets in U.S. government securities, including bills, notes and bonds that are either issued or guaranteed by the U.S. Treasury or by U.S. government agencies or instrumentalities; certificates of deposit issued against funds deposited in a bank or a savings and loan association; commercial paper; bankers' acceptances; fixed time deposits; shares of money market funds; credit-linked notes or any other fixed income securities that the Adviser considers consistent with such a defensive investment strategy. It is impossible to predict when, or for how long, the Adviser will use these alternative strategies. There can be no assurance that such strategies will be successful.

INVESTMENT ALLOCATION POLICIES

Bonaventure or its affiliates may form, sponsor, manage or advise other investment funds, vehicles or programs ("Other Programs"), including Other Programs that may have the same or similar investment objectives as ours. To the extent that we compete for investment opportunities with Other Programs, Bonaventure will have to allocate such investment opportunities to the entity for which such investment opportunities are most suitable. Bonaventure has a standing investment committee (the "Investment Committee") that will meet as necessary to review and allocate investment opportunities among our company and Other Programs. Through the Investment Committee, Bonaventure will allocate investment opportunities on a basis that it believes is fair and reasonable in its sole discretion, subject to the following considerations:

- any applicable investment objectives of ours and such Other Programs (which, for us, includes our primary

objective of providing current income in the form of regular, stable cash distributions);

- the sourcing of the investment;
- the size and nature of the investment;
- the relative amounts of capital available for investment by us and such Other Programs and the length of time that such funds have been available for investment;
- the sector, geography, location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, expected future capital expenditures and other features of the investment and its impact on portfolio concentration and diversification;
- avoiding allocation that could result in de minimis or odd-lot investments;
- any structural and operational differences between us and such Other Programs and any applicable investment limitations or parameters (including, without limitation, exposure limits and diversification considerations) of us and such Other Programs;
- the eligibility of us and such Other Programs to make such investment under applicable laws and to service any debt associated with the investment;
- any other applicable tax, accounting, legal, regulatory compliance or operational considerations deemed relevant by the Adviser and its affiliates (including, without limitation, maintaining our qualification as a REIT and our status as a non-investment company exempt from the Investment Company Act); and
- any other requirements contained in the corporate governance documents of our company and such Other Programs and any other considerations deemed relevant by the Adviser and its affiliates in good faith.

From and after the date when our board of directors is comprised of a majority of independent directors, our independent directors will be responsible for reviewing the allocation policies described above and ensuring that they are applied fairly to us by the Investment Committee. For information regarding the members of the Investment Committee, see "Management—The Investment Committee."

PROPERTY PORTFOLIO

As of the date hereof, we owned 20 multifamily apartment communities with an aggregate of 3,790 units and have made a preferred equity investment in one multifamily apartment development project that is expected to be completed in 2025.

16 of the properties were acquired in "UPREIT" transactions whereby the former owners of the properties contributed their ownership interests in such properties to the Operating Partnership in exchange for Operating Partnership units.

The following tables set forth certain summary information regarding our current property portfolio.

COMPLETED PROPERTIES				
Property	**Location**	**Year Built**	**Units**	**Date Acquired**
Attain at Quarterpath (1)	Norfolk, VA	2015	228	Sep. 2021 (UPREIT)
Cove Pointe at the Landings (1)	Norfolk, VA	2015	122	Sep. 2021 (UPREIT)
Infinity atCenterville Crossing (1)	Virginia Beach, VA	2016	236	Sep. 2021 (UPREIT)
Promenade Pointe (1)	Norfolk, VA	2014	183	Sep. 2021 (UPREIT)
Rockwood Park Apartments (1)	Richmond, VA	1990	132	Sep. 2021 (UPREIT)
The Cascades Apartments (1)	Virginia Beach, VA	2010	226	Sep. 2021 (UPREIT)
Magnolia Run (2)	Virginia Beach, VA	2000	200	Oct. 2021 (UPREIT)
Messenger Place (3)	Manassas, VA	2019	94	Oct. 2021(Cash)
Attain Downtown (4)	Norfolk, VA	2017	156	Jan. 2022 (UPREIT)
Vida East (5)	Richmond, VA	2018	178	Mar. 2022 (UPREIT)
Magnolia Chase Apartments I (6)	Virginia Beach, VA	1999	185	Sep. 2022 (UPREIT)
Magnolia Chase Apartments II (6)	Virginia Beach, VA	2022	24	Oct. 2022 (Cash)
Pinnacle (7)	Hampton, VA	2016	296	Sep. 2022 (UPREIT)
Meridian Parkside (8)	Newport News, VA	2008	308	Sep. 2022 (UPREIT)
Fieldhouse Apartments(9)	Lawrenceville, GA	2021	252	Dec. 2022 (UPREIT)
Shadetree Apartments(10)	Ruskin, FL	2019	260	Jan. 2023 (UPREIT)
Cedar Broad (11)	Richmond, VA	2011	204	Feb. 2023 (IPREIT)
East Beach Marina Apartments (12)	Norfolk, VA	2015	137	Mar. 2023 (UPREIT)
Attain Downtown East (13)	Norfolk, VA	2011	121	Nov. 2023 (Cash)

Commons on Potomac Square (14)	Sterling, VA	2012	104	Aug. 2023 (UPREIT)
Cavalier Crossing (15)	Charlottesville, VA	2003	144	May 2024 (Cash)

(1) The investors that previously owned these six properties contributed their ownership interests therein to the Operating Partnership in exchange for approximately $79.2 million in Operating Partnership units and approximately $3.6 million in cash consideration.

(2) The investors that previously owned Magnolia Run Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $26.1 million in Operating Partnership units.

(3) Acquired for a cash purchase price of $25.5 million (excluding closing costs). Messenger Place also includes approximately 3,500 feet of retail space.

(4) The investors that previously owned Attain Downtown contributed their ownership interests therein to the Operating Partnership in exchange for approximately $9.6 million in Operating Partnership units.

(5) The investors that previously owned Vida East contributed their ownership interests therein to the Operating Partnership in exchange for approximately $5.8 million in Operating Partnership units and approximately $5.4 million in cash consideration.

(6) The investors that previously owned Magnolia Chase Apartments I contributed their ownership interests therein to the Operating Partnership in exchange for approximately $26.6 million in Operating Partnership units. Magnolia Chase Apartments II was acquired for approximately $7.3 million of cash consideration (excluding closing costs).

(7) The investors that previously owned Pinnacle Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $19.6 million in Operating Partnership units and approximately $5 million in cash consideration.

(8) The investors that previously owned the Meridian Parkside Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $36.3 million in Operating Partnership units.

(9) The investors that previously owned Shadetree Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $27.4 million in Operating Partnership units (inclusive of $4.0 million in preferred Operating Partnership units) and approximately $22.6 million in cash consideration. See "Summary of Our Operating Partnership Agreement—Preferred Units).

(10) The investors that previously owned Fieldhouse Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $4 million in Operating Partnership units and approximately $38.5 million in cash consideration.

(11) The investors that previously owned Cedar Broad contributed their ownership interests therein to the Operating Partnership in exchange for approximately $22 million in Operating Partnership units.

(12) The investors that previously owned East Beach Marina Apartments contributed their ownership interests therein to the Operating Partnership in exchange for approximately $13 million in Operating Partnership units.

(13) Acquired for a cash purchase price of $42 million (excluding closing costs).

(14) The investors that previously owned Commons on Potomac Square contributed their ownership interests therein

to the Operating Partnership in exchange for approximately $20.6 million in Operating Partnership units.

(15) Acquired for a cash purchase price of $20.5 million (excluding closing costs).

In connection with our acquisition of certain of our properties, we have agreed to issue additional compensation, in the form of either cash or an equivalent value of Operating Partnership units, in the event that certain thresholds related to the net asset value of our Operating Partnership units or the financial return experienced by the contributors of such properties are not met within certain time periods.

DEVELOPMENT PROPERTIES					
Property	**Location**	**Target Completion Date**	**Units**	**Company's Equity Capital Commitment**	**Preferred Return**
Attain at Bradford Creek Apartments (1)	Huntsville, AL	2024 (2)	350	$31.1 Million (3)	13% (4)

(1) On September 30, 2022, the Operating Partnership, through its wholly-owned subsidiary, entered into a joint venture (the "Development JV") with an affiliate of the Adviser (the "Common Member") to fund the development of a planned 350-unit multifamily property in Huntsville, Alabama known as Attain at Bradford Creek Apartments (the "Project").

(2) The Project is scheduled to be completed in November 2024. There can be no guarantee that the property will be completed by such date, or at all.

(3) The Operating Partnership has made an approximately $31 million capital commitment to the Development JV. The Operating Partnership will make capital contributions to the Development JV from time to time as requested up to the amount of its capital commitment in order to fund the development of the Project, provided that no more than 20% of the aggregate capital commitment may be called in any month. As of June 30, 2024, the Operating Partnership has made a capital contribution of approximately $9,100,000.

(4) The Operating Partnership is entitled to receive distributions of net cash flow from the Development JV, before the Sponsor Member is entitled to receive any such distributions, in an amount equal to a 14% cumulative, non-compounded, annual return on the Operating Partnership's unreturned capital contributions.

MARKET OVERVIEW

Multifamily Assets

The Adviser believes multifamily apartment communities of the type that we intend to continue to acquire are attractive investment opportunities for the following reasons:

- Apartments provide essential shelter at an attractive cost compared to single-family homes.
- Apartments have historically generated high risk-adjusted returns while proving to be resilient through economic downturns.
- Attractive, lower cost debt is generally available through government backed agencies like Fannie Mae and Freddie Mac, which provides a hedge against risk and potentially increases returns.
- Apartment rental payments are typically a tenant priority.
- Apartments have the flexibility to respond to different size, age, and demographic trends in local markets.
- Demand for apartment housing may rise due to favorable demographic trends, such as increased demand from Generation Y and Generation Z.
- Demand for apartment housing may increase as student debt in the United States rises and tenants look for affordable, short-term leases instead of traditional mortgages.
- Demand for apartment housing may increase as a result of societal shifts that favor increased mobility and renting rather than owning assets.

Geographic Location

Although we may acquire properties located anywhere within the United States, we intend to focus on investment opportunities in the Mid-Atlantic and Southeast regions of the United States.

We intend to focus on the Mid-Atlantic region of the United States because of its proximity to Washington D.C., where the Federal government infrastructure and jobs are a significant part of the economy and provide support for stabilized rent premiums. In addition, the Mid-Atlantic region has seamless access to Interstate 95, the predominant highway connecting the Northeast and Southeast regions of the United States.

We intend to focus on the Southeast region of the United States because of the population growth that the Southeast region is currently experiencing. U.S. citizens are migrating in significant numbers from the Northeast and Western regions of the United States to the Southeast due to the lower population density and cost of living in the Southeast. According to U.S. Census Bureau data, from a regional population growth perspective, the South led the way in 2021 with year-over-year growth of 0.65%, followed by the West (0.05%), the Midwest (-0.14%), and the Northeast (-0.64%). Furthermore, a decade-to-decade analysis from the U.S. Census Bureau (May 2022) recognized that 7 of the 15 fastest growing cities in the United States are located in the Southeast region.

Positive Age Demographics

The Adviser believes apartments have and will continue to benefit from the evolution of three important generations: Millennials, Gen Z and Baby Boomers. Millennials are the largest generation ever with approximately 72 million people ages 25 to 40. It is projected that they will continue to demonstrate a greater propensity to rent than prior generations. Gen Z has approximately 67 million members ages 6 to 24 that will continue to enter the prime age for renting over the next decade. The Baby Boomer generation is approximately 69 million strong and will likely show a greater tendency to rent because of their longer life expectancy and desire for the increased independence that comes with renting.

In addition to the rising number of renters aged 39 and younger, a study by RENTCafe using data from the U.S. Census Bureau suggests that 2035 will mark a major demographic shift in the United States, with the share of renter households over 60 years in age reaching approximately 31% and becoming the second highest share among all age groups. The Adviser believes that this trend for renters aged 60 and over can be attributed to the fact that retirement age renters can enjoy a continued level of independence in an apartment that a single-family home does not allow.

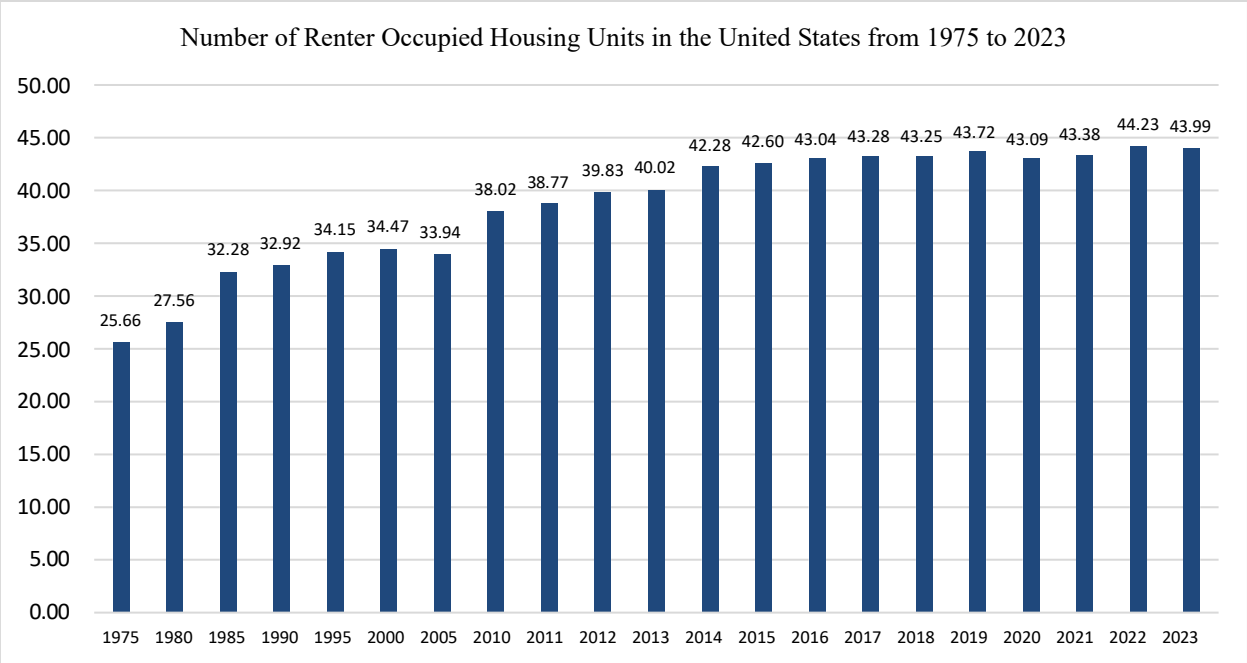
The above demographic changes are compounded by the increasing cost of home ownership due to relatively higher home values and borrowing costs. Between 2019 and June 2022, the median sales price for existing homes grew by 49.4% or 17.4% annually. In the previous five-year period between 2014 and 2019 existing home prices grew at an annual rate of only 5.9%. At the same time, the thirty-year fixed rate mortgage rose from 2.65% in January 2021 to a peak of 7.08% in November 2022. While the rate has decreased from this peak in late 2022, the volatility in rates remains high and has continued to negatively affect the home sales market.

These market trends have contributed to the cost of ownership rising dramatically. Assuming a 10% downpayment and a 30-year fixed rate mortgage, the cost of ownership has increased 71% over the past three years. Compared to the cost of renting, homeownership costs $1,176 more based on NMHC research using data from RealPage, The National Association of Realtors, The Federal Reserve, The U.S. Bureau of Labor Statistics, and The American Housing Survey.

Monthly Premium to Buy vs. Rent (4Q 2022 Dollars)

Source: NMHC tabulations of data from RealPage, The National Association of Realtors, The Federal Reserve, The U.S. Bureau of Labor Statistics, and The American Housing Survey

These factors have contributed to a growing number of renter occupied housing units. The graph below, using data from Statista, demonstrates the number of renter occupied households has grown significantly and consistently from 1975 to 2023.



Source: U.S. Census Bureau, Housing Inventory Estimate: Renter Occupied Housing Units in the United States [ERNTOCCUSQ176N], retrieved from FRED, Federal Reserve Bank of St. Louis. Format has been altered for presentation purposes, but all data is the same.

Wealth Creation

The Adviser believes that demand for apartment housing may be driven by the growing recognition that the traditional model of wealth generation via home ownership may be outdated and that the appreciation in property value most homeowners expect when purchasing a home may be relatively insignificant in terms of building wealth.

A 2017 study published in the Journal of Housing Research found that any gains from property value appreciation have been historically offset by greater gains in the stock and bond markets. The study observed that, on average, renting and reinvesting wins in terms of wealth creation regardless of property appreciation, because property appreciation is highly correlated with gains in the traditional financial asset classes of stocks and bonds.

Based on the Beracha, Hardin, and Johnson Buy vs. Rent Index (the "BHJ Index"), the traditional acquisition of a single-family home does not always promote a structural foundation for wealth. Dr. Ken Johnson, an economist and co-author of the BHJ Index, argues that historical appreciation on property values have consistently been counteracted by superior gains in the private securities market. Dr. Johnson's research suggests that, on average, renting and reinvesting are superior in terms of wealth creation regardless of property appreciation, because property appreciation is highly correlated with gains in the traditional financial asset classes of stocks and bonds. Notably, this assumption is built on the premise of the renter re-investing this income in the asset classes of stocks and bonds.

Rising Debt and Affordability

The Adviser believes that multifamily apartment communities are an attractive investment opportunity because leasing an apartment offers a level of month-to-month affordability that ownership of a single-family home subject to a traditional mortgage does not. A 2020 study from the National Association of Home Builders/Wells Fargo Housing Opportunity Index ("*Top 10 place where home-prices gains have dramatically outpaced wages*") revealed that from mid-2010 to mid-2020, the median price of homes sold nationally rose 30%, while average incomes increased by just 11% over the same ten-year period.

Historical Returns

According to the National Council of Real Estate Investment Fiduciaries (NCRIEF), from 1998 to 2021, the apartment sector has outperformed other core real estate sectors while maintaining the lowest level of volatility with the lowest standard deviation ("S.D.")

10 Year Holding		
Property Type	**Mean**	**S.D.**
NPI*	8.27%	7.04%
Multifamily	9.36%	6.58%
Industrial	8.92%	7.12%
Office	7.15%	8.77%
Retail	9.28%	6.55%

Source: National Council of Real Estate Investment Fiduciaries (NCREIF). Format has been altered for presentation purposes, but all data is the same.

Attractive Financing

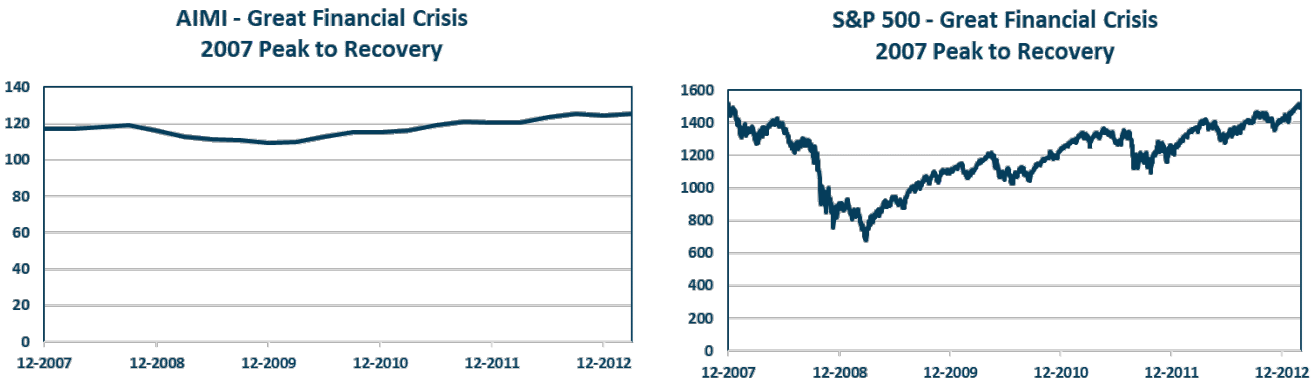
The Adviser believes multifamily apartment communities of the type that we intend to acquire are attractive investment opportunities due to the fact that investors in multifamily properties can benefit from attractive financing from various sources, including:

- Fannie Mae;
- Freddie Mac;
- HUD loans; and
- Bank loans.

The Adviser's investment philosophy is built on long-term objectives. Through this approach, it believes it will be able to align the financing with its long-term objectives. The Adviser also believes that by utilizing a diverse array of capital structures it can mitigate the risks associated with fluctuations in both interest rates and market cycles.

Resilience During Market Turmoil

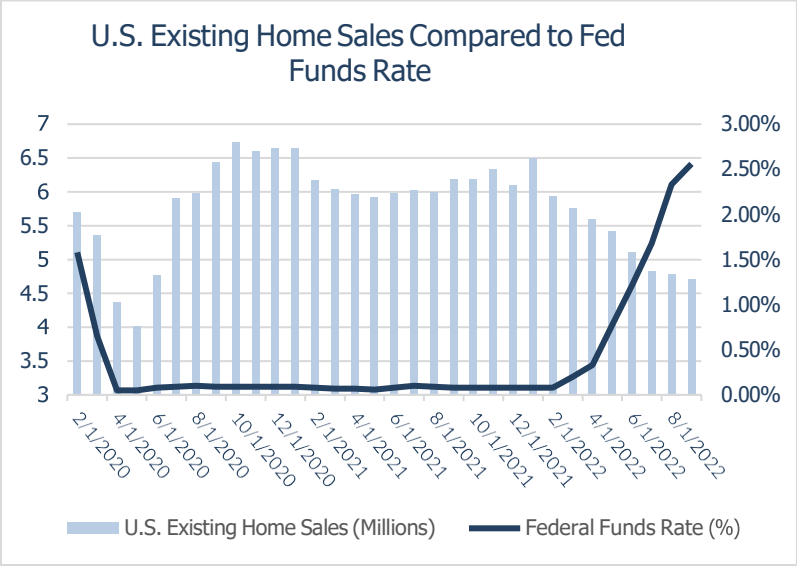
During times of economic turmoil, apartments have historically generated relatively high risk-adjusted returns. This was seen during the Great Financial Crisis, where the Apartment Investment Market Index ("AIMI") experienced significantly less volatility as compared to the S&P 500 index.



Source: Freddie Mac Multifamily. Format has been altered for presentation purposes.

Throughout 2022, the United States has experienced a significant increase in inflation which has created uncertainty in the markets. In response to this, the U.S. Federal Reserve increased interest rates 10 times, increasing the federal reserve funds target from 0% to 5.00%-5.25%. Due to the increase in the Federal Funds Rate, the cost of home ownership has continued to increase throughout 2022 and 2023, pushing homeowners and would-be homebuyers into renting. Further, the rate hikes have reduced the supply of existing homes for sale. These increases have caused many homeowners with fixed low interest rate mortgages to avoid selling their homes because of the higher rates they face when purchasing a replacement home.

As shown in the graph below, recent home sales have decreased month over month since early 2022 which aligns closely with the Federal Reserve's interest rate hikes. This is a component of creating a sustainable demand for renting apartments throughout times of economic turmoil which the Adviser believes causes less volatility in the valuation of apartment buildings.



Source: National Association of Realtors and the Federal Reserve Bank of St. Louis. Format has been altered for presentation purposes.

THE SPONSOR AND PRIOR PERFORMANCE

The Sponsor

Bonaventure, founded in 1999 by Dwight D. Dunton, III, our Chairman of the Board, Chief Executive Officer, and Chief Investment Officer, is a vertically integrated real estate investment firm headquartered in Alexandria, Virginia specializing in multifamily real estate. Bonaventure designs, develops, acquires, and operates multifamily apartment communities in the United States. Bonaventure has four corporate offices and over 300 employees.

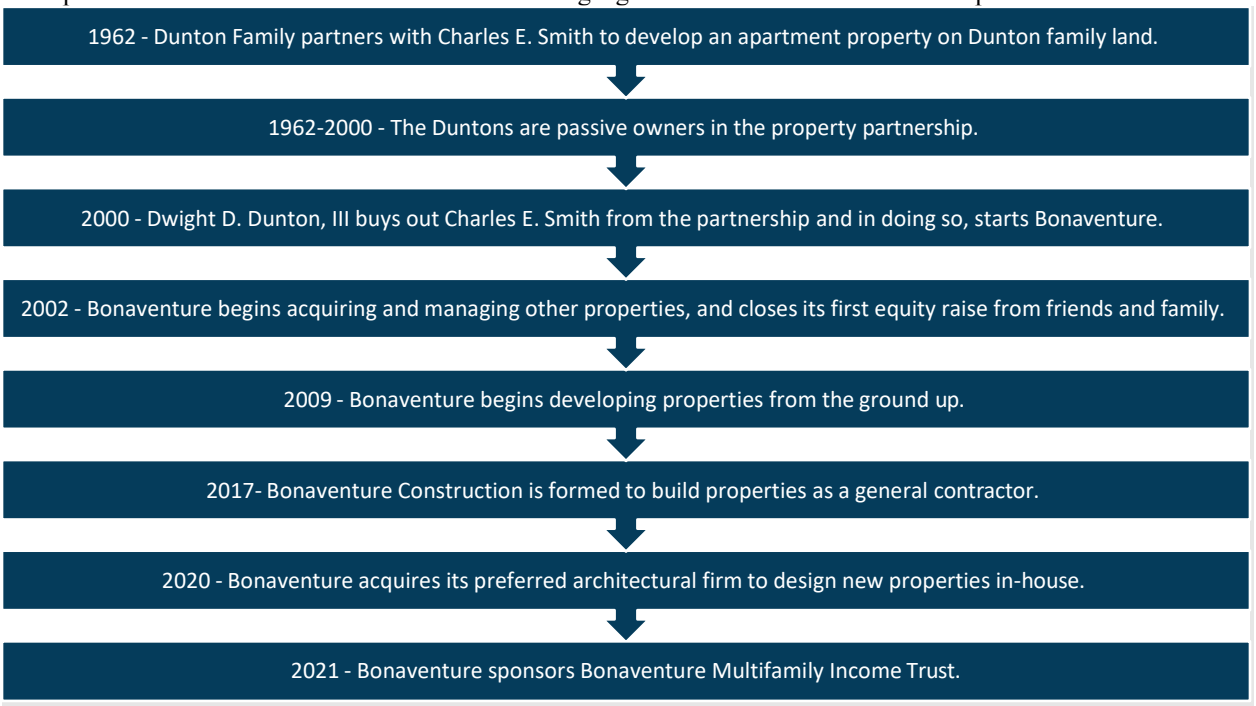
Bonaventure subsidiaries provide services for its own account as well as for third parties. Bonaventure Property Management Services, LLC is the property management affiliate founded in 2000. Bonaventure Construction, LLC is a general contractor specializing in ground up multifamily construction with six projects currently underway. Bonaventure Design, LLC is an architectural affiliate, with a focus on the detailed design and permitting of multifamily communities. The Link Internet, LLC is a Bonaventure affiliated internet service provider engineered to provide residents cutting edge fiber optic internet service.

As of June 30, 2024, Bonaventure owns, manages or is developing multifamily assets with an aggregate value of approximately $2.33 billion and comprised of over 8,961 units. Since its formation, Bonaventure has completed over $3.35 billion of multifamily assets**.**

The Dunton Family Heritage

Over six decades ago, Dwight Dunton, Sr. owned a significant amount of undeveloped land. Although Mr. Dunton was not a real estate expert, he knew that partnering with the right people was the key to success in real estate development. At the suggestion of his son, Dwight D. Dunton, Jr., he entered into a joint venture with a multifamily developer and began the journey that transformed the Dunton family's land into generational wealth. Two decades ago, Dwight D. Dunton, III, at the age of 25, recognized value where others did not and founded Bonaventure. After three generations, he continues through Bonaventure the Dunton family legacy of multifamily investing.

Bonaventure originally served the Dunton family office, grew into offering multifamily investment opportunities to a group of loyal, ultra-high-net-worth investors, and now, through this offering, is bringing its expanded capabilities to the capital markets. Set forth below is a timeline noting significant milestones in the development of Bonaventure.



Prior Performance

SET FORTH BELOW IS CERTAIN INFORMATION REGARDING PRIOR INVESTMENTS IN WHICH BONAVENTURE WAS INVOLVED. IN CONSIDERING THE INFORMATION SET FORTH BELOW, PROSPECTIVE INVESTORS SHOULD KEEP IN MIND THAT (1) SUCH PERFORMANCE IS HISTORICAL AND RELATES TO PROGRAMS AND INVESTMENTS WITH INVESTMENT OBJECTIVES THAT MAY DIFFER FROM OUR INVESTMENT OBJECTIVES AND WHICH WERE SUBJECT TO FEES, EXPENSES AND REGULATIONS WHICH MAY DIFFER FROM THOSE TO WHICH WE WILL BE SUBJECT, (2) THE PRIOR INVESTMENTS WERE MADE OVER THE COURSE OF VARIOUS MARKET AND MACROECONOMIC CYCLES AND SUCH CIRCUMSTANCES MAY BE DIFFERENT THAN THOSE IN WHICH WE WILL INVEST, (3) PAST PERFORMANCE, INCLUDING, WITHOUT LIMITATION, THE PERFORMANCE OF PRIOR INVESTMENTS SET FORTH HEREIN, IS NOT INDICATIVE OF OUR FUTURE RESULTS, (4) THERE CAN BE NO ASSURANCE THAT WE WILL ACHIEVE COMPARABLE RESULTS TO ANY PRIOR INVESTMENTS DISCUSSED HEREIN OR BE ABLE TO ACHIEVE OUR INVESTMENT OBJECTIVES, AND (5) INVESTORS IN SHARES WILL NOT, SOLELY BY VIRTUE OF SUCH INVESTMENT, MAKE AN INVESTMENT IN, OR OTHERWISE OBTAIN ANY INTEREST IN, ANY INVESTMENT DISCUSSED BELOW. AN INVESTMENT IN THE SHARES INVOLVES SIGNIFICANT RISKS. SEE "RISK FACTORS."

The tables below sets forth summary information regarding Bonaventure's investments in multifamily properties as of June 30, 2024.

ACQUISITIONS				Investment	Realized	Hold	Investor Returns			
Property	Location	Units	Type	Date	Date	Period	Equity	Distributions	IRR	Equity Multiple
Realized Acquisitions										
Jamestowne Village	Alexandria, VA	378	Acquisition	02/00	09/04	4.6 yrs	$9,719,063	$34,433,780	41.7%	3.54X
University Park	Ladson, SC	196	Acquisition	12/04	09/06	1.7 yrs	$2,839,091	$4,652,243	28.0%	1.64X
Wheaton Square	Wheaton, MD	64	Acquisition	03/04	01/07	2.9 yrs	$1,729,998	$6,984,951	64.6%	4.04X
Crowfield Village	Ladson, SC	196	Acquisition	09/06	02/10	3.4 yrs	$4,427,595	$4,440,309	0.3%	1.00X
Apex at Ashton Green	Newport News, VA	118	Acquisition	10/07	10/12	5.0 yrs	$2,225,044	$1,728,885	(5.8%)	0.78X
Ashton at Oyster Point	Newport News, VA	132	Acquisition	10/07	10/12	5.0 yrs	$3,103,959	$3,528,410	2.9%	1.14X
Ashton Village	Portsmouth, VA	120	Acquisition	10/07	10/12	5.0 yrs	$2,815,463	$3,626,294	5.9%	1.29X
Ivystone	Chesapeake, VA	368	Acquisition	08/05	12/14	9.4 yrs	$8,683,962	$19,160,079	10.4%	2.21X
The Lux	Alexandria, VA	219	Acquisition	04/14	04/15	1.0 yrs	$7,837,774	$13,042,188	66.4%	1.66X
Graduates Point	Ladson, SC	162	Acquisition	12/04	05/15	10.4 yrs	$2,839,091	$9,238,710	11.6%	3.25X
Glen Arbor	Woodbridge, VA	209	Acquisition	04/07	05/17	10.1 yrs	$4,799,904	$12,831,936	12.4%	2.67X
Gates of West Bay	Norfolk, VA	202	Acquisition	06/06	07/17	11.2 yrs	$4,751,900	$1,471,150	(19.6%)	0.31X
St Croix	Virginia Beach, VA	160	Acquisition	06/06	10/17	11.4 yrs	$3,458,534	$5,144,989	4.4%	1.49X
Brookfield	Virginia Beach, VA	352	Acquisition	05/06	10/18	12.4 yrs	$3,413,028	$14,007,515	14.8%	4.10X
Oak Lake	Chesapeake, VA	172	Acquisition	08/05	12/18	13.4 yrs	$5,247,000	$13,521,347	10.5%	2.58X
Carriage Club	Richmond, VA	297	Acquisition	11/15	06/19	3.6 yrs	$6,517,510	$11,936,159	17.8%	1.83X
Acclaim at Carriage Hill	Richmond, VA	664	Acquisition	08/02	06/19	16.9 yrs	$8,865,000	$46,095,495	18.8%	5.20X
Rockwood Park*	Richmond, VA	132	Acquisition	09/08	09/21	12.9 yrs	$1,614,501	$7,773,658	16.7%	4.81X
CovePointe*	Norfolk, VA	122	Acquisition	08/17	09/21	4.1 yrs	$5,332,666	$11,228,120	22.8%	2.11X
Attain Downtown*	Norfolk, VA	156	Acquisition	02/19	12/21	2.9 yrs	$4,998,981	$9,761,252	40.1%	1.95X
Meridian Parkside*	Newport News, VA	308	Acquisition	09/16	09/22	6.0 yrs	$4,367,634	$29,179,510	67.6%	6.68X
East Beach Marina*	Norfolk, VA	137	Acquisition	12/19	03/23	3.2 yrs	$7,554,131	$10,961,159	10.0%	1.45X
Commons on Potomac Square*	Sterling, VA	104	Acquisition	06/19	08/24	5.2 yrs	$6,652,716	$16,401,811	27.4%	2.47X
Attain Downtown - BMIT Sale	Norfolk, VA	156	Acquisition	01/22	10/24	2.8 yrs	$9,644,950	$21,057,611	51.8%	2.18X
Messenger Place - BMIT Sale	Manassas, VA	94	Acquisition	12/21	07/25	3.6 yrs	$8,731,340	$14,825,022	15.5%	1.70X
Mason Avenue	Alexandria, VA	42	Acquisition	12/20	07/25	4.6 yrs	$7,920,728	$10,598,703	8.0%	1.34X
TOTAL ACQUISITIONS		**5,260**	**26**			**6.6 yrs**	**$140,091,561**	**$337,631,285**	**23.0%**	**2.41X**

DEVELOPMENTS				Investment	Realized	Hold	Investor Returns			
Property	Location	Units	Type	Date	Date	Period	Equity	Distributions	IRR	Equity Multiple
Realized Developments										
Infinity at Centerville Crossing*	Virginia Beach, VA	235	Development	01/15	09/21	6.6 yrs	$4,248,000	$13,723,877	22.2%	3.23X
Aura at Quarterpath*	Williamsburg, VA	228	Development	05/14	09/21	7.3 yrs	$4,500,000	$16,809,228	25.3%	3.74X
The Cascades*	Virginia Beach, VA	226	Development	02/09	09/21	12.6 yrs	$3,226,438	$13,821,752	16.6%	4.28X
Promenade Pointe*	Norfolk, VA	183	Development	03/13	09/21	8.4 yrs	$3,199,969	$9,234,553	15.2%	2.89X
Pinnacle*	Hampton, VA	295	Development	12/15	12/21	6.0 yrs	$6,454,578	$17,061,837	20.1%	2.64X
Aura at Arbordale	Williamsburg, VA	289	Development	01/18	05/22	4.3 yrs	$9,768,722	$58,578,846	70.7%	6.00X
Attain at Town Place	North Chesapeake, VA	215	Development	07/11	02/25	13.7 yrs	$3,992,112	$46,487,642	39.6%	11.64X
Alate Old Town	Alexandria, VA	133	Development	01/22	03/25	3.2 yrs	$9,527,683	$5,725,000	(7.3%)	0.60X
TOTAL DEVELOPMENTS		**1,804**	**8**			**7.8 yrs**	**$44,917,502**	**$181,442,736**	**27.2%**	**4.04X**

SPECIAL SITUATION				Investment	Realized	Hold	Investor Returns			
Property	Location	Units	Type	Date	Date	Period	Equity	Distributions	IRR	Equity Multiple
Realized Investments										
Patriots Crossing (LIHTC)	Newport News, VA	240	LIHTC	03/09	09/21	12.5 yrs	$4,599,600	N/A	N/A	N/A
Gramercy	Ashburn, VA	N/A	Ground-Lease / Pre-Dev	03/20	06/25	5.3 yrs	$4,500,000	$0	N/A	N/A
TOTAL SPECIAL SITUATIONS		**240**	**2**			**8.9 yrs**	**$9,099,600**	**$0**	**N/A**	**N/A**

REALIZED INVESTMENTS**		**7,064**	**36**			**7.0 yrs**	**$185,009,063**	**$519,074,022**	**24.0%**	**2.81X**

**Sold to Bonaventure Multifamily Income Trust*

*** Does not include the Special Situation properties*

Property	Location	Units	Type	Investment Date	Equity Invested	Total Distributions if Sold Today	Est. IRR if Sold Today	Est. Multiple if Sold Today
Unrealized Investments								
The Encore	Alexandria, VA	461	Acquisition	03/05	$15,396,300	$94,673,777	16.2%	6.15X
Cedar Grove	North Charleston, SC	248	Acquisition	03/07	$6,943,602	$28,239,926	10.4%	4.05X
Attain at Chic's Beach	Virginia Beach, VA	412	Development	12/13	$18,375,805	$51,757,191	15.9%	3.82X
The Amber at Greenbrier	Chesapeake, VA	450	Acquisition	08/15	$10,133,332	$61,012,852	22.9%	6.02X
Arbor Grove	Stafford, VA	214	Acquisition	05/17	$9,138,577	$27,809,774	14.7%	3.04X
Aspire at West End	Richmond, VA	148	Development	10/17	$6,329,696	$33,702,913	26.7%	5.32X
Acclaim at Belmont Bay	Woodbridge, VA	124	Development	02/19	$14,101,183	$23,944,226	17.8%	1.70X
The Carlton at Greenbrier	Chesapeake, VA	176	Acquisition	10/19	$11,542,594	$27,930,598	18.2%	2.32X
Scott's Edge	Richmond, VA	94	Acquisition	12/19	$2,940,705	$6,034,947	13.5%	1.55X
Attain at Harbour View	Suffolk, VA	300	Development	07/20	$9,402,500	$49,208,667	65.8%	5.23X
Acclaim at East Beach	Norfolk, VA	132	Development	12/21	$10,725,308	$34,956,668	54.2%	3.26X
Attain at Towne Center	Spotsylvania, VA	271	Development	03/22	$8,316,138	$40,694,457	64.8%	4.89X
Braddock Lee	Alexandria, VA	258	Acquisition	10/24	$5,655,768	$7,390,547	30.7%	1.31X
Total Unrealized Investments		**3,288**			**$129,001,508**	**$487,356,543**	**27.6%**	**3.90x**
Unrealized Investments in Lease-Up / Not Saleable due to Ownership Structure								
Elevations One	Woodbridge, VA	209	LIHTC	05/17				
Palmer's Creek 1	Fredericksburg, VA	200	LIHTC	11/19				
Acclaim at Greenbrier	Chesapeake, VA	142	Development	10/20				
Attain at Bradford Creek	Huntsville, AL	350	Development	11/21				
Cascades Self Storage	Virginia Beach, VA	569	Development	12/21				
Acclaim at East Beach II	Norfolk, VA	80	Development	12/21				
Palmer's Creek 2	Fredericksburg, VA	200	LIHTC	01/22				
Acclaim at Cary Pointe	Cary, NC	138	Development	01/22				
Acclaim at the Hill	Fredericksburg, VA	147	Development	06/22				
Total Unrealized Lease-Up Investments		**2,035**						

**Unrealized returns include proceeds from a hypothecitcal sale were established using a set of assumptions that, depending on a variety of factors, will change on a quarterly basis*

MANAGEMENT

Board of Directors

We operate under the direction of our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. Our board of directors has retained the Adviser to manage the acquisition and dispositions of our investments, subject to the board of directors' supervision.

Our board of directors currently has four members. Our board of directors may change the number of our directors, provided that the total number may not be less than the minimum number required by the MGCL or more than fifteen.

We expect that once we are required to commence filing public reports with the SEC under the Exchange Act, our board of directors will be expanded and after such expansion will be comprised of a majority of "independent directors" as defined by our charter, provided that we may elect to expand the board earlier in the event that our board deems it appropriate in its discretion. See "Certain Regulatory Considerations—Registration Under Securities Exchange Act of 1934." Pursuant to our charter, a director will be considered "independent" if he or she meets the independence requirements of the New York Stock Exchange (the "NYSE"). In accordance with the NYSE independence requirements, no director will qualify as independent unless our board affirmatively determines that the director has no material relationship with our company or Bonaventure. Because it is not possible to anticipate or explicitly provide for all circumstances that might signal potential conflicts of interest or bear on the materiality of a director's relationship with our company or Bonaventure, our board of directors, when making its independence determinations, will broadly consider all relevant facts and circumstances. From and after the date when our board of directors is comprised of a majority of independent directors, certain matters such as certain related party transactions and renewals of the Advisory Agreement will require the approval of a majority of the independent directors.

Each director will serve until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies. Although the number of directors may be increased or decreased, a decrease may not shorten the term of any incumbent director. Any director may resign at any time or may be removed with or without cause by the stockholders upon the affirmative vote of holders of a majority of all the shares entitled to vote generally in the election of directors. The notice of a special meeting called to remove a director must indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed. Any vacancy on our board for any cause other than an increase in the number of directors may be filled by a majority of the remaining directors, even if such majority is less than a quorum, any vacancy in the number of directors created by an increase in the number of directors may be filled by a majority vote of the entire board of directors, and any individual so elected as director will serve until the next annual meeting of stockholders and until his or her successor is elected and qualifies.

For so long as the Advisory Agreement is in effect, (i) three of the director nominees to be voted on by our stockholders at our annual stockholder meeting will be directors, managers, officers or employees of the Adviser or an affiliate of the Adviser designated for nomination by the Adviser ("Adviser Designees"), subject to the approval of such nominations by our board of directors; *provided, however*, that from and after the date when our board of directors is comprised of a majority of independent directors, the number of such Adviser Designees will be reduced if necessary by a number that will result in a majority of the our board of directors being comprised of independent directors at all times, and (ii) our board of directors will consult with the Adviser with respect to any other directors (other than the Adviser Designees) nominated by our board of directors.

Our board of directors will generally meet quarterly or more frequently if necessary, in addition to meetings of any committees of the board of directors described below. Our directors are not required to devote all of their time to our business and are only required to devote the time to our business as their duties may require. Consequently, in the exercise of their fiduciary responsibilities, our directors will rely heavily on the Adviser and on information provided by the Adviser. Our board of directors is empowered to fix the compensation (if any) of all officers and directors for services rendered to us. For so long as we are externally managed, we do not intend to pay our officers any compensation and only intend to pay our independent directors compensation for their service as directors.

Our board of directors has adopted the Investment Guidelines and other written policies on investments and borrowings, the terms of which are summarized in this Memorandum. Our board of directors will review the Investment Guidelines with sufficient frequency and at least annually. A majority of our board of directors, including,

from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, may at any time amend the Investment Guidelines.

Directors and Executive Officers

Our directors and executive officers are set forth below. Each of our directors and executive officers are also a member of Bonaventure's executive team.

Name	Age	Position
Dwight D. Dunton, III	**50**	Director, Chairman of the Board, Chief Executive Officer, and Chief Investment Officer
Chris D. Cobb	**43**	Director, President of Bonaventure Development
Stephen R. Burch	**42**	Director, Chief Financial Officer
JP Hyland	**43**	Director, Vice President of Bonaventure Development
Casey E. MacMaster	**33**	Director, Vice President of Portfolio Management and Investments

Dwight D. Dunton, III. Mr. Dunton is our Chairman of the Board, Chief Executive Officer, and Chief Investment Officer. Mr. Dunton founded Bonaventure in 1999 and maintains oversight over all aspects of Bonaventure, including strategic planning, organizational structure and business development. Mr. Dunton is responsible for the development of Bonaventure's investment strategy. He possesses a deep knowledge of the multifamily industry including acquisitions, financing and operations. Prior to founding Bonaventure, Mr. Dunton served as Director of Corporate and Strategic Development at Franklin Credit Management, a New York based, publicly traded specialty finance company, from 1997 to 1998. Mr. Dunton received a B.S. in Finance from the McIntire School of Commerce at the University of Virginia.

Chris D. Cobb. Mr. Cobb is a member of our board of directors and President of Bonaventure Development. Mr. Cobb is responsible for Bonaventure's development business, and he manages a team which sources and executes on development opportunities which meet Bonaventure's risk adjusted return parameters. Before joining Bonaventure in 2006, Mr. Cobb worked at KPMG as a Senior Associate from 2003 to 2006. Mr. Cobb is a Certified Commercial Investment Member (CCIM) and a licensed real estate salesperson in Virginia. Mr. Cobb received a M.S. in Real Estate from Johns Hopkins University and a B.S. in Accounting from Villanova University.

Stephen R. Burch. Mr. Burch is a member of our board of directors and our Chief Financial Officer. Mr. Burch joined Bonaventure in 2022 as Chief Accounting Officer. In April 2024, he was named Chief Financial Officer. In his current capacity, he has primary responsibility for treasury management, capital allocation and financing, FP&A, accounting, financial reporting and income tax compliance. Prior to joining Bonaventure, Mr. Burch was Chief Accounting Officer at Middleburg Communities, a vertically integrated Multifamily investment management, development, and general contracting firm. Prior to joining Middleburg he held various roles at Washington REIT, an NYSE listed, publicly traded real estate investment trust. Most recently, he served as Controller, where he had primary oversight of accounting, financial reporting, income tax and REIT compliance. Prior to joining Washington REIT, Mr. Burch was a Manager in PwC's Financial Services Assurance practice and held various roles at PwC from 2008 through 2016. Mr. Burch obtained a Master of Accounting from the College of Charleston, and a Bachelor of Science in Financial Management with a Minor in Accounting from Clemson University. Mr. Burch is a certified public accountant.

JP Hyland. Mr. Hyland is a member of our board of directors and Vice President of Bonaventure Development. Mr. Hyland oversees a team at Bonaventure that manages site underwriting and development phases for new projects. Mr. Hyland's division at Bonaventure currently has four projects under construction totaling 750 new apartments and an aggregate value of approximately $150 million and has eight more projects scheduled to break ground in 2021. Since joining Bonaventure in 2003, Mr. Hyland has been directly involved with the acquisition and construction of over 5,000 apartments. Mr. Hyland received a B.S. in Business Administration from Washington & Lee University.

Casey E. MacMaster. Mr. MacMaster is a member of our board of directors and our Vice President of Portfolio Management and Investments. He joined Bonaventure in January 2023 and has over 10 years of experience in real estate acquisitions and asset management. Prior to Bonaventure, Mr. MacMaster sourced and acquired Class B/B+

multifamily communities through a single- member LLC called Pinpoint. He acquired 884 units throughout Virginia and North Carolina markets, with dispositions realizing net-to-investor returns of a 56.2% IRR and 2.5x equity multiple. Before founding Pinpoint, he was a member of Starwood Capital Group's acquisitions team, where he completed $1.2B of transactions across multifamily, office, retail, and industrial assets. Mr. MacMaster received a B.A. in Government from Harvard in 2014

The individuals who serve as our executive officers have certain responsibilities arising from Maryland law, our charter and our bylaws. These responsibilities include executing contracts and other instruments in our name and on our behalf and such other responsibilities as may be prescribed by our board of directors from time to time. Our officers will devote such portion of their time to our affairs as is required for the performance of their responsibilities, but they are not required to devote all of their time to us.

Committees of the Board of Directors

Our entire board of directors is responsible for supervising our business. However, pursuant to our charter, our board of directors may delegate some of its powers to one or more committees as deemed appropriate by the board of directors. Members of any such committees formed by our board of directors will be appointed by our board of directors.

Corporate Governance

Code of Business Conduct and Ethics. We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees (if any), and to all of the officers and employees of the Adviser, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Corporate Governance Guidelines. We have also adopted corporate governance guidelines to advance the functioning of our board of directors and its committees and to set forth our board of directors' expectations as to how it and they should perform its and their respective functions.

Compensation of Directors

We do not currently pay any of our directors retainers, fees for attending board or committee meetings or any other compensation for their service as directors**.**

We will reimburse each of our directors for reasonable out-of-pocket expenses incurred in attending board and committee meetings (including, but not limited to, airfare, hotel and food).

From and after the date when our board of directors is comprised of a majority of independent directors, we expect to compensate the independent directors for their service as directors. The compensation payable to the independent directors will be approved by our entire board of directors.

Executive Compensation

We are externally managed by the Adviser and have no paid employees. Our executive officers also serve as officers of the Adviser and are employees of the Adviser or Bonaventure or one or more of their affiliates. Our Advisory Agreement provides that the Adviser is responsible for managing our investment activities, as such our executive officers do not receive any compensation from us or any of our subsidiaries for serving as our executive officers and instead receive compensation from the Adviser. We do not reimburse the Adviser for compensation it pays to our executive officers. Furthermore, we do not have employment agreements with our executive officers.

Although we do not pay our executive officers any cash compensation, we pay the Adviser the fees described below under the heading "—The Advisory Agreement."

The Investment Committee

Bonaventure has one centralized Investment Committee that meets as necessary to review and allocate investment

opportunities among our company and Other Programs. For additional information regarding Bonaventure's investment allocation policies, see "Investment Strategy and Process—Investment Allocation Policies." The members of the Investment Committee and their respective positions with our company are set forth below.

Name	Age	Position
Dwight D. Dunton, III	**50**	Director, Chairman of the Board, Chief Executive Officer, and Chief Investment Officer
Chris D. Cobb	**43**	Director, President of Bonaventure Development
Stephen R. Burch	**42**	Director, Chief Financial Officer
JP Hyland	**43**	Director, Vice President of Bonaventure Development
Eric Duncan	**33**	Vice President – Asset Management

For biographical information concerning all of the members of the Investment Committee except Mr. Duncan, see "—Directors and Executive Officers".

Eric Duncan. Mr. Duncan is our Vice President – Asset Management. Joining Bonaventure in July 2023, Mr. Duncan is responsible for asset management and the oversight of our operations platform. Mr. Duncan has 10 years of experience in Real Estate Operations and Asset Management, with extensive experience in Revenue Management, Portfolio Management, and Value-Add execution. Most recently, Eric was the Vice President of Asset Management at a DC-based NYSE listed publicly traded REIT, overseeing a $2+ billion Mid-Atlantic and Southeast Multifamily portfolio. Mr. Duncan also worked for UDR, a nationwide NYSE listed REIT located outside Denver, CO. Mr. Duncan receive a B.S. in Business Administration from Drexel University in 2013.

The Adviser and the Advisory Agreement

Overview

We are externally managed by the Adviser. The Adviser is a wholly-owned subsidiary of our sponsor, Bonaventure.

Our board of directors at all times has oversight and policy-making authority, including responsibility for governance, financial controls, compliance and disclosure with respect to our company and our Operating Partnership. Pursuant to the Advisory Agreement, our board of directors has delegated to the Adviser the authority to source our investment opportunities and make decisions related to the acquisition and disposition of our assets in accordance with our Investment Guidelines and subject to oversight by our board of directors; *provided, however*, that (i) any investment that does not fit within the discretionary authority granted to the Adviser pursuant to the Investment Guidelines requires the prior approval of a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, and (ii) certain transactions involving Bonaventure or its affiliates are subject to approval by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors (as discussed below in "—Related Party Transactions").

We believe that the Adviser currently has sufficient staff and resources so as to be capable of fulfilling the duties set forth in the Advisory Agreement.

Services

Pursuant to the terms of the Advisory Agreement, the Adviser is responsible for, among other things:

- serving as an advisor to us and the Operating Partnership with respect to the establishment and periodic review of our Investment Guidelines and our and the Operating Partnership's investments, financing activities and operations;

- sourcing, evaluating and monitoring investment opportunities and executing the acquisition, management, financing and disposition of our assets, in accordance with our Investment Guidelines and subject to oversight by our board of directors;

- with respect to prospective acquisitions, purchases, sales, exchanges or other dispositions of investments,

conducting negotiations on our and Operating Partnership's behalf with sellers, purchasers, and other counterparties and, if applicable, their respective agents, advisors and representatives, and determining the structure and terms of such transactions;

- providing us with portfolio management and other related services;
- serving as our advisor with respect to decisions regarding any of our financings, hedging activities or borrowings; and
- engaging and supervising, on our and Operating Partnership's behalf and at our and the Operating Partnership's expense, various service providers.

The above summary is provided to illustrate the material functions which the Adviser will perform for us and it is not intended to include all of the services which may be provided to us by the Adviser or third parties.

The Adviser may retain, at our sole cost and expense, such service providers as the Adviser deems necessary or advisable in connection with our management and operation, which may include affiliates of the Adviser; provided, that any such services may only be provided by affiliates of the adviser to the extent such services are approved by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, not otherwise interested in such transactions as being fair and reasonable to us and on terms and conditions not less favorable to us than those available from non-affiliated third parties.

Fees to the Adviser

Management Fee. We will pay the Adviser a monthly Management Fee, in an amount equal to one-twelfth (1/12) of 1.5% of our NAV for the applicable month before giving effect to any accruals for the Management Fee, the Performance Participation Allocation or any distributions. The Management Fee may be paid, at the Adviser's election, in either (i) cash or (ii) Shares or Operating Partnership units with an aggregate NAV amount equivalent to the cash fee otherwise payable. If the Adviser elects to receive any portion of its Management Fee in Shares or Operating Partnership units, the Adviser may elect to have us or the Operating Partnership, as applicable, repurchase such Shares or Operating Partnership units from the Adviser at a later date. Shares held by the Adviser will not be subject to the repurchase limits of our SRP or any reduction or penalty for an early repurchase. Operating Partnership units held by the Adviser will not be subject to any minimum holding period and will be redeemed by the Operating Partnership for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or our charter, in which case such Operating Partnership units will be repurchased for Shares with an equivalent aggregate NAV. The Adviser may waive or defer the Management Fee in whole or in part in its sole discretion.

Acquisition Fee. We will pay the Adviser an Acquisition Fee equal to 1.0% of the gross purchase price, inclusive of associated acquisition expenses and the amount of any debt assumed by us or the Operating Partnership in connection with the acquisition, for each investment we acquire (including investments contributed to the Operating Partnership in exchange for Operating Partnership units). With respect to investments contributed to the Operating Partnership in exchange for Operating Partnership units, the "gross purchase price" for purposes of calculating the Acquisition Fee will be equal to the agreed upon value of the contributed investment used for purposes of determining the Operating Partnership units to be issued to the contributor. No Acquisition Fee will be paid with respect to investments acquired from Bonaventure or its affiliates. The Adviser may waive or defer the Acquisition Fee in whole or in part in its sole discretion.

Disposition Fee. The Company will pay the Adviser a Disposition Fee equal to 1.0% of the sales price of each investment sold or otherwise disposed of, including sales of one or more investments in portfolios. The Adviser may waive or defer the Disposition Fee in whole or in part in its sole discretion.

Expense Reimbursements to the Adviser

Adviser Expenses. The Adviser will be responsible for, and will receive no reimbursement from us or the Operating Partnership with respect to, any expenses related to any personnel of the Adviser or its affiliates who provide investment advisory services to us or the Operating Partnership pursuant to the Advisory Agreement (including each

of our officers and directors who are also directors, officers or employees of the Adviser or any of its affiliates), including, without limitation, salaries, bonuses and other wages, payroll taxes and the cost of employee benefit plans and insurance with respect to such personnel ("Adviser Expenses").

Organization and Offering Expenses. The Adviser has agreed to pay Organization and Offering Expenses on our behalf. We will reimburse the Adviser for all such Organization and Offering Expenses; *provided, however*, that the aggregate Organization and Offering Expenses reimbursed by us to the Adviser will not at any time exceed an amount equal to 1.5% of the gross offering proceeds from the sale of Shares in this offering (measured as of the date of each reimbursement of Organization and Offering Expenses). The Adviser may elect to receive reimbursement of Organization and Offering Expenses in cash or in Shares with an equivalent value (based upon our NAV as of the date of reimbursement). The Adviser may, in its sole discretion, defer or entirely forego reimbursement for all or any portion of Organization and Offering Expenses incurred by the Adviser on our behalf.

Operating Expenses. We will reimburse the Adviser or its affiliates for all operating costs and expenses incurred by the Adviser or its affiliates on behalf of us or the Operating Partnership (excluding any Adviser Expenses), including, without limitation, (i) acquisition expenses, (ii) expenses associated with managing, developing, operating and selling our investments, (iii) fees paid to attorneys, consultants, technology providers and other services providers and (iv) salaries, bonus and other wages, payroll taxes and the cost of employee benefit plans and insurance with respect to personnel of the Adviser (other than those which constitute Adviser Expenses).

Term, Termination and Termination Fee

Term. The Advisory Agreement will continue in full force and effect until December 31, 2025 (such period, the "Initial Term"), unless earlier terminated pursuant to the terms of the Advisory Agreement. Commencing on January 1, 2026, the Advisory Agreement will automatically renew for the first of an unlimited number of successive five-year terms (each a "Renewal Term").

Termination. The Advisory Agreement may be terminated:

- immediately for Cause (as defined below) (i) prior to the date when a majority of our board of directors is comprised of independent directors, by the affirmative vote of our stockholders entitled to cast a majority of all the votes entitled to be cast on the matter; and (ii) by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, by a majority of the independent directors;

- by the Adviser upon written notice delivered not less than 90 days prior to the last day of the Initial Term or any Renewal Term (with such termination to be effective as of the last day of the Initial Term or such Renewal Term, as applicable); or

- by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, upon written notice delivered not less than 90 days prior to the last day of the Initial Term or any Renewal Term (with such termination to be effective as of the last day of the Initial Term or such Renewal Term, as applicable).

The Advisory Agreement defines "Cause" as (i) fraud, criminal conduct, gross negligence or breach of fiduciary duty owed to us or the Operating Company by the Adviser or its affiliates in connection with the performance of its duties under the Advisory Agreement, as determined by a final, non-appealable judgment of a court of competent jurisdiction; (ii) the breach or violation of any material provision of the Advisory Agreement by the Adviser that, after written notice of such violation, is not cured within 60 days; (iii) the bankruptcy or insolvency of the Adviser.

Termination Fee. In the event that the Advisory Agreement is terminated by our board of directors (other than for Cause), we will pay the Adviser a fee equal to three times the Management Fee to which the Adviser was entitled during the 12-month period immediately preceding the effective date of such termination.

Related Party Transactions

Pursuant to the Advisory Agreement, the Adviser may not complete on our behalf any transaction that involves (i) the sale of any investment to or (ii) the acquisition of any investment from, Bonaventure, the Adviser or any of their

affiliates unless such transaction is approved by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, not otherwise interested in such transaction as being fair and reasonable to us. With respect to any such acquisition, the purchase price we pay will be limited to the cost of the investment to Bonaventure, the Adviser or their affiliate, including acquisition-related expenses; *provided, however*, that if substantial justification exists due to the nature of the transaction or the asset, including, without limitation, in the case of an asset that is contributed to the Operating Partnership by Bonaventure, the Adviser or their affiliate, the purchase price we pay or the value assigned to the asset for purposes of the contribution transaction, as applicable, will be limited to the current appraised value of the investment as determined by an independent appraiser.

In addition, the Adviser may not cause us to enter into any joint venture with Bonaventure, the Adviser or any of their respective affiliates unless a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, not otherwise interested in the transaction approve the joint venture as being fair and reasonable to us and on substantially the same, or no less favorable, terms and conditions as those received by the other affiliated joint venture partners.

Indemnification

To the fullest extent permitted by applicable law, we will indemnify and hold harmless the Adviser and its affiliates from all losses, including reasonable attorneys' fees, arising from or related to the performance of their duties under the Advisory Agreement, to the extent such losses are not fully reimbursed by insurance; *provided, however*, that we will not provide any indemnification with respect to losses arising from or related to the Adviser's fraud, willful misconduct, gross negligence or reckless disregard of its duties under the Advisory Agreement.

To the fullest extent permitted by applicable law, the Adviser will indemnify us and the Operating Partnership from all losses, including reasonable attorneys' fees, to the extent that such losses are not fully reimbursed by insurance and are incurred due to the Adviser's fraud, willful misconduct, gross negligence or reckless disregard of its duties under the Advisory Agreement.

NET ASSET VALUE CALCULATION AND VALUATION GUIDELINES

The Adviser will calculate our NAV on a monthly basis. Our NAV is based on the net asset values of our investments, the addition of any other assets (such as cash on hand), and the deduction of any liabilities, including the allocation/accrual of the Performance Participation Allocation to the Special Limited Partner, in all cases as described below.

General

Our board of directors has adopted valuation guidelines that contain a comprehensive set of methodologies to be used by the Adviser and our independent valuation advisor in connection with estimating the values of our assets and liabilities for purposes of our NAV calculation. These guidelines are designed to produce a fair and accurate estimate of the price that would be received for our investments in an arm's-length transaction between a willing buyer and a willing seller in possession of all material information about our investments. From time to time, our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of our independent directors, may adopt changes to the valuation guidelines if it (i) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV.

The calculation of our NAV is intended to be a calculation of the fair value of our assets less our outstanding liabilities as described below and will likely differ from the book value of our equity reflected in our financial statements. To calculate our NAV for the purpose of establishing a transaction price for our Shares, we have adopted a model, as explained below, that adjusts the value of our assets and liabilities from historical cost to fair value generally in accordance with the GAAP principles set forth in FASB Accounting Standards Codification Topic 820, Fair Value Measurements. The Adviser will calculate the fair value of our real estate properties based in part on values provided by our independent valuation advisor. The Adviser may retain additional third parties to assist with our valuations of certain investments. Because these fair value calculations will involve significant professional judgment in the application of both observable and unobservable attributes, the calculated fair value of our assets may differ from their actual realizable value or future fair value. While we believe our NAV calculation methodologies are consistent with standard industry practices, there is no rule or regulation that requires us to calculate NAV in a certain way. As a result, other REITs or real estate investment programs may use different methodologies or assumptions to determine NAV. In addition, NAV is not a measure used under GAAP and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure.

Our Independent Valuation Advisor

With the approval of our board of directors, we have engaged RERC, LLC, a SitusAMC company, to serve as our independent valuation advisor. Our independent valuation advisor prepares annual appraisals of our properties and reviews and quarterly provides a positive assurance report with respect to the reasonableness of the valuations of our real properties prepared by the Adviser. The Adviser, with the approval of a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of our independent directors, may engage additional independent valuation advisors in the future as our portfolio grows. While our independent valuation advisor is responsible for providing annual appraisals of our properties and reviewing internal valuations prepared by the Adviser, our independent valuation advisor is not responsible for, and does not calculate or determine, our NAV. The Adviser is ultimately responsible for the calculation of our NAV.

Our independent valuation advisor may be replaced at any time, in accordance with agreed-upon notice requirements, by a majority vote of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of our independent directors. We will promptly disclose any changes to the identity or role of our independent valuation advisor in a supplement to this Memorandum. Our independent valuation advisor will discharge its responsibilities in accordance with our valuation guidelines and the terms of our valuation services agreement with our independent valuation advisor.

Pursuant to our valuation services agreement with our independent valuation advisor, the Adviser will receive annual appraisal reports for each of our multifamily properties from the independent valuation advisor. Based in part on these appraisals, the Adviser will render a final valuation in order to calculate our monthly NAV. The appraisals for our investments performed by our independent valuation advisor will be one of several components considered by the Adviser in determining the value of our properties that will be used to calculate our NAV.

We have agreed to pay certain fees to our independent valuation advisor pursuant to our valuation services agreement with our independent valuation advisor. We have also agreed to indemnify our independent valuation advisor against certain liabilities arising out of this engagement. The compensation we pay to our independent valuation advisor will not be based on the estimated values of our properties.

Our independent valuation advisor may from time to time in the future perform other commercial real estate and financial advisory services for Bonaventure and its affiliates, or in transactions related to the properties that are the subjects of the valuations being performed for us, or otherwise, so long as such other services do not adversely affect the independence of the independent valuation advisor.

Valuation of Investments in Properties

Consolidated Properties

For the purposes of calculating our monthly NAV, the value of each property we acquire will initially reflect the fair market value plus the costs associated with acquiring the property. If the property is acquired from an affiliate, the value of such property will be confirmed by our independent valuation advisor. In all cases, the value will include fees and expenses incurred as part of the acquisition.

In accordance with GAAP, we determine whether the acquisition of a property qualifies as an asset acquisition or business combination. We capitalize acquisition-related costs associated with asset acquisitions and expense such costs associated with business combinations.

Generally commencing with the first full calendar year after our acquisition of a property, such property will be valued by our independent valuation advisor no less than annually. Annual appraisals may be delayed for a short period in exceptional circumstances. Properties purchased as a portfolio may be valued as a single asset. Each appraisal will be performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in accordance with the requirements of the Code of Professional Ethics of the Appraisal Institute. Upon conclusion of the appraisal, our independent valuation advisor will prepare a written appraisal report with an estimated range of gross market value of the property. Concurrent with the appraisal process, the Adviser will value each property and, taking into account the appraisal report, among other factors, will determine the appropriate valuation within the range provided by our independent valuation advisor. Each appraisal must be reviewed, approved and signed by an individual with the professional designation of MAI (a Designated Member of the Appraisal Institute) or similar designation. We believe our policy of obtaining appraisals by an independent third party will meaningfully enhance the accuracy of our NAV calculation.

The Adviser will update the valuations of our properties monthly, based on the then most recent annual appraisals for each property prepared by our independent valuation advisor and current material market data and other information deemed relevant by the Adviser. Such updates to property valuations may be outside of the range of values provided in the most recent appraisal. Quarterly, our independent valuation advisor will provide a positive assurance report with respect to the reasonableness of the valuations of our real properties prepared by the Adviser. Although our independent valuation advisor will provide a quarterly positive assurance report with respect to the Adviser's updates to the valuations of our properties, such updates are based on asset and portfolio level information provided by the Adviser, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned estimated capital expenditures and

any other information relevant to valuing the real estate property, which information will not be independently verified by our independent valuation advisor.

The Adviser will monitor our properties for events that the Adviser believes may be expected to have a material impact on the most recent estimated values of such property, and will notify our independent valuation advisor of such events. If, in the opinion of the Adviser, an event becomes known to the Adviser (including through communication with our independent valuation advisor) that is likely to have any material impact on previously provided estimated values of the affected properties, the Adviser will adjust the valuation of such properties, subject to the review and confirmation for reasonableness of our independent valuation advisor. If deemed appropriate by the Adviser or our independent valuation advisor, any necessary adjustment will be determined as soon as practicable. Updated appraisals received during the year, if any, may also trigger an adjustment in the value of a property.

For example, a valuation adjustment may be appropriate to reflect the occurrence of an unexpected property-specific event such as a material change in vacancies, an unanticipated structural or environmental event at a property or a significant capital market event that may cause the value of a wholly-owned property to change materially. Valuation adjustments may also be appropriate to reflect the occurrence of broader market-driven events identified by the Adviser or our independent valuation advisor which may impact more than a specific property. Any such adjustments will be estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time.

In general, we expect that any adjustments to appraised values will be calculated promptly after a determination that a material change has occurred and the financial effects of such change are quantifiable by the Adviser. However, rapidly changing market conditions or material events may not be immediately reflected in our monthly NAV. The resulting potential disparity in our NAV may be detrimental to stockholders whose Shares are repurchased or new purchasers of Shares, depending on whether our NAV per Share is overstated or understated.

Real estate appraisals will be reported on a free and clear basis (for example, without taking into consideration any mortgage on the property), irrespective of any property level financing that may be in place. We expect to use the discounted cash flow methodology (income approach) as the primary methodology to value properties, whereby a property's value is calculated by discounting the estimated cash flows and the anticipated terminal value of the subject property by the assumed new buyer's normalized weighted average cost of capital for the subject property. Consistent with industry practices, the income approach also incorporates subjective judgments regarding comparable rental and operating expense data, capitalization or discount rate, and projections of future rent and expenses based on appropriate evidence as well as the residual value of the asset as components in determining value. Other methodologies that may also be used to value properties include sales comparisons and replacement cost approaches. Under the sales comparison approach, the independent third-party appraiser develops an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. The replacement cost approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. Because the appraisals performed by our independent valuation advisor, the Adviser's determination of the appropriate valuations for our properties based on the range of values provided in such reports and any subsequent updates to the valuation of our properties made by the Adviser involve subjective judgments, the estimated fair value of our assets that will be included in our NAV may not reflect the liquidation value or net realizable value of our properties.

In conducting their investigations and analyses, our independent valuation advisor will take into account customary and accepted financial and commercial procedures and considerations as it deems relevant, which may include, without limitation, the review of documents, materials and information relevant to valuing the property that are provided by us, such as (i) historical operating revenues and expenses of the property; (ii) lease agreements on the property; (iii) the revenues and expenses of the property; (iv) information regarding recent or planned estimated capital expenditures; and (v) any other information relevant to valuing the real estate property. Although our independent valuation advisor may review information supplied or otherwise made available by us for reasonableness, it will assume and rely upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to it by any other party, and will not undertake any duty or responsibility to verify independently any of such information. Our independent valuation advisor will not make or obtain an independent valuation or appraisal of any of our other assets or liabilities (contingent or otherwise) other than our real properties.

With respect to operating or financial forecasts and other information and data to be provided to or otherwise to be reviewed by or discussed with our independent valuation advisor, our independent valuation advisor will assume that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting currently available estimates and judgments of our management and the Adviser, and will rely upon the Adviser to advise our independent valuation advisor promptly if any material information previously provided becomes inaccurate or was required to be updated during the period of review.

In performing their analyses, the Adviser and our independent valuation advisor will make numerous other assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond its control and our control, as well as certain factual matters. For example, our independent valuation advisor will assume that we have clear and marketable title to each real estate property valued, that no title defects exist unless specifically informed to the contrary, that improvements were made in accordance with law, that no hazardous materials are present or were present previously, that no deed restrictions exist, and that no changes to zoning ordinances or regulations governing use, density or shape are pending or being considered. Furthermore, our independent valuation advisor's review, opinions and conclusions will necessarily be based upon market, economic, financial and other circumstances and conditions existing prior to the valuation, and any material change in such circumstances and conditions may affect our independent valuation advisor's review and conclusions. Our independent valuation advisor's review reports may contain other assumptions, qualifications and limitations set forth in the respective appraisal reports that qualify the review, opinions and conclusions set forth therein. As such, the carrying values of our real properties may not reflect the price at which the properties could be sold in the market, and the difference between carrying values and the ultimate sales prices could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal.

Pursuant to our valuation services agreement with our independent valuation advisor, each individual appraisal report for our assets will be addressed solely to us to assist the Adviser in calculating our NAV. The appraisal reports relating to our properties will not be addressed to the public and may not be relied upon by any other person to establish an estimated value of our Shares and will not constitute a recommendation to any person to purchase or sell our Shares.

The Adviser's valuation of each investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised.

Unconsolidated Properties Held Through Joint Ventures

Unconsolidated properties held through joint ventures generally will be valued in a manner that is consistent with the guidelines described above for consolidated properties. Once the value of a property held by the joint venture is determined by an independent appraisal and we determine the fair value of any other assets and liabilities of the joint venture, the value of our interest in the joint venture would then be determined by the Adviser using a hypothetical liquidation calculation to value our interest in the joint venture, which would be a percentage of the joint venture's NAV. Unconsolidated properties held in a joint venture that acquires multiple properties over time may be valued as a single investment.

Valuation of Real Estate Debt and Other Securities

In general, any real estate debt and other securities that we acquire will be valued by the Adviser based on market quotations or at fair value determined in accordance with GAAP. GAAP defines fair value as the price that would be received to sell an asset or be paid to transfer a liability (*i.e.*, the exit price) in an orderly transaction between market participants at the measurement date.

Liabilities

Our property-level mortgages and corporate-level credit facilities that are intended to be held to maturity, including those subject to interest rates hedges, are generally valued at par (*i.e.*, at their respective outstanding balances). This policy of valuing at par applies regardless of whether any given interest rate hedge is considered as an asset or liability for GAAP purposes.

Notwithstanding the foregoing, if we assume debt in connection with acquiring a property, and the price we pay for the property reflects a discount or premium to account for the terms of the assumed debt compared to current market terms, the Adviser may, for purposes of determining our NAV, amortize the amount of such price discount or premium over some portion of the remaining life of the assumed debt. Debt terms such as the interest rate, the existence of a pre-payment penalty or a pre-payment lockout period will impact the discount or premium paid and will directly correspond with the amount to be amortized and the length of time over which it will be amortized.

Our property-level mortgages and corporate-level credit facilities that are not intended to be held to maturity (in conjunction with any associated interest rate hedges that are not intended to be held to maturity) are valued at fair value using widely accepted valuation methodologies. Estimated prepayment penalties are not factored into the valuation of our debt until a loan or interest rate hedge is actually prepaid or terminated unless an interest rate hedge is definitively not intended to be held to maturity, in which case a hedge mark to market adjustment are made at such time.

Debt that is not intended to be held to maturity includes any property-level mortgages that we definitively intend to prepay in association with any asset considered as held-for-sale from a GAAP perspective, other property-level mortgages or corporate-level credit facilities that we definitively intend to prepay, or any interest rate hedge that we definitively intend to terminate. In addition, for non-recourse mortgages and interest rate hedges, the combined value of each mortgage and associated interest rate hedge is limited to the value of the underlying assets, so as to not make the equity of said assets less than zero.

Costs and expenses incurred to secure such financings are amortized over the life of the applicable loan. Unless costs can be specifically identified, we allocate the financing costs and expenses incurred with obtaining multiple loans that are not directly related to any single loan among the applicable loans, generally pro rata based on the amount of proceeds from each loan.

The Adviser has agreed to advance all of our organization and offering expenses on our behalf (other than Offering Fees). We will reimburse the Adviser for such advanced expenses, provided that the Adviser may waive or defer the right to receive reimbursement of any or all of such organization and offering expenses. For purposes of calculating our NAV, the organization and offering expenses paid by the Adviser are not recognized as expenses or as a component of equity and reflected in our NAV until we reimburse the Adviser for these costs.

For purposes of calculating our NAV, the Offering Fees we pay will not be recognized as expenses or reflected in our NAV as and when such fees are actually paid. Instead, solely for purposes of calculating our NAV, Offering Fees will be recognized as expenses and reflected in our NAV over up to 48 consecutive calendar months following the month in which such Offering Fees were actually paid by us to the Managing Dealer.

The Adviser's valuation of each of our investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised.

NAV and NAV Per Share Calculation

The Adviser is responsible for calculating our NAV in accordance with the valuation guidelines. The Adviser calculates our NAV per Share as of the last calendar day of each month by dividing our NAV at the end of each month by the number of Shares outstanding at the end of such month. The NAV calculation will generally be available within 15 calendar days after the end of the applicable month. Our board of directors will not be involved in the monthly valuation of our assets and liabilities or determination of our NAV, but will periodically receive and review such information as it deems necessary to exercise its oversight responsibility.

Our NAV will be based on the net asset values of our investments (including any real estate debt and other securities), the addition of any other assets (such as cash on hand), and the deduction of any liabilities (including the allocation/accrual of any Performance Participation Allocation to the Special Limited Partner). The Adviser calculates our NAV using a process that reflects several components (each as described above), including the estimated fair value of (1) each of our properties based in part upon individual appraisal reports provided periodically by our independent valuation advisor, as finally determined and updated monthly by the Adviser, with a quarterly review and confirmation for reasonableness by our independent valuation advisor, (2) our investments in real estate debt and other

securities, if any, and (3) our other assets. At the close of business on the date that is one business day after each record date for any declared distribution, our NAV will be reduced to reflect the accrual of our liability to pay any distribution to our stockholders of record of as of the record date.

Operating Partnership units will be valued in the same fashion as set forth above with respect to the Shares. The Operating Partnership units are economically equivalent to our Shares. Accordingly, on the last day of each month, the NAV per Operating Partnership unit equals the NAV per Share. To the extent our Operating Partnership has issued a class of units that do not correspond to a class of our shares, such units will be valued in a manner consistent with these guidelines. The NAV of our Operating Partnership on the last day of each month equals the sum of the NAVs of each outstanding Operating Partnership unit on such day.

Changes in our monthly NAV include, without limitation, accruals of our net portfolio income, interest expense, the Management Fee, any accrued Performance Participation Allocation, distributions, unrealized/realized gains and losses on assets, any applicable organization and offering costs and any expense reimbursements. Changes in our monthly NAV also include material non-recurring events, such as capital expenditures and material property acquisitions and dispositions occurring during the month. Notwithstanding anything herein to the contrary, the Adviser may in its discretion consider material market data and other information that becomes available after the end of the applicable month in valuing our assets and liabilities and calculating our NAV for a particular month. On an ongoing basis, the Adviser will adjust the accruals to reflect actual operating results and the outstanding receivable, payable and other account balances resulting from the accumulation of quarterly accruals for which financial information is available.

Relationship between NAV and Our Transaction Price

The purchase price per Share will vary and will equal the then-current transaction price, which will generally be our NAV per Share as of the last calendar day of the prior month. Generally, we will disclose our NAV per Share for each month on the fifteenth day after the end of such month. We began disclosing our monthly NAV following the initial closing.

Our NAV may vary significantly from one month to the next, and although the transaction price for Shares you purchase will generally be based on the prior month's NAV per Share, such prior month's NAV may be significantly different from the current NAV per Share as of the date on which your purchase occurs. We may offer Shares based on a transaction price that we believe reflects the NAV per Share of such Shares more appropriately than the prior month's NAV per Share (including by updating a previously disclosed transaction price) or suspend this offering or our SRP in cases where we believe there has been a material change (positive or negative) to our NAV per Share since the end of the prior month. In cases where our transaction price is not based on the prior month's NAV per Share, the offering price and repurchase price will not equal our NAV per Share as of any time. The Adviser may determine whether a material change has occurred to our NAV per Share since the end of the prior month and whether to set a transaction price that differs from the previous month's NAV per Share, and in such cases, has discretion over what such transaction price will be.

We will provide the transaction price to our existing stockholders promptly after it becomes available via our password-protected investor relations website, www.bonaventure.com, and will make it available upon request to any prospective investor or their financial adviser. Prospective investors will not be provided with direct notice of the transaction price when it becomes available. Therefore, prospective investors should confirm the applicable transaction price with their financial advisers.

As the Offering Fees paid to the Managing Dealer are a percentage of the transaction price, any increase or decrease in our transaction price will have a corresponding impact on the absolute amount of Offering Fees paid in connection with your purchase and thus the number of Shares you would be able to purchase for the same aggregate amount. For example, an increase in the transaction price after your subscription was submitted would result in fewer Shares purchased for the same aggregate amount (inclusive of upfront costs).

Limits on the Calculation of Our NAV Per Share

The overarching principle of our valuation guidelines is to produce reasonable estimated values for each of our investments (and other assets and liabilities), or the price that would be received for that investment in orderly transactions between market participants. However, our assets will almost entirely consist of real estate properties and, as with any real estate valuation protocol and as described above, the valuation of our properties (and other assets and liabilities) is based on a number of judgments, assumptions and opinions about future events that may or may not prove to be correct. The use of different judgments, assumptions or opinions would likely result in a different estimate of the value of our properties (and other assets and liabilities). Any resulting potential disparity in our NAV per Share may be in favor of stockholders whose Shares are repurchased, existing stockholders or new purchasers of our Shares, as the case may be, depending on the circumstances at the time.

Additionally, while the methodologies contained in our valuation guidelines are designed to operate reliably within a wide variety of circumstances, it is possible that in certain unanticipated situations or after the occurrence of certain extraordinary events (such as a significant disruption in relevant markets, a terrorist attack or an act of nature), our ability to calculate NAV may be impaired or delayed, including, without limitation, circumstances where there is a delay in accessing or receiving information from vendors or other reporting agents upon which we may rely upon in determining the monthly value of our NAV. In these circumstances, a more accurate valuation of our NAV could be obtained by using different assumptions or methodologies. Accordingly, in special situations when, in the Adviser's reasonable judgment, the administration of the valuation guidelines would result in a valuation that does not represent a fair and accurate estimate of the value of our investment, alternative methodologies may be applied, provided that the Adviser must notify our board of directors of any alternative methodologies utilized and their impact on the overall valuation of our investment. Notwithstanding the foregoing, our board of directors may suspend this offering or our SRP if it determines that the calculation of our NAV is materially incorrect or unreliable or there is a condition that restricts the valuation of a material portion of our assets.

We include no discounts to our NAV for the illiquid nature of our Shares, including the limitations on your ability to sell Shares under our SRP and our ability to suspend or terminate our SRP at any time. Our NAV generally does not consider exit costs (*e.g.*, selling costs and commissions and debt prepayment penalties related to the sale of a property) that would likely be incurred if our assets and liabilities were liquidated or sold. While we may use market pricing concepts to value individual components of our NAV, our NAV per Share is not derived from the market pricing information of open-end real estate funds listed on stock exchanges.

Our NAV per Share does not represent the amount of our assets less our liabilities in accordance with GAAP. We do not represent, warrant or guarantee that:

- a stockholder would be able to realize the NAV per Share if the stockholder attempts to sell its Shares;
- a stockholder would ultimately realize distributions per share equal to the NAV per Share upon liquidation of our assets and settlement of our liabilities or a sale of our company;
- our Shares would trade at the NAV per Share on a national securities exchange;
- a third party would offer the NAV per Share in an arm's-length transaction to purchase all or substantially all of our Shares; or
- the NAV per Share would equate to a market price of an open-ended real estate fund.

Historical NAV Per Share

The following table presents our monthly NAV per share since inception:

Date	NAV
September 2021	$10.00
October 2021	$11.09
November 2021	$12.33
December 2021	$12.71
January 2022	$13.13
February 2022	$13.19
March 2022	$13.65
April 2022	$14.43
May 2022	$14.84
June 2022	$15.14
July 2022	$15.47
August 2022	$15.69
September 2022	$16.15
October 2022	$16.49
November 2022	$16.60
December 2022	$16.62
January 2023	$16.62
February 2023	$16.75
March 2023	$16.83
April 2023	$17.09
May 2023	$17.16
June 2023	$17.17
July 2023	$17.20
August 2023	$17.43
September 2023	$17.45
October 2023	$17.40
November 2023	$17.40
December 2023	$17.41
January 2024	$17.41
February 2024	$17.41
March 2024	$17.42
April 2024	$17.44
May 2024	$17.45
June 2024	$17.42
July 2024	$17.48
August 2024	$17.53
September 2024	$17.58

RISK FACTORS

An investment in Shares involves risks. You should specifically consider the following material risks in addition to the other information contained in this Memorandum before you decide to purchase Shares. The occurrence of any of the following risks might cause you to lose a significant part of your investment. The risks and uncertainties discussed below are not the only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, financial condition, prospects and forward-looking statements.

Risks Related to This Offering and Our Organizational Structure

We have a limited operating history and there is no assurance that we will be able to successfully achieve our investment objectives.

We have a limited operating history and may not be able to achieve our investment objectives. We cannot assure you that the past experiences of the Adviser and its affiliates will be sufficient to allow us to successfully achieve our investment objectives. As a result, an investment in the Shares may entail more risk than the shares of common stock of a REIT with a substantial operating history.

You may not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.

We are not able to provide you with any information to assist you in evaluating the merits of any specific investments that we may make, except for the investments described herein and any other investments that may be described in one or more supplements to this Memorandum. We will seek to invest substantially all of the net offering proceeds from this offering, after the payment of fees and expenses, in the acquisition of or investment in assets consistent with the investment objectives and investment strategy described herein. However, because you will not, subject to the exceptions noted above, be able to evaluate the economic merit of our future investments before we make them, you have to rely entirely on the ability of the Adviser to select suitable and successful investment opportunities. Furthermore, the Adviser has broad discretion in selecting the types of properties we will invest in and you will not have the opportunity to evaluate potential investments. There is no guarantee that we will acquire all or any portion of any potential investment that we identify in this Memorandum or any supplement hereto. These factors increase the risk that your investment in our common stock may not generate returns comparable to other real estate investment alternatives.

The Adviser manages our portfolio pursuant to broad investment guidelines and generally is not required to seek the approval of our board of directors for each investment, financing or asset allocation decision it makes, which may result in our making riskier investments and which could adversely affect our results of operations and financial condition.

Our board of directors approved broad investment guidelines that delegate to the Adviser the authority to execute acquisitions and dispositions of investments on our behalf, in each case so long as such investments are consistent with the investment guidelines and our charter. There can be no assurance that the Adviser will be successful in applying any strategy or discretionary approach to our investment activities. Our board of directors will review our investment guidelines on an annual basis (or more often as it deems appropriate) and will review our investment portfolio periodically. The prior approval of a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of our independent directors, will be required only for the transactions that are not in accordance with our investment guidelines and certain transactions with Bonaventure or its affiliates. Furthermore, transactions entered into on our behalf by the Adviser may be costly, difficult or impossible to unwind when they are subsequently reviewed by our board of directors.

Your ability to dispose of your Shares will likely be limited to repurchase by us. Your ability to have your Shares repurchased through our SRP is limited, and if you do sell your Shares to us, you may receive less than the price you paid.

The Shares have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities

laws of any other jurisdiction, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that the Shares will be registered under the Securities Act or other securities laws. There is no current public trading market for Shares, and we do not expect that such a market will ever develop. Therefore, repurchase of Shares by us will likely be the only way for you to dispose of your Shares. We have adopted our SRP whereby our stockholders will be able to request, on a quarterly basis, that we repurchase all or any portion of their Shares, subject to the terms and conditions of our SRP. We will repurchase Shares at a price equal to the transaction price of the Shares on the date of repurchase (which will generally be equal to our NAV per Share as of the last day of the month immediately preceding the repurchase date) and not based on the price at which you initially purchased your Shares. As a result, you may receive less than the price you paid for your Shares if you sell them to us pursuant to our SRP.

The vast majority of our assets will consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy repurchase requests under our SRP. Shares will not be eligible for repurchase pursuant to our SRP unless such Shares have been issued and outstanding for at least 12 months; *provided, however*, that such minimum holding period requirement will not apply in the case of repurchase requests resulting from the death of a stockholder and shares issued pursuant to the DRIP (although Shares under the Enhanced DRIP will be subject to the Enhanced DRIP Early Termination Penalty). We may choose to repurchase fewer Shares than have been requested in any particular quarter to be repurchased under our SRP, or none at all, in our discretion at any time. We may repurchase fewer shares than have been requested to be repurchased due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than repurchasing Shares. In addition, the aggregate NAV of total repurchases of Shares will be limited to no more than 5.0% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV attributable to stockholders as of the end of the immediately preceding three months). Further, our board of directors may modify, suspend or terminate our SRP if it deems such action to be in our best interest and the best interest of our stockholders. If the full amount of all Shares requested to be repurchased in any given quarter are not repurchased, funds will be allocated pro rata based on the total number of Shares being repurchased and subject to the volume limitation. All unsatisfied repurchase requests must be resubmitted after the start of the next quarter, or upon the recommencement of our SRP, as applicable.

Our board of directors may make exceptions to, modify, suspend or terminate our SRP if it deems such action to be in our best interests. Because we are not required to authorize the recommencement of our SRP within any specified period of time, we may effectively terminate our SRP by suspending it indefinitely. As a result, your ability to have your Shares repurchased by us may be limited and at times you may not be able to liquidate your investment. For additional discussion of the terms of our SRP, see "Share Repurchases."

Economic events that may cause our stockholders to request that we repurchase their Shares may materially adversely affect our cash flow and our results of operations and financial condition.

Economic events affecting the U.S. economy, such as the general negative performance of the real estate sector, unemployment and stock market volatility, could cause our stockholders to seek to sell their Shares to us pursuant to our SRP at a time when such events are adversely affecting the performance of our assets. Even if we decide to satisfy all resulting repurchase requests, our cash flow could be materially adversely affected. In addition, if we determine to sell assets to satisfy repurchase requests, we may not be able to realize the return on such assets that we may have been able to achieve had we sold at a more favorable time, and our results of operations and financial condition, including, without limitation, breadth of our portfolio by property type and location, could be materially adversely affected.

The amount and source of distributions we may make to our stockholders is uncertain, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.

Our ability to make distributions to our stockholders may be adversely affected by a number of factors, including the risk factors described in this Memorandum. Our board of directors will make determinations regarding distributions based upon, among other factors, our financial performance, debt service obligations, debt covenants, REIT qualification and tax requirements and capital expenditure requirements. Among the factors that could impair our ability to make distributions to our stockholders are:

- the limited size of our portfolio in the early stages of our development;
- changes in the economy;
- our inability to invest the proceeds from sales of Shares on a timely basis in income-producing properties;
- our inability to realize attractive risk-adjusted returns on our investments;
- high levels of expenses or reduced revenues that reduce our cash flow or non-cash earnings; and
- defaults in our investment portfolio or decreases in the value of our investments.

As a result, we may not be able to make distributions to our stockholders at any time in the future, and the level of any distributions we do make to our stockholders may not increase or even be maintained over time, any of which could materially and adversely affect the value of your investment.

We may pay distributions from sources other than our cash flow from operations, including, without limitation, the sale of assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources.

We may not generate sufficient cash flow from operations to fully fund distributions to stockholders. Therefore, we may fund distributions to our stockholders from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales of our common stock or Operating Partnership units). The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in the DRIP, the extent to which the Adviser elects to receive its management fee in Shares or Operating Partnership units and the Special Limited Partner elects to receive distributions on its Performance Participation Allocation in Operating Partnership units, how quickly we invest the proceeds from this and any future offering and the performance of our investments. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of this offering will result in us having less funds available to make investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your Shares. We may be required to continue to fund our regular distributions from a combination of some of these sources if our investments fail to perform, if expenses are greater than our revenues or due to numerous other factors. We have not established a limit on the amount of our distributions that may be paid from any of these sources.

To the extent we borrow funds to pay distributions, we would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact our ability to pay distributions in future periods, decrease our NAV, decrease the amount of cash we have available for operations and new investments and adversely impact the value of your investment.

We may also defer operating expenses or pay expenses (including the fees of the Adviser or distributions to the Special Limited Partner) with Shares or Operating Partnership units in order to preserve cash flow for the payment of distributions. The ultimate repayment of these deferred expenses could adversely affect our operations and reduce the future return on your investment. We may repurchase shares or redeem Operating Partnership units from the Adviser or the Special Limited Partner shortly after issuing such Shares or Operating Partnership units as compensation. The payment of expenses in Shares or with Operating Partnership units will dilute your ownership interest in our portfolio of assets. There is no guarantee any of our operating expenses will be deferred and the Adviser and Special Limited Partner are under no obligation to receive fees or distributions in Shares or Operating Partnership units and may elect to receive such amounts in cash.

We are dependent on Bonaventure and its affiliates, including the Adviser, and their key personnel who provide services to us through the Advisory Agreement, and we may not find a suitable replacement for the Adviser if the

Advisory Agreement is terminated, or for these key personnel if they become unavailable to us.

We have no separate facilities and are completely reliant on the Adviser. Our officers, including our Chief Executive Officer and Chief Financial Officer, are executive officers of the Adviser. The Adviser has significant discretion as to the implementation of our investment and operating policies and strategies. Accordingly, we believe that our success depends to a significant extent upon the efforts, experience, diligence, skill and network of business contacts of the officers and key personnel of the Adviser. The officers and key personnel of the Adviser evaluate, negotiate, close and monitor our investments; therefore, our success depends on their continued service. The departure of any of the officers or key personnel of the Adviser could have a material adverse effect on our performance.

The Adviser is not obligated to dedicate any specific personnel exclusively to us. In addition, none of our officers or the officers of the Adviser are obligated to dedicate any specific portion of their time to our business. Some of our officers have significant roles and responsibilities with other businesses ventures and companies. As a result, these individuals may not always be able to devote sufficient time to the management of our business. The Adviser may suffer or become distracted by adverse financial or operational problems in connection with Bonaventure's business and activities unrelated to us and over which we have no control. In such situations, we may not receive the level of support and assistance that we may receive if we were internally managed. Should the Adviser fail to allocate sufficient resources to perform its responsibilities to us for any reason, we may be unable to achieve our investment objectives or to pay distributions to our stockholders.

In addition, we offer no assurance that Bonaventure MIT Adviser, LLC will remain the Adviser or that we will continue to have access to Bonaventure's officers and key personnel. If the Advisory Agreement is terminated and no suitable replacement is found, we may not be able to execute our business plan.

The termination or replacement of the Adviser could trigger a repayment event under our mortgage loans for some of our properties and the credit agreement governing any of our lines of credit.

Lenders for certain of our properties may request provisions in the mortgage loan documentation that would make the termination or replacement of the Adviser an event requiring the immediate repayment of the full outstanding balance of the loan. The termination or replacement of the Adviser could trigger repayment of outstanding amounts under any credit agreements that we may obtain. If a repayment event occurs, our results of operations and financial condition may be adversely affected.

Payments to the Adviser or the Special Limited Partner with respect to Shares or Operating Partnership units they elect to receive in lieu of cash Management Fees or distributions will dilute future cash available for distribution to our stockholders.

The Adviser or the Special Limited Partner may choose to receive Shares or Operating Partnership units in lieu of certain fees or distributions. The holders of all Operating Partnership units are entitled to receive cash from operations pro rata with the distributions being paid to us and such distributions to the holder of the Operating Partnership units will reduce the cash available for distribution to us and to our stockholders. Furthermore, under certain circumstances the Operating Partnership units held by the Adviser or the Special Limited Partner are required to be repurchased, and there may not be sufficient cash to make such a repurchase payment; therefore, we may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in our operations. Repurchases of Shares issued to the Adviser as payment of Management Fees are not subject to the quarterly volume limitations under our SRP, and such repurchases receive priority over other Shares for which repurchase is requested during such period. Operating Partnership units held by the Adviser (including those issued to the Adviser as payment of Management Fees) are not subject to any minimum holding period in order to be eligible for redemption by the Operating Partnership and will be redeemed for cash unless our board of directors determines that any such redemption for cash would be prohibited by applicable law or the partnership agreement. Operating Partnership units distributed to the Special Limited Partner with respect to its Performance Participation Allocation are not subject to any minimum holding period in order to be eligible for redemption by the Operating Partnership and will be redeemed for cash unless our board of directors determines that any such redemption for cash would be prohibited by applicable law or the partnership agreement.

Purchases and repurchases of Shares are not made based on the NAV per Share as of the date of purchase or

repurchase.

Generally, the transaction price per Share for Shares sold in this offering and at which we repurchase Shares will equal the NAV per Share as of the last calendar day of the prior month. The NAV per Share as of the date on which you make your subscription request or repurchase request may be significantly different than the transaction price you pay or the repurchase price you receive. Certain of our investments or liabilities will be subject to high levels of volatility from time to time and could change in value significantly between the end of the prior month as of which our NAV is determined and the date that you purchase or we repurchase your Shares, however the prior month's NAV per Share will generally continue to be used as the transaction price per Share and repurchase price per Share. In exceptional circumstances, we may in our sole discretion, but are not obligated to, sell and repurchase Shares at a different price that we believe reflects the NAV per Share more appropriately than the prior month's NAV per Share, including by updating a previously disclosed transaction price, in cases where we believe there has been a material change (positive or negative) to our NAV per Share since the end of the prior month and we believe an updated price is appropriate. In such extraordinary cases, the offering price and repurchase price will not equal our NAV per Share as of the date of purchase or repurchase.

Valuations and appraisals of our assets are estimates of fair value and may not necessarily correspond to realizable value.

For the purposes of calculating our monthly NAV, the value of each property we acquire will initially reflect the fair market value plus the costs associated with acquiring the property. If the property is acquired from an affiliate, the value of such property will be confirmed by our independent valuation advisor. Thereafter, valuations of our properties will be determined by the Adviser based in part on annual appraisals of each of our properties by our independent valuation advisor in accordance with valuation guidelines approved by our board of directors. The Adviser will also conduct a monthly valuation of our properties that are reviewed quarterly by our independent valuation advisor for reasonableness. For more information regarding our valuation process, see "Net Asset Value Calculation and Valuation Guidelines."

Although our independent valuation advisor will review and provide a quarterly positive assurance report with respect to the monthly valuations of each of our real properties prepared by the Adviser, such valuations are based on asset and portfolio-level information provided by the Adviser, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real estate property, which information is not independently verified by our independent valuation advisor. In addition, our investments in real estate-related debt and real estate-related securities, while a component of NAV, are valued by the Adviser, based on market quotations or at fair value, and are not reviewed for reasonableness or appraised by our independent valuation advisor.

Within the parameters of our valuation guidelines, the valuation methodologies used to value our properties will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations and appraisals of our properties are estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Adviser and our independent valuation advisor. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of such assets, the offering price of our Shares, the price we paid to repurchase Shares or NAV-based fees we paid to the Adviser to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price you will pay for Shares in this offering, and the price at which your Shares may be repurchased by us pursuant to our SRP are generally based on our prior month's NAV per Share, you may pay more than realizable value or receive less than realizable value for your investment.

Our NAV per Share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular month differ from what we originally budgeted for that month.

Annual appraisals of our properties are conducted on a rolling basis, such that properties are appraised at different times but each property would be appraised at least once per year. When these appraisals are reflected in our NAV calculations, there may be a material change in our NAV per Share amounts from those previously reported. The changes in a property's value may be as a result of property-specific changes or as a result of more general changes to real estate values resulting from local, nation or global economic changes, including as a result of the coronavirus pandemic. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the NAV per Share amounts. We will not retroactively adjust the NAV per Share reported for the previous month. Therefore, because a new annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what we previously budgeted for a particular month, the adjustment to reflect the new appraisal or actual operating results may cause the NAV per Share to increase or decrease, and such increase or decrease will occur on the day the adjustment is made.

It may be difficult to reflect, fully and accurately, material events that may impact our monthly NAV.

The Adviser's determination of our monthly NAV per Share is based in part on appraisals of each of our properties provided at least annually by our independent valuation advisor in accordance with valuation guidelines approved by our board of directors. As a result, our NAV per Share in any given month may not fully reflect any or all changes in value that may have occurred since the most recent appraisal or valuation. The Adviser will review appraisal reports and monitor our properties, and is responsible for notifying the independent valuation advisor of the occurrence of any property-specific or market-driven event it believes may cause a material valuation change in the real estate valuation, but it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of our assets or liabilities between valuations, or to obtain quickly complete information regarding any such events. For example, a material increase or decrease in vacancies or an unanticipated structural or environmental event at a property may cause the value of a property to change materially, yet obtaining sufficient relevant information after the occurrence has come to light and/or analyzing fully the financial impact of such an event may be difficult to do and may require some time. As a result, the NAV per Share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our NAV may be appropriately adjusted in accordance with our valuation guidelines. Depending on the circumstance, the resulting potential disparity in our NAV may be in favor or to the detriment of either stockholders who request that we repurchase their Shares, or stockholders who buy new Shares.

NAV calculations are not governed by governmental or independent securities, financial or accounting rules or standards.

The method for calculating our NAV, including the components used in calculating our NAV, is not prescribed by rules of the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and our NAV is not audited by our independent registered public accounting firm. We will calculate our NAV solely for purposes of establishing the price at which we sell and repurchase Shares, and you should not view our NAV as a measure of our historical or future financial condition or performance. The components and methodology used in calculating our NAV may differ from those used by other companies now or in the future.

In addition, calculations of our NAV, to the extent that they incorporate valuations of our assets and liabilities, are not prepared in accordance with generally accepted accounting principles ("GAAP"). These valuations may differ from liquidation values that could be realized in the event that we were forced to sell assets.

Additionally, errors may occur in calculating our NAV, which could impact the price at which we sell and repurchase Shares and the amount of the Adviser's management fee and the Special Limited Partner's Performance Participation Allocation. The Adviser has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the Adviser, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which Shares were sold or repurchased or on the amount of the Adviser's management fee or the Special Limited Partner's Performance Participation Allocation, may determine in its sole

discretion to take certain corrective actions in response to such errors.

Any material adverse change to the Managing Dealer's ability to successfully build and maintain a network of Participating Advisers and Broker-Dealer Members could have a material adverse effect on our business and this offering.

Any material adverse change to the ability of the Managing Dealer to build and maintain a network of Participating Advisers, Broker-Dealer Members and other agents could have a material adverse effect on our business and this offering. If the Managing Dealer is unable to build and maintain a sufficient network of Participating Advisers and Broker-Dealer Members to distribute Shares in this offering, our ability to raise proceeds through this offering and implement our investment strategy may be adversely affected. In addition, the Managing Dealer currently serves and may serve as the placement agent or managing broker-dealer for other issuers. As a result, the Managing Dealer may experience conflicts of interest in allocating its time between this offering and such other issuers, which could adversely affect our ability to raise proceeds through this offering and implement our investment strategy. Further, the Participating Advisers and Broker-Dealer Members retained by the Managing Dealer may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as us, which they may elect to emphasize to their clients.

There is no assurance that this offering will raise substantial capital.

The amount of proceeds we raise in this offering may be substantially less than the amount we would need to achieve a broader portfolio of investments. If we are unable to raise substantial funds in this offering, we will make fewer investments, resulting in less breadth in terms of the number, geography and size of investments that we make. In that case, the likelihood that any single asset's performance would adversely affect our profitability will increase. There is a greater risk that you will lose money in your investment if we have less breadth in our portfolio. Further, we will have certain fixed operating expenses, regardless of whether we are able to raise substantial funds. Our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, reducing our net income and limiting our ability to make distributions.

We face risks associated with the deployment of our capital.

In light of the nature of our continuous offering and our investment strategy and the need to be able to deploy capital quickly to capitalize on potential investment opportunities, we may have difficulty identifying and making suitable investments on attractive terms. There could be a delay between the time we receive net proceeds from the sale of Shares in the offering and the time we invest the net offering proceeds. We may also from time to time hold cash pending deployment into investments or have less than our targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account that may be invested in money market accounts or other similarly temporary investments. In the event we are unable to find suitable investments, such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash flow from operations. It is not anticipated that the temporary investment of cash into money market accounts or other similar temporary investments pending deployment into investments will generate significant interest, and low interest payments on the temporarily invested cash may adversely affect overall returns. In the event we fail to timely invest the net proceeds of this offering or do not deploy sufficient capital to meet our targeted leverage, our results of operations and financial condition may be adversely affected.

Our charter permits our board of directors to authorize us to issue preferred stock ranking senior to our common stock with respect to distribution rights or rights upon our liquidation, dissolution or winding up or on terms that may discourage a third party from acquiring us.

Our board of directors is permitted, subject to certain restrictions set forth in our charter, to authorize the issuance of shares of preferred stock without stockholder approval. Further, our board of directors may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to

increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue without stockholder approval. Thus, our board of directors could authorize us to issue shares of preferred stock ranking senior to our common stock with respect to distribution rights upon our liquidation, dissolution or winding up or with terms and conditions that could have the effect of delaying, deferring or preventing our change in control, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

Maryland law limits, in some cases, the ability of a third party to vote shares acquired in a "control share acquisition."

The Maryland Control Share Acquisition Act provides that "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by stockholders by a vote of two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation, are excluded from shares entitled to vote on the matter. "Control shares" are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition of issued and outstanding control shares. The control share acquisition statute does not apply: (1) to shares acquired in a merger, consolidation or statutory share exchange if the Maryland corporation is a party to the transaction; or (2) to acquisitions approved or exempted by the charter or bylaws of the Maryland corporation. Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Maryland law and our organizational documents limit our rights and the rights of our stockholders to recover claims against our directors and officers, which could reduce your and our recovery against them if they cause us to incur losses.

Maryland law provides that a director will not have any liability as a director so long as he or she performs his or her duties in accordance with the applicable standard of conduct. In addition, our charter limits the personal liability of our directors and officers for monetary damages subject to the limitations of Maryland law. Moreover, our charter generally requires us to indemnify and advance expenses to our directors and officers for losses they may incur by reason of their service in those capacities. As a result, you and we may have more limited rights against our directors or officers than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a manner that causes us to incur losses. In addition, we are obligated to fund the defense costs incurred by these persons in some cases.

Maryland law and our organizational documents limit our stockholders' ability to amend our charter or dissolve us without the approval of our board of directors.

We are required to comply with the Maryland General Corporation Law, which provides that any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, our stockholders may vote to authorize the amendment of our charter or the dissolution of our company, but only after such action has been declared advisable by our board of directors. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors and also require approval by our stockholders.

Your interest in us will be diluted if we issue additional shares or if the Operating Partnership issues additional Operating Partnership units. The Operating Partnership may issue units with rights, including with respect to distributions, that are superior to those of other Operating Partnership units, including the units held by us.

You may experience substantial dilution in your percentage ownership of Shares and your interests in the underlying assets held by our Operating Partnership. Holders of our common stock will not have preemptive rights to any shares of our stock we issue in the future. Our charter authorizes us to issue up to 2,100,000,000 shares of capital stock, of which 2,000,000,000 shares are classified as common stock, and 100,000,000 shares are classified as preferred stock.

In addition, our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series without stockholder approval. Our board of directors may elect, without stockholder approval, to cause our company, or the Operating partnership (as applicable) to: (1) issue additional Shares in future public or private offerings; (2) issue Operating Partnership units in private offerings; (3) issue Shares or Operating Partnership units upon the exercise of the options we may grant to our directors or others; (4) issue Shares or Operating Partnership units to the Adviser or the Special Limited Partner, or their successors or assigns, in payment of an outstanding obligation to pay fees for services rendered to us or in connection with the Performance Participation Allocation; (5) issue Shares or Operating Partnership units as consideration to sellers of properties that we acquire; or (6) issue Shares to the Adviser as reimbursement of Organization and Offering Expenses paid by the Adviser on our behalf.

To the extent that we issue additional Shares, your percentage ownership interests in us will be diluted. Further, because we will hold all of our assets through the Operating Partnership, to the extent we issue additional Operating Partnership units, our stockholders' percentage ownership interest in our assets will be diluted. As of the date hereof, 24,974,115 Operating Partnership units are issued and 23,572,488 are currently outstanding, of which 5,250,364 units (approximately 21%) are held by us and 19,723,751 units (approximately 79%) are held by third party investors, the Adviser and the Special Limited Partner. The outstanding Operating Partnership units held by third parties were issued as consideration in UPREIT transactions, purchased for cash, and issued upon the reinvestment of cash distributions otherwise payable by the Operating Partnership. The Operating Partnership units held by the Adviser and the Special Limited Partner were issued primarily as payment of Management Fees and as payment of the Performance Participation Allocation, respectively. We expect to continue to issue a significant number of additional Operating Partnership units as consideration in connection with our acquisition of properties in UPREIT transactions and as payment of Management Fees to the Adviser and the Performance Participation Allocation to the Special Limited Partner. Because common Operating Partnership units may, in the discretion of our board of directors, be exchanged for shares of our common stock, any merger, exchange or conversion between the Operating Partnership and another entity ultimately could result in the issuance of a substantial number of shares of our common stock, thereby diluting the percentage ownership interest of other stockholders.

As the general partner of the Operating Partnership, we may, without the approval of any other partners of the Operating Partnership or our stockholders, from time to time authorize and designate Operating Partnership units with rights, including without limitation with respect to distributions, including upon the Operating Partnership's liquidation and dissolution, that are different or superior to those of other Operating Partnership units (referred to herein as "Preferred Units"). Such Preferred Units may be designated and issued in multiple classes or series, in each case in our sole discretion. The special rights, powers and duties of each class or series of such Preferred Units will be set forth in an exhibit attached to the partnership agreement (or as otherwise determined and recorded by us in our sole discretion) or provided by applicable law. The terms of a class or series of Preferred Units may provide, among other things, that (i) such Preferred Units are entitled to accruing, cumulative distributions at a fixed percentage rate per annum (based upon an assigned liquidation value per preferred unit), and (ii) no distributions may be declared and paid or set apart for payment, directly or indirectly, by the Operating Partnership on any other class of Operating Partnership units which by its terms is junior to such Preferred Units for any period, unless full accrued, cumulative distributions on such preferred units for all past periods have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment. The issuance of such Preferred Units may restrict the ability of the Operating Partnership to pay distributions to holders of other classes of Operating Partnership units, including to us as a holder of common Operating Partnership units. We have, and in the future may continue to, issue Preferred Units as consideration in connection with the contribution of properties to our Operating Partnership.

In connection with our acquisition of certain of our properties, we have agreed to issue additional compensation, in the form of either cash or an equivalent value of Operating Partnership units, in the event that certain thresholds related to the net asset value of our Operating Partnership units or the financial return experienced by the contributors of such properties are not met within certain time periods.

Subject to the terms of any agreements between the Operating Partnership and one or more limited partners, each limited partner, after holding common Operating Partnership units for at least one year, has the right to request that the Operating Partnership redeem such common units for cash at a price per unit equal to the most recent NAV per Share as of the redemption date. As the general partner of the Operating Partnership, we may reject any such redemption request in whole or in part in our discretion. In addition, the partnership agreement of the Operating

partnership imposes additional terms and conditions upon any such redemptions.

Our UPREIT structure may result in potential conflicts of interest with limited partners in our Operating Partnership whose interests may not be aligned with those of our stockholders.

Our directors and officers have duties to our corporation and our stockholders under Maryland law and our charter in connection with their management of the corporation. At the same time, we, as general partner, have fiduciary duties under Delaware law to our Operating Partnership and to the limited partners of the Operating Partnership in connection with the management of our Operating Partnership. Our duties as general partner of our Operating Partnership and its partners may come into conflict with the duties of our directors and officers to the Company and our stockholders. Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership's partnership agreement. The partnership agreement of our Operating Partnership provides that, for so long as we own a controlling interest in our Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners may be resolved in favor of our stockholders.

Additionally, the partnership agreement of our Operating Partnership expressly limits our liability by providing that we and our officers, directors, agents and employees will not be liable or accountable to our Operating Partnership for losses sustained, liabilities incurred or benefits not derived if we or our officers, directors, agents or employees acted in good faith. In addition, our Operating Partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our Operating Partnership, unless it is established that: (1) the act or omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money, property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

The provisions of Delaware law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement of our Operating Partnership that purport to waive or restrict our fiduciary duties.

Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We intend to conduct our operations so that neither we, nor our Operating Partnership nor the subsidiaries of our Operating Partnership are investment companies under the Investment Company Act. However, there can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an investment company.

A change in the value of any of our assets could negatively affect our ability to avoid operating as an investment company or to maintain an exception from the definition of investment company under the Investment Company Act. To avoid operating as an investment company or to maintain compliance with an applicable exception under the Investment Company Act, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

If we were required to register as an investment company but failed to do so, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially adversely affect our NAV and our ability to pay distributions to our stockholders.

We may fail to comply with the requirements for a private offering exemption.

The Shares are being offered and sold in reliance upon an exemption from the registration requirements of the

Securities Act provided by Regulation D promulgated under the Securities Act and applicable state securities law exemptions. The Adviser and the Managing Dealer intend to use their best efforts to assure compliance with the requirements of the applicable exemptions. There can be no assurance that a court reviewing the facts and circumstances of this offering might not determine later that one or more of the applicable exemption provisions was not properly complied with. Should it be determined that we failed to comply with the requirements of Regulation D or any other applicable exemption from registration, certain stockholders could have a right to various remedies against us, including the right to rescind their investment. If a sufficient number of such stockholders should seek rescission, we could face financial demands which could adversely affect our ability to continue in business which, in turn, could result in adverse consequences to both rescinding and non-rescinding stockholders.

Cybersecurity risks could result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.

Our operations are highly dependent on the secure operation of the Adviser's and other computer systems to manage, process, store and transmit information. Such technology systems, data and information may be vulnerable to damage or interruption from computer viruses, malware, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (*e.g.*, "hacking" or malicious software coding), usage errors by the respective professionals of the Adviser and its affiliates, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we or other relevant parties may have to make a significant investment to fix or replace them. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in our operations, potentially resulting in financial losses, interference with the ability to calculate the NAV, the inability to transact business, or a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to stockholders and other parties. Such a failure could harm our or the Adviser's reputation, subject any such entity and their respective affiliates to legal claims, regulatory enforcement actions or liability and otherwise affect their business and financial performance. While we, the Adviser and its affiliates will seek to maintain business continuity plans in the event of, and risk management systems and adequate levels of cyber-security protection to prevent, cyber-security incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Adviser and its affiliates cannot control the cybersecurity plans and systems put in place by their service providers or any other third-parties whose operations may affect us or our stockholders. We and our investors could be negatively impacted as a result.

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Our information and technology systems as well as those of the Adviser and other related parties, such as service providers, may be vulnerable to damage or interruption from cybersecurity breaches, computer viruses or other malicious code, "phishing" attempts and other forms of social engineering, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as the Adviser's employees, or third-party agents and consultants.

There can be no assurance that cyber-security breaches or incursions with respect to our company, the Adviser, its affiliates or any of our investments will not occur in the future.

Risks Related to Investments in Real Estate

Our operating results will be affected by economic and regulatory changes that impact the real estate market in general.

We are subject to risks generally attributable to the ownership of real property, including:

- changes in global, national, regional or local economic, demographic or capital market conditions (including volatility as a result of the ongoing conflict between Russia and Ukraine and the rapidly evolving measures in response);
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- adverse economic conditions as a result of an epidemic, pandemic or other health-related issue, climate change, natural disaster or other event beyond our control in one or more markets where we own property;
- changes in supply of or demand for similar properties in a given market or metropolitan area, which could result in rising vacancy rates or decreasing market rental rates;
- increased competition for properties targeted by our investment strategy;
- bankruptcies, financial difficulties or lease defaults by our tenants;
- increases in interest rates and lack of availability of financing; and
- changes in government rules, regulations and fiscal policies, including increases in property taxes, changes in zoning laws, limitations on rental rates, and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to stockholders.

Our success is dependent on general market and economic conditions.

The real estate industry generally and the success of our investment activities in particular will both be affected by global and national economic and market conditions generally and by the local economic conditions where our properties are located. These factors may affect the level and volatility of real estate prices, which could impair our profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments. Our financial condition may be adversely affected by a significant economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on our businesses and operations.

A depression, recession or slowdown in the U.S. real estate market or one or more regional real estate markets, and to a lesser extent, the global economy (or any particular segment thereof) would have a pronounced impact on us, the value of our assets and our profitability, impede the ability of our assets to perform under or refinance their existing obligations, and impair our ability to effectively deploy our capital or realize upon investments on favorable terms. We would also be affected by any overall weakening of, or disruptions in, the financial markets. Any of the foregoing events could result in substantial losses to our business, which losses will likely be exacerbated by the presence of leverage in our capital structure or our investments capital structures.

Market disruptions in a single country could cause a worsening of conditions on a regional and even global level, and economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. For example, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. The occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

The Russian Federation invaded Ukraine on February 24, 2022, which has resulted in rising geopolitical tensions. The United States, the United Kingdom, European Union member states and other countries have imposed unprecedented

economic sanctions on the Russian Federation, parts of Ukraine and various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long they will last. Depending on direction and timing, the Russian Federation-Ukraine conflict may exacerbate normal risks associated with the performance of our investments.

For example, as a result of the 2008 financial crisis, the availability of debt financing secured by commercial real estate was significantly restricted as a result of tightened lending standards for a prolonged period. As a result of the uncertainties in the credit market, real estate investors were unable to obtain debt financing on attractive terms, which adversely affected investment returns on acquisitions or their ability to make acquisitions or property improvements. Any future financial market disruptions may force us to use a greater proportion of our offering proceeds to finance our acquisitions and fund property improvements, reducing the cash available to pay distributions or satisfy repurchase requests and reducing the number of acquisitions we would otherwise make.

Certain countries have been susceptible to epidemics and pandemics, most recently novel coronavirus know us COVID-19. The outbreak of such epidemics or pandemics, together with the resulting restrictions on travel or quarantines imposed, have had a negative impact on the economy and business activity globally (including in the markets in which we expect to continue to invest), and thereby could adversely affect the performance of our future investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. These epidemics or pandemics could have particularly adverse impacts on certain industries, such as the hospitality and leisure industries, and may also have particular negative effects on certain regions in which we own investments.

Political tensions between the United States and China have escalated due to, among other things, the imposition of tariffs by both the United States and China and certain activities of China relating to Hong Kong. Rising political tensions could reduce levels of trade, investments, technological exchanges and other economic activities between the United States and China, which would have a material adverse effect on global economic conditions and the stability of global financial markets.

We will not be diversified with respect to the class of assets that we own and we may not be diversified with respect to the geographic regions in which we invest.

We expect to continue to invest solely in multifamily properties and we will therefore not invest in a diverse set of asset classes. Therefore, each of our investments could be subject to the same or similar rental property related risks and a decline in real estate values in general or a change in economic conditions which affects real property investment and rental markets could have a substantial adverse effect on our financial performance.

Further, to the extent the Adviser continues to concentrate our investments in a particular geographic region, our portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that geographic region. Investors have no assurance as to the degree of diversification in our investments, either asset type or geographic region. As of the date hereof we are subject to the foregoing geographic concentration risks because all but two of the properties we own are located in Virginia.

We may change our investment and operational policies without stockholder consent.

We may change our investment and operational policies, including our policies with respect to investments, operations, indebtedness, capitalization and distributions, at any time without the consent of our stockholders, which could result in our making investments that are different from, and possibly riskier or more highly leveraged than, the types of investments described herein. Our board of directors also approved broad investment guidelines with which we must comply, but these guidelines provide the Adviser with broad discretion and can be changed by our board of directors. A change in our investment strategy may, among other things, increase our exposure to real estate market fluctuations, default risk and interest rate risk, all of which could materially affect our results of operations and financial condition.

There are risks inherent in the acquisition and management of multifamily properties.

We intend to continue to acquire properties and portfolios of properties. There are risks associated with the operation of multifamily properties of the type that we acquire, including, but not limited to:

- we may be unable to complete an acquisition after making a non-refundable deposit and incurring certain other acquisition- related costs;
- we may be unable to obtain financing for acquisitions on commercially reasonable terms or at all;
- acquired properties may fail to perform as expected;
- acquired properties may be located in new markets in which we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures; and
- we may be unable to quickly and efficiently integrate new acquisitions into our existing operations.

Any of the above factors, or a combination thereof, could result in a decrease in the value of our investments which would have an adverse effect on our results of operations, reduce the cash flow available for distributions and the return on your investment.

Rental levels at the multifamily properties that we acquire can vary over time and we may not be able to maintain the occupancy rates we anticipate.

We will make our determination regarding the acquisition of multifamily properties that we acquire based on, among other things, the property's projected rent levels. However, there can be no assurance that a multifamily property will continue to be occupied at the projected rents. It is anticipated that leases with the tenants at our multifamily properties will generally be for terms of one year or less. If the tenants of the properties do not renew or extend their leases, if tenants default under their leases at the properties, if issues arise with respect to the permissibility of certain uses at the properties, if tenants of the properties terminate their leases, or if the terms of any renewal (including concessions to the tenants) are less favorable than existing lease terms, the operating results of the properties could be substantially affected. As a result, we may not be able to make distributions to our stockholders at the anticipated levels.

Because we will rely on Bonaventure and its affiliates and third parties to manage the day-to-day affairs of any properties we may acquire, should the staff of a particular property perform poorly, our operating results for that property will similarly be hindered and our net income may be reduced.

We will depend upon the performance of the Property Manager and third-party property managers to effectively manage our properties. Rising vacancies across real estate properties have resulted in increased pressure on real estate investors and their property managers to maintain adequate occupancy levels. In order to do so, we may have to offer inducements, such as free rent and resident amenities, to compete for residents. Poor performance by those sales, leasing and other management staff members operating a particular property will necessarily translate into poor results of operations for that particular property. Should the Property Manager or third parties fail to identify problems in the day-to-day management of a particular property or fail to take the appropriate corrective action in a timely manner, our operating results may be hindered and our net income reduced.

It may be difficult for us to attract new tenants to our multifamily properties.

There can be no assurance that we will be able to maintain the occupancy rates at our multifamily properties. The tenants at any multifamily properties may have the right to terminate their leases upon the occurrence of specified events. It is anticipated that the majority of leases at the properties will be for terms of one year or less.

Our inability to sell a multifamily property at the time and on the terms we want could limit our ability to pay distributions to our stockholders.

Many factors that are beyond our control affect the real estate market and could affect our ability to sell multifamily properties for the price, on the terms or within the time frame that we desire. These factors include general economic

conditions, the availability of financing, interest rates and other factors, including supply and demand. Because real estate investments are relatively illiquid, we have a limited ability to vary our portfolio in response to changes in economic or other conditions. Further, before we can sell a multifamily property on the terms we want, it may be necessary to expend funds to correct defects or to make improvements. However, we can give no assurance that we will have the funds available to correct such defects or to make such improvements. We may be unable to sell our multifamily properties at a profit. Our inability to sell multifamily properties at the time and on the terms we want could reduce our cash flow and limit our ability to make distributions to our stockholders and could reduce the value of your investment.

We may have no or only limited recourse for any problems later identified for multifamily properties we acquire, which could materially and adversely affect us, including our results of operations.

We anticipate sellers of multifamily properties will sell such properties "as is," "where is" and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase and sale agreements may contain limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of multifamily properties with no or limited warranties increases the risk that we may lose some or all of our invested capital in the property, as well as the loss of rental income from that multifamily property, which could materially and adversely affect our financial condition and ability to pay distributions to our stockholders.

Costs imposed pursuant to applicable laws and regulations may reduce our net income and the cash available for distributions to our stockholders.

Real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to protection of the environment and human health. We could be subject to liability in the form of fines, penalties or damages for noncompliance with these laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, the remediation of contamination associated with the release or disposal of solid and hazardous materials, the presence of toxic building materials and other health and safety-related concerns.

Some of these laws and regulations may impose joint and several liability on the tenants, owners or operators of real property for the costs to investigate or remediate contaminated properties, regardless of fault, whether the contamination occurred prior to purchase, or whether the acts causing the contamination were legal. Activities of our tenants, the condition of properties at the time we buy them, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties may affect our properties.

The presence of hazardous substances, or the failure to properly manage or remediate these substances, may hinder our ability to sell, rent, or pledge such property as collateral for future borrowings. Any material expenditures, fines, penalties or damages we must pay will reduce our ability to make distributions and may reduce the value of your investment.

Potential liability for environmental matters could adversely affect our financial condition.

Although we intend to subject our multifamily properties to an environmental assessment prior to acquisition, we may not be made aware of all the environmental liabilities associated with a property prior to its purchase. There may be hidden environmental hazards that may not be discovered prior to acquisition. The costs of investigation, remediation or removal of hazardous substances may be substantial. In addition, the presence of hazardous substances on one of our properties, or the failure to properly remediate a contaminated property, could adversely affect our ability to sell or rent the property or to borrow using the property as collateral.

Various federal, state and local environmental laws impose responsibilities on an owner or operator of real estate and subject those persons to potential joint and several liabilities. Typical provisions of those laws include:

- responsibility and liability for the costs of investigation, removal, or remediation of hazardous substances released on or in real property, generally without regard to knowledge of or responsibility for the presence

of the contaminants;

- liability for claims by third parties based on damages to natural resources or property, personal injuries, or costs of removal or remediation of hazardous or toxic substances in, on, or migrating from our property;

- responsibility for managing asbestos-containing building materials, and third-party claims for exposure to those materials; and

- environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require expenditures.

Costs associated with complying with the Americans with Disabilities Act and the Fair Housing Amendment Act may decrease cash available for distributions.

Our multifamily properties may be subject to the Americans with Disabilities Act of 1990, as amended (the "Disabilities Act") and the Fair Housing Amendment Act, as amended (the "Fair Housing Act"). Under the Disabilities Act, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons and may require owners of multifamily dwellings to make reasonable exceptions in their policies and operations to afford people with disabilities equal housing opportunities. The Disabilities Act has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services be made accessible and available to people with disabilities. The Disabilities Act's requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties, or, in some cases, an award of damages. The Fair Housing Act requires multifamily dwellings first occupied after March 13, 1991 to comply with design and construction requirements related to access and use by disabled persons. Any funds used for Disabilities Act and Fair Housing Act compliance will reduce our net income and the amount of cash available for distributions to our stockholders.

Uninsured losses relating to real property or excessively expensive premiums for insurance coverage could reduce our cash flows and the return on our stockholders' investment.

We may experience material losses related to our properties arising from natural disasters, such as extreme weather events, climate change, earthquakes or floods, and acts of God, vandalism or other crime, faulty construction or accidents, fire, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, acts of terrorism or other catastrophes. We plan to carry insurance covering our properties under policies the Adviser deems appropriate. The Adviser will select policy specifications and insured limits that it believes to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Insurance policies on our properties may include some coverage for losses that are generally catastrophic in nature, such as losses due to terrorism, earthquakes and floods, but we cannot assure you that it will be adequate to cover all losses and some of our policies will be insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather and fire events, with insurers excluding certain investments that have high risk of weather, earthquake or fire events. As the effects of climate change increase, we expect the frequency and impact of weather and other climate-related events and conditions could also increase.

If any of our multifamily properties incurs a casualty loss that is not fully insured, the value of our assets will be reduced by any such uninsured loss, which may reduce the value of your investment. In addition, other than any working capital reserve or other reserves we may establish, we have no source of funding to repair or reconstruct any uninsured property. Also, to the extent we must pay unexpectedly large amounts for insurance, we could suffer reduced earnings, which would adversely impact our ability to pay distributions to our stockholders.

The multifamily properties we acquire will include certain amenities for the residents at the properties that could increase the potential liabilities at the properties.

In addition to the apartment buildings, the multifamily properties we intend to acquire will be improved with various

amenities, such as swimming pools, exercise rooms, playgrounds, laundry facilities, business centers or rentable club houses. Certain claims could arise in the event that a personal injury, death, or injury to property should occur in, on, or around any of these improvements. There can be no assurance that particular risks pertaining to these improvements that currently may be insured will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, we may lose all or part of the investment. We may be liable for any uninsured or underinsured personal injury, death or property damage claims. Liability in such cases may be unlimited but shareholders will not be personally liable.

Competition from single-family residential homes could limit our ability to lease our multifamily properties or maintain or increase rents.

The multifamily industry is highly competitive, and we will face competition from many sources, including from other multifamily properties both in the immediate vicinity and the geographic markets where our multifamily properties will be located. Furthermore, the multifamily properties that we acquire will compete with numerous housing alternatives in attracting residents, including owner occupied single and multifamily homes available to rent or purchase. The number of competitive properties or condominiums in a particular area, or any increased affordability of owner occupied single and multifamily homes caused by declining housing prices, mortgage interest rates and government programs to promote home ownership, could adversely affect our ability to retain our residents, lease apartment units and maintain or increase rental rates. These factors could materially and adversely affect our financial condition and ability to pay distributions to our stockholders.

Increased construction of similar multifamily properties that compete with our properties in any particular location may materially and adversely affect our results of operations and our cash available for distribution to our stockholders.

We may acquire multifamily properties in locations that experience increases in construction of properties that compete with our properties. This increased competition and construction could make it more difficult for us to find residents to lease units in our multifamily properties or force us to lower our rental rates in order to lease units in our properties, which could substantially reduce our revenues and could have a material adverse effect on our financial condition and ability to pay distributions to our stockholders.

We may be unable to secure funds for future capital improvements, which could adversely impact our ability to make cash distributions to our stockholders.

When residents do not renew their leases or otherwise vacate their apartment unit at one of our multifamily properties, in order to attract replacement residents, we may be required to expend funds for capital improvements to the vacated unit. In addition, we may require substantial funds to renovate a multifamily property in order to sell it, upgrade it or reposition it in the market. If we have insufficient capital reserves, we will have to obtain financing from other sources. We intend to establish capital reserves in an amount that we believe is necessary. A lender also may require escrow of capital reserves in excess of any established reserves. If these reserves or any reserves otherwise established are designated for other uses or are insufficient to meet our cash needs, we may have to obtain financing from either affiliated or unaffiliated sources to fund our cash requirements. We cannot assure our stockholders that sufficient financing will be available or, if available, will be available on economically feasible terms or on terms acceptable to us. Moreover, certain reserves required by lenders may be designated for specific uses and may not be available for capital purposes such as future capital improvements. Additional borrowing for capital needs and capital improvements will increase our interest expense, and therefore our financial condition and our ability to make distributions to our stockholders may be adversely affected.

Our multifamily properties will be subject to property taxes that may increase in the future, which could adversely affect our cash flow.

Our multifamily properties will be subject to real and personal property taxes that may increase as tax rates change and as the multifamily properties are assessed or reassessed by taxing authorities. As the owner of the multifamily properties, we are ultimately responsible for payment of the taxes to the applicable government authorities. If we fail to pay any such taxes, the applicable taxing authority may place a lien on the real property and the real property may be subject to a tax sale.

Increases in costs to own and maintain our multifamily properties may materially and adversely affect our results of operations and cash flows.

We may experience increased costs associated with operating expenses, including capital improvements, routine property maintenance, real estate taxes and utility expenses. Any increases in our expenses to own and maintain our properties would consequently reduce our results of operations and cash flows.

Potential development and construction delays and resultant increased costs and risks may hinder our operating results and decrease our net income.

We may acquire or enter into arrangements to develop unimproved real property or properties that are under development or construction. Investments in such properties will be subject to the uncertainties associated with the development and construction of real property, including those related to re-zoning land for development, environmental concerns of governmental entities and/or community groups and our builders' ability to build in conformity with plans, specifications, budgeted costs and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder's performance may also be affected or delayed by conditions beyond the builder's control. Delays in completing construction could also give tenants the right to terminate preconstruction leases. We may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. These and other factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. We also must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a purchase price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and the return on our investment could suffer.

Rent control and other changes in applicable laws, or noncompliance with applicable laws, could adversely affect our multifamily residential properties.

Lower revenue growth or significant unanticipated expenditures may result from changes in laws and regulations regarding rent control, rent stabilization, rent and income-restricted properties or other residential landlord/tenant issues. Municipalities may implement, consider or be urged by advocacy groups to consider rent control or rent stabilization laws and regulations or take other actions that could limit our ability to raise rents at our multifamily properties based on market conditions. These initiatives and any other future enactments of rent control or rent stabilization laws or other laws regulating multifamily housing, as well as any lawsuits against us arising from such rent control or other laws, may reduce rental revenues or increase operating costs. Such laws and regulations may limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating costs and could make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with investments in residential properties, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from such properties.

We may make a substantial amount of joint venture investments, including with affiliates of Bonaventure. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.

We may co-invest with affiliates of Bonaventure or third parties in partnerships or other entities that own real estate properties. We may acquire non-controlling interests in joint ventures. Even if we have some control in a joint venture, we would not be able to exercise sole decision-making authority. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their required capital contributions. Joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Disputes between us and joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the

joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are otherwise suitable for us.

If we have a right of first refusal to buy out a joint venture partner, we may be unable to finance such a buy-out if it becomes exercisable or we are required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase an interest of a joint venture partner subject to the buy/sell right, in which case we may be forced to sell our interest as the result of the exercise of such right when we would otherwise prefer to keep our interest. In some joint ventures we may be obligated to buy all or a portion of our joint venture partner's interest in connection with a triggering event, and we may be unable to finance such a buy-out when such triggering event occurs, which may result in interest or other penalties accruing on the purchase price. If we buy our joint venture partner's interest we will have increased exposure in the underlying investment. The price we use to buy our joint venture partner's interest or sell our interest will typically be determined by negotiations between us and our joint venture partner and there is no assurance that such price will be representative of the value of the underlying property or equal to our then-current valuation of our interest in the joint venture that is used to calculate our NAV. Finally, we may not be able to sell our interest in a joint venture if we desire to exit the venture for any reason or if our interest is likewise subject to a right of first refusal of our joint venture partner, our ability to sell such interest may be adversely impacted by such right. Joint ownership arrangements with affiliates of Bonaventure may also entail further conflicts of interest. Joint venture partners may receive ongoing fees in connection with providing service to the joint venture or its properties, including promote fees, beyond their equity investment, which would reduce the amount of our economic interest.

Some additional risks and conflicts related to our joint venture investments (including joint venture investments with affiliates) include:

- the joint venture partner may have economic or other interests that are inconsistent with our interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such joint venture;

- our joint venture partners may receive ongoing fees from our joint ventures, including promote payments and potential buyouts of their equity investments, all of which may reduce amounts otherwise payable to us;

- tax, Investment Company Act and other regulatory requirements applicable to the joint venture partner may cause it to want to take actions contrary to our interests;

- the joint venture partner may have joint control of the joint venture even in cases where its economic stake in the joint venture is significantly less than ours;

- under the joint venture arrangement, it is possible that neither we nor the joint venture partner will be in a position to unilaterally control the joint venture, and deadlocks may occur which could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition;

- under the joint venture arrangement, we and the joint venture partner may have a buy/sell right and, as a result of an impasse that triggers the exercise of such right, we may be forced to sell our investment in the joint venture, or buy the joint venture partner's share of the joint venture at a time when it would not otherwise be in our best interest to do so;

- our participation in investments in which a joint venture partner participates will be less than what our participation would have been had such joint venture partner not participated, and because there may be no limit on the amount of capital that such joint venture partner can raise, the degree of our participation in such investments may decrease over time;

- under the joint venture arrangement, we and the joint venture partner could each have preemptive rights in respect of future issuances by the joint venture, which could limit a joint venture's ability to attract new third-party capital;

- under the joint venture arrangement, we and the joint venture partner could be subject to lock-ups, which could prevent us from disposing of our interests in the joint venture at a time we determine to be advantageous; and

- the joint venture partner could have a right of first offer, tag-along rights, drag-along rights, consent rights or other similar rights in respect of any transfers of the ownership interests in the joint venture to third parties, which could have the effect of making such transfers more complicated or limiting or delaying us from selling our interest in the applicable investment.

Furthermore, we may have conflicting fiduciary obligations if we acquire properties with our affiliates or other related entities. As a result, in any such transaction we may not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

We have entered into, and in the future may continue to enter into, tax protection agreements in connection with UPREIT transactions.

We are organized as an UPREIT. A sale of property directly to a REIT is generally a taxable transaction to the selling property owner. However, a seller of appreciated property who desires to defer taxable gain on the transfer of such property may, subject to meeting applicable tax requirements, transfer the property (or their interests in the entities that own the property) to the Operating Partnership in exchange for limited partnership interests in the Operating Partnership on a tax-free basis. To date, nearly all of our properties were acquired via UPREIT transactions in which the former owners of the properties (or the legal entities which owned the properties) contributed their ownership interests in such properties to the Operating Partnership in exchange for the issuance of Operating Partnership units to the contributors (and, in certain instances, the payment of cash consideration). We expect to continue to issue a significant number of additional Operating Partnership units as consideration in connection with our acquisition of properties in UPREIT transactions. In the future, investors who contribute ownership interests in properties to the Operating Partnership in UPREIT transactions will become additional limited partners in the Operating Partnership.

In connection with such transactions, the Operating Partnership has, and expects to continue to, enter into what are commonly referred to as "tax protection agreements" with the parties that contribute properties to the Operating Partnership in exchange for limited partnership interests. The primary purpose of such tax protection agreements is to protect the contributor of the property from recognizing gain upon the contribution transaction and for a specified period thereafter. Pursuant to a tax protection agreement, the Operating Partnership may agree, among other things, that for the specified period (i) there will be sufficient Operating Partnership liabilities allocated, for income tax purposes, to the contributing limited partner or available to be guaranteed by the contributing limited partner to prevent the recognition of gain, and (ii) the Operating Partnership will not dispose of the contributed property in a taxable transaction that triggers the taxable built-in gain to the contributing limited partner, subject to certain exceptions. The Operating Partnership's obligations under tax protection agreements may also require the Operating Partnership to maintain more or different levels of indebtedness than would otherwise be required. The additional costs associated with indemnifying property contributors from tax liabilities resulting from the sale of the contributed assets and other terms of any tax protection agreements that the Operating Partnership enters into may restrict our ability to sell one or more properties or pay off indebtedness when it would otherwise be favorable or prudent.

The ongoing conflict between Russia and Ukraine has caused severe disruptions in the U.S. and global economy and may have an adverse impact on our financial performance.

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including the United States), and therefore could adversely affect the performance of our investments. The severity and duration of the conflict and its impact on global

economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to us and the performance of our investments and operations, and our ability of to achieve our investment objectives. Similar risks will exist to the extent that any investments, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Risks Associated with Investments in Real Estate-Related Securities

The operating and financial risks of issuers and the underlying default risk across capital structures may adversely affect our results of operations and financial condition.

Our debt securities investments will involve credit or default risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt when due. The risk of default and losses on real estate debt instruments will be affected by a number of factors, including global, regional and local economic conditions, interest rates, the commercial real estate market in general, an issuer's equity and the financial circumstances of the issuer, as well as general economic conditions. Such default risk will be heightened to the extent we make relatively junior investments in an issuer's capital structure since such investments are structurally subordinate to more senior tranches in such issuer's capital structure, and our overall returns would be adversely affected to the extent one or more issuers is unable to meet its debt payment obligations when due. To the extent we hold an equity or "mezzanine" interest in any issuer that is unable to meet its debt payment obligations, such equity or mezzanine interest could become subordinated to the rights of such issuer's creditors in a bankruptcy. Furthermore, the financial performance of one or more issuers could deteriorate as a result of, among other things, adverse developments in their businesses, changes in the competitive environment or an economic downturn. As a result, underlying properties or issuers that we expected to be stable may operate, or expect to operate, at a loss or have significant fluctuations in ongoing operating results, may otherwise have a weak financial condition or be experiencing financial distress and subject our investments to additional risk of loss and default.

Investments in real estate debt are subject to risks including various creditor risks and early redemption features which may materially adversely affect our results of operations and financial condition.

The debt and other interests in which we may invest may include secured or unsecured debt at various levels of an issuer's capital structure. The real estate debt in which we may invest may not be protected by financial covenants or limitations upon additional indebtedness, may be illiquid or have limited liquidity, and may not be rated by a credit rating agency. Real estate debt is also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligation and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. Our investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by us earlier than expected, resulting in a lower return to us than anticipated or reinvesting in a new obligation at a lower return to us.

We may invest in commercial mortgage loans which are non-recourse in nature and include limited options for financial recovery in the event of default; an event of default may adversely affect our results of operations and financial condition.

We may invest from time to time in commercial mortgage loans, including mezzanine loans and B-notes, which are secured by multifamily properties and are subject to risks of delinquency and foreclosure and risks of loss. Commercial real estate loans are generally not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Furthermore, we may not have the same access to information in connection with investments in commercial mortgage loans, either when investigating a potential investment or after making an

investment, as compared to publicly traded securities.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgage properties are located, the borrower's equity in the mortgage property, the financial circumstances of the borrower, tenant mix, property management decisions, including with respect to capital improvements, property location and condition, competition from other properties offering the same or similar services, environmental conditions, real estate tax rates, tax credits and other operating expenses, governmental rules, regulations and fiscal policies, acts of God, terrorism, social unrest and civil disturbances. A continued decline in specific commercial real estate markets and property valuations may result in higher delinquencies and defaults and potentially foreclosures. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. The overall level of commercial mortgage loan defaults remains significant and market values of the underlying commercial real estate remain distressed in many cases. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, ultimately leading to a decline in the value of such investments.

In the event of any default under a mortgage or real estate loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on our profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage or real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Additionally, in the event of a default under any senior debt, the junior or subordinate lender generally forecloses on the equity, purchases the senior debt or negotiates a forbearance or restructuring arrangement with the senior lender in order to preserve its collateral.

We may invest in subordinated debt, which is subject to greater credit risk than senior debt.

We may invest in debt instruments, including "mezzanine" or junior mortgage loans (*e.g.*, B-Notes), that are subordinated in an issuer's capital structure. To the extent we invest in subordinated debt of an issuer's capital structure, including "mezzanine" debt, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in an issuer's capital structure and, to the extent applicable, contractual inter-creditor, co-lender and participation agreement provisions.

Investments in subordinated debt involve greater credit risk of default and loss than the more senior classes or tranches of debt in an issuer's capital structure. Subordinated tranches of debt instruments absorb losses from default before other more senior tranches of such instruments, which creates a risk particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent we invest in subordinate debt instruments, we would likely receive payments or interest distributions after, and must bear the effects of losses or defaults on, the senior debt (including underlying mortgage loans and senior mezzanine debt) before, the holders of other more senior tranches of debt instruments with respect to such issuer.

We will face risks related to our investments in mezzanine loans.

Although not directly secured by the underlying real estate, mezzanine loans are also subject to risk of subordination and share certain characteristics of subordinate loan interests described above. As with commercial mortgage loans, repayment of a mezzanine loan is dependent on the successful operation of the underlying properties and, therefore, is subject to similar considerations and risks.

With most mezzanine loans, the bulk of the loan balance is payable at maturity with a one-time "balloon payment." Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a loan will be affected by a borrower's access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired. Moreover, mezzanine loans are usually non-recourse in nature. Therefore,

if a borrower defaults on the loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which we directly or indirectly invest increase, the performance of our investments related thereto may be adversely affected. We may make mezzanine loans to Bonaventure Development Funds in order to fund the development of multifamily properties by such entities. We will not have the benefit of arms' length negotiations with respect to any such loans.

We invest in real estate-related equity, which is subordinate to any indebtedness, but involves different rights.

We may invest from time to time in non-controlling preferred equity positions, common equity and other real estate-related interests of companies that invest in multifamily properties. Preferred equity investments generally rank junior to all existing and future indebtedness, including commercial mezzanine and mortgage loans, but rank senior to the owners' common equity. Preferred equity investments typically pay a dividend rather than interest payments and often have the right for such dividends to accrue if there is insufficient cash flow to pay currently. These interests are not secured by the underlying real estate, but upon the occurrence of a default, the preferred equity provider typically has the right to effectuate a change of control with respect to the ownership of the property. In addition, equity investments may be illiquid or have limited liquidity due to lock-out periods, limited trading volume or other limitations or prohibitions against their transfer, sale, pledge or disposition, including any necessary registration with the SEC requiring coordination with the issuer for the sale of such securities. Our investments in real estate-related equity securities will involve risks relating to the particular issuer of the securities, including the financial condition and business outlook of the issuer. Issuers of real estate-related common equity securities generally invest in real estate or real estate-related assets and are subject to the inherent risks associated with investments in real estate.

We may invest in equity securities of other REITs and other real estate-related companies that invest in multifamily properties, which will subject us to certain risks including those risks associated with an investment in our own common stock.

Any investments we make in equity securities of REITs and other real estate-related companies that invest in multifamily properties will be subject to the risks of the real estate market and securities market.

REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs may be subject to management fees and other expenses, and therefore when we invest in REITs we will bear our proportionate share of the costs of the REITs' operations. Investing in REITs and real estate-related companies involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. The market value of REIT shares and the ability of the REIT to distribute income may be adversely affected by several factors, including the risks described herein that relate to an investment in the Shares. REITs depend generally on their ability to generate cash flow to make distributions to stockholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, distributions received by us from REITs may consist of dividends, capital gains or return of capital. Generally, dividends received by us from REIT shares and distributed to our stockholders will not constitute "qualified dividend income" eligible for the reduced tax rate applicable to qualified dividend income. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

A REIT may impose limits on how much of its securities any one investor may own. These ownership limitations may result in an investor being unable to purchase (or otherwise obtain economic exposure to) the desired amounts of certain REITs. In some circumstances, we may seek and obtain a waiver from a REIT to exceed the REIT's ownership limitations without being subject to the adverse consequences of exceeding such limit were a waiver not obtained, provided that we comply with the provisions of the waiver.

REITs are subject to interest rate risk. Rising interest rates may cause REIT investors to demand a higher annual yield, which may, in turn, cause a decline in the market price of the equity securities issued by a REIT.

Investing in certain REITs and real estate-related companies, which often have small market capitalizations, may also involve the same risks as investing in other small capitalization companies. REITs and real estate-related companies may have limited financial resources and their securities may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

We may make open market purchases or invest in publicly traded securities.

We may invest in securities that are publicly traded and are, therefore, subject to the risks inherent in investing in public securities. When investing in public securities, we may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, we may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. In addition, an investment may be sold by us to a public company where the consideration received is a combination of cash and stock of the public company, which may, depending on the securities laws of the relevant jurisdiction, be subject to lock-up periods.

The lack of liquidity in our securities investments may adversely affect our business.

There can be no assurance that there will be a ready market for the resale of our real estate-related securities investments because such investments may not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by us, particularly for certain of our loan investments. The credit markets have periodically experienced decreased liquidity on the primary and secondary markets during periods of market volatility. Such market conditions could re-occur and would impact the valuations of our investments and impair our ability to sell such investments if we were required to liquidate all or a portion of our investments quickly. Additionally, certain of our investments in securities may be subject to holding period and other restrictions that limit our ability to sell such investments.

Risks Associated with Debt Financing

We are likely to obtain mortgage indebtedness and other borrowings, which increases our risk of loss due to potential foreclosure.

We plan to obtain long-term financing that may be secured by our multifamily properties. In some instances, we may acquire multifamily properties by financing a portion of the price of the multifamily properties and mortgaging or pledging some or all of the multifamily properties purchased as security for that debt. We may also incur mortgage debt on multifamily properties that we already own in order to obtain funds to acquire additional properties, to fund property improvements and other capital expenditures, to make distributions, and for other purposes. In addition, we may borrow as necessary or advisable to ensure that we maintain our qualification as a REIT for federal income tax purposes. However, we can give no assurance that we will be able to obtain such borrowings on satisfactory terms.

Incurring mortgage debt increases the risk of loss of a multifamily property since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default, reducing the value of our stockholders' investment. For tax purposes, a foreclosure of any of our multifamily properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure even though we would not necessarily receive any cash proceeds. We may give full or partial guaranties to lenders of mortgage debt on behalf of the entities that own our multifamily properties as well as with respect to debt associated with our preferred equity investments, mezzanine loans or equity investments in a property or land which will be developed into a multifamily property. When we give a guaranty on behalf of an entity that owns one of our multifamily properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgages contain cross-collateralization or cross-default provisions, a default on a single property could affect many properties.

Our multifamily properties may be cross-collateralized.

We may obtain a line of credit or other debt financing from a bank or other lender which we may utilize to acquire multifamily properties and fund our operations. Thus, our assets may be cross-collateralized. We have not obtained a commitment for such a line of credit. Therefore, the amount and terms of any such line of credit are uncertain. No assurance can be given that future cash flow will be sufficient to make the debt service payments on any loans and to cover all of our operating expenses. If our revenues are insufficient to pay debt service and operating costs, we may be required to seek additional working capital. There can be no assurance that such additional funds will be available. The degree to which we are leveraged could have an adverse impact on us, including (i) increased vulnerability to

adverse general economic and market conditions, (ii) impaired ability to expand and to respond to increased competition, (iii) impaired ability to obtain additional financing for future working capital, capital expenditures, general corporate or other purposes and (iv) requiring that a significant portion of cash provided by operating activities be used for the payment of debt obligations, thereby reducing funds available for operations.

High mortgage rates or changes in underwriting standards may make it difficult for us to finance or refinance multifamily properties, which could reduce the number of multifamily properties we can acquire, our cash flows from operations and the amount of cash distributions we can make.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of multifamily properties. If we place mortgage debt on a multifamily properties, we run the risk of being unable to refinance part or all of the multifamily property when the debt becomes due or of being unable to refinance on favorable terms. If interest rates are higher when we refinance our multifamily properties, our income could be reduced. We may be unable to refinance or may only be able to partly refinance our multifamily properties if underwriting standards, including loan to value ratios and yield requirements, among other requirements, are stricter than when we originally financed the multifamily properties. If any of these events occurs, our cash flow could be reduced or we might have to pay down existing mortgages. This, in turn, would reduce cash available for distribution to our stockholders, could cause us to require additional capital and may hinder our ability to raise additional capital.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan agreements we enter into may contain covenants that limit our ability to further mortgage a property or that prohibit us from discontinuing insurance coverage. These or other limitations would decrease our operating flexibility and our ability to achieve our operating objectives.

We have broad authority to incur debt and high debt levels could hinder our ability to make distributions and decrease the value of our stockholders' investment.

We are not limited, by applicable law or the terms of our organizational documents, with respect to the amount of indebtedness that we may incur in the aggregate or with respect to any single asset. High debt levels would cause us to incur higher interest charges and higher debt service payments and may also be accompanied by restrictive covenants. These factors could limit the amount of cash we have available to distribute and could result in a decline in the value of our Shares.

Interest-only indebtedness may increase our risk of default and ultimately may reduce our funds available for distribution to our stockholders.

We may obtain loans that require interest-only payments for a number of years before we are required to make payments on the principal. During the interest-only period, the amount of each scheduled payment will be less than that of a traditional amortizing mortgage loan. The principal balance of the mortgage loan will not be reduced (except in the case of prepayments) because there are no scheduled monthly payments of principal during this period. After the interest- only period, we will be required either to make scheduled payments of amortized principal and interest or to make a lump-sum, or "balloon," payment at maturity. These required principal or balloon payments will increase the amount of our scheduled payments and may increase our risk of default under the related mortgage loan. If the mortgage loan has an adjustable interest rate, the amount of our scheduled payments also may increase at a time of rising interest rates. Increased payments and substantial principal or balloon maturity payments will reduce the funds available for distribution to our stockholders because cash otherwise available for distribution will be required to pay principal and interest associated with these mortgage loans.

We are uncertain of our sources for funding our future capital needs. If we do not have sufficient funds from operations to cover our expenses or to fund improvements to our multifamily properties and cannot obtain debt or equity financing on acceptable terms, our ability to cover our expenses or to fund improvements to our multifamily properties may be adversely affected.

The proceeds of this offering will be used primarily for investments in multifamily properties. Until we have made

substantial investments, we do not expect to have sufficient funds from operations to cover all of our expenses. Accordingly, in the event that we develop a need for additional capital in the future for the improvement of our multifamily properties or for any other reason, sources of funding may not be available to us. If we do not have sufficient funds from cash flow generated by our assets or out of net sale proceeds, or cannot obtain debt or equity financing on acceptable terms, our financial condition and ability to make distributions may be adversely affected.

If we draw on a line of credit to pay distributions, fund repurchases or for any other reason, our financial leverage ratio could increase beyond our target.

We have entered into the Master Credit Facility with KeyBank and may seek to obtain additional lines of credit in an effort to provide for a ready source of liquidity for any business purpose, including to pay distributions or fund repurchases of Shares in the event that repurchase requests exceed our operating cash flow or net proceeds from this offering. There can be no assurances that we will be able to borrow under the Master Credit Facility or obtain additional lines of credit on financially reasonable terms. In addition, we may not be able to obtain a line of credit of an appropriate size for our business until such time as we have a substantial portfolio, or at all. If we borrow under a line of credit to pay distributions or fund repurchases of Shares, our financial leverage will increase and may exceed our target leverage ratio. Our leverage may remain at the higher level until we receive additional net proceeds from this offering or generate sufficient operating cash flow or proceeds from asset sales to repay outstanding indebtedness.

The derivative financial instruments that we may use to hedge against interest rate fluctuations may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on your investment.

We may use derivative financial instruments, such as interest rate cap or collar agreements and interest rate swap agreements, to hedge exposures to changes in interest rates on loans secured by our assets, but no hedging strategy can protect us completely. These agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements and that these arrangements may not be effective in reducing our exposure to interest rate changes. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging transactions will not result in losses. In addition, the use of such instruments may reduce the overall return on our investments. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the REIT income tests.

We may not have sufficient funds to pay interest payments if interest rates increase significantly.

It is anticipated that mortgage loans we obtain may have variable interest rates. In response to the last global economic recession, extraordinary monetary policy actions of the U.S. Federal Reserve and other central banking institutions, including the utilization of quantitative easing, were taken to create and maintain a low interest rate environment. However, the U.S. Federal Reserve raised its benchmark interest rate nine times between December 2015 and the end of 2020, including four times in 2018, each time by a quarter of a percentage point, before reducing interest rates three times in 2019 and twice in 2020. In response to the COVID-19 pandemic, the U.S. Federal Reserve reduced its benchmark interest rate to 0% in March 2020 before voting in November 2020 to keep short-term interest rates anchored in a range between 0% and 0.25%. Further, the U.S. Federal Reserve increased interest rates 11 times through July 2023 and made 1 cut thereafter in September 2024 moving the benchmark target to 4.75%-5.00%. Any change in the fiscal policies or stated target interest rates of the U.S. Federal Reserve or other central banking institutions, or market expectations of such change, are difficult to predict and may result in significantly higher long-term interest rates. Such a transition may be abrupt and may, among other things, reduce the availability and/or increase the costs of obtaining new debt and refinancing existing indebtedness.

In the event that the interest rate on any mortgage loan increases significantly, we may not have sufficient funds to pay the required interest payments. In such event, our continued ownership of the applicable property that secures such loan may be threatened. Further, an increase in interest rates and adverse changes in fiscal policy or credit market conditions could have an adverse effect on consumer spending.

Risks Related to Conflicts of Interest

Various potential and actual conflicts of interest will arise, and these conflicts may not be identified or resolved in a manner favorable to us.

Bonaventure has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Bonaventure, the Adviser and their respective affiliates, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. If any matter arises that we and our affiliates (including the Adviser) determine in our good faith judgment constitutes an actual and material conflict of interest, we and our affiliates (including the Adviser) will take such actions as we determine appropriate to mitigate the conflict. Transactions between us and Bonaventure or its affiliates will require approval by our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of our independent directors. There can be no assurance that our board of directors or Bonaventure will identify or resolve all conflicts of interest in a manner that is favorable to us, and prior to the date that our board is comprised of a majority of independent directors, there can be no guarantee that the approval of such transactions by our board of directors will effectively mitigate the potential conflicts inherent in such transactions.

The fees we pay in connection with this offering and the agreements entered into with Bonaventure and its affiliates were not determined on an arm's-length basis and therefore may not be on the same terms we could achieve from a third party.

The compensation paid to the Adviser and its affiliates for services they provide us was not determined on an arm's-length basis. All service agreements, contracts or arrangements between or among Bonaventure and its affiliates, including between the Adviser, and us, were not negotiated at arm's-length. Such agreements include our Advisory Agreement, the Operating Partnership's partnership agreement, the property management agreements with the Property Manager, and any other agreements we may enter into with affiliates of Bonaventure from time to time.

The Adviser faces a conflict of interest because the Management Fee it receives is based in part on our NAV, which the Adviser is responsible for determining.

The Management Fee we will pay to the Adviser is based on our NAV, which is calculated by the Adviser. In addition, the distributions to be received by the Special Limited Partner with respect to its Performance Participation Allocation are based in part upon the Operating Partnership's net assets (which is a component of our NAV). The calculation of our NAV includes certain subjective judgments with respect to estimating, for example, the value of our portfolio and our accrued expenses, net portfolio income and liabilities, and therefore, our NAV may not correspond to realizable value upon a sale of those assets. The Adviser may benefit by causing us to retain ownership of our assets at times when our stockholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of Shares or the price paid for the repurchase of your Shares on a given date may not accurately reflect the value of our portfolio, and your Shares may be worth less than the purchase price you paid, or more than the repurchase price you receive, for such Shares. The valuation of our investments will affect the amount and timing of the Management Fee paid to the Adviser and the Special Limited Partner's Performance Participation Allocation. As a result, there may be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of our investments.

The Management Fee paid to the Adviser and the Special Limited Partner's Performance Participation Allocation may not create proper incentives or may induce the Adviser and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

We pay the Adviser the Management Fee regardless of the performance of our portfolio. The Adviser's entitlement to the Management Fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We would be required to pay the Adviser the Management Fee in a particular period even if we experienced a net loss or a decline in the value of our portfolio during that period.

The existence of the Special Limited Partner's Performance Participation Allocation, which is based on our total distributions plus the change in NAV per Share, may create an incentive for the Adviser to make riskier or more speculative investments on our behalf or cause us to use more leverage than it would otherwise make in the absence of such performance-based compensation. In addition, the change in NAV per Share will be based on the value of our investments on the applicable measurement dates and not on realized gains or losses. As a result, the Performance Participation Allocation may receive distributions based on unrealized gains in certain assets at the time of such

distributions and such gains may not be realized when those assets are eventually disposed of.

Because the Management Fee and Performance Participation Allocation are based on our NAV, the Adviser may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail repurchases to maintain a higher NAV.

The compensation we will pay to the Adviser and the Property Manager may create a conflict between the interests of the Adviser and the Property Manager and those of our stockholders.

Our acquisition of a property will result in Acquisition Fees payable to the Adviser and our disposition of a property will result in Disposition Fees payable to the Adviser. The Acquisition Fees we pay to the Adviser are based on the gross purchase price (including any assumed debt) of our investments and will be payable regardless of the performance of our investments. Such fees may incentivize the Adviser to, among other things, accept a higher purchase price for assets than it otherwise would, purchase assets that may not otherwise be in our best interests, incur additional leverage on terms that might not otherwise be acceptable and dispose of assets on terms or at times that are not otherwise in our best interests. Additionally, the property management fees payable to the Property Manager will generally be payable regardless of the quality of property management services provided to us.

Bonaventure's personnel work on other projects and conflicts may arise in the allocation of personnel between us and other projects.

Bonaventure and its affiliates will devote such time as they determine to be necessary to conduct our business affairs in an appropriate manner. However, Bonaventure's personnel will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise manage, advise and assist other investment programs, including other investment programs to be developed in the future. Time spent on these other initiatives will divert attention from our activities, which could negatively impact our performance. Furthermore, Bonaventure's personnel will derive financial benefit from these other activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time by such personnel.

Bonaventure may sponsor or manage other investment programs, which could result in the reallocation of Bonaventure's personnel and the direction of potential investments to such other investment programs.

Bonaventure may sponsor or manage other investment funds, vehicles or programs (collectively referred to herein as Other Programs), including Other Programs that may have the same or similar investment objectives or guidelines as us. As a result, certain investment opportunities may be suitable for both us and such Other Programs. The formation of an Other Program could result in the reallocation of Bonaventure's personnel, including reallocation of existing real estate professionals, to such Other Program. In addition, potential investments that may be suitable for us may be directed toward Other Programs. Through the Investment Committee, Bonaventure will allocate investment opportunities which are suitable for us and Other Programs on a basis that it believes is fair and reasonable in its sole discretion, subject to certain factors and considerations. Notwithstanding the foregoing, the Adviser will give us priority with respect to any and all investment opportunities suitable for us and Other Programs which possess specific characteristics. See "Investment Strategy and Process—Investment Allocation Policies."

We may source, sell or purchase assets either to or from the Adviser and its affiliates, and such transactions may cause conflicts of interest.

We may directly or indirectly source, sell or purchase all or any portion of an asset (or portfolio of assets) to or from Bonaventure and its affiliates. Such transactions will be subject to the approval of a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, not otherwise interested in the transaction. Such transactions involve conflicts of interest, as Bonaventure and its affiliates may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction.

We may make mezzanine loans to Bonaventure Development Funds.

We may selectively make mezzanine loans to entities sponsored or managed by Bonaventure or its affiliates, which we refer to as Bonaventure Development Funds, in order to fund the development of multifamily properties by such

entities. The terms and conditions of each mezzanine loan to a Bonaventure Development Fund will be negotiated by the Adviser on a case-by-case basis. We will not have the benefit of an arm's length negotiations with respect to any loans we make to Bonaventure Development Funds; *provided, however*, that any such loans must be approved by a majority of our board of directors, including, from and after the date when our board of directors is comprised of a majority of independent directors, a majority of the independent directors, as being fair and reasonable to us and on terms and conditions not less favorable to us than those available from non-affiliated third parties.

Risks Related to our REIT Status and Certain Other Tax Items

If we do not qualify as a REIT, we will face serious tax consequences that will substantially reduce the funds available to satisfy our obligations, to implement our business strategy and to make distributions to our stockholders for each of the years involved.

We expect to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, various compliance requirements could be failed and could jeopardize our REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

- we would be taxed as a regular domestic corporation, which under current laws would result in, among other things, means being unable to deduct distributions to stockholders in computing our taxable income and being subject to federal and applicable state and local income tax on our taxable income at regular corporate income tax;

- any resulting tax liability could be substantial and could have a material adverse effect on our book value;

- unless we were entitled to relief under applicable statutory provisions, we would be required to pay taxes, and therefore, our cash available for distribution to stockholders would be reduced for each of the years during which we did not qualify as a REIT and for which we had taxable income; and

- we generally would not be eligible to re-elect to be taxed as a REIT for the subsequent four full taxable years.

We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the NAV of the Shares.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in Shares. On December 22, 2017, tax legislation commonly referred to as the "Tax Cuts and Jobs Act" was signed into law. The Tax Cuts and Jobs Act resulted in fundamental changes to the Code, with many of the changes applicable to individuals applying only through December 31, 2025. Among the numerous changes included in the Tax Cuts and Jobs Act is a deduction of up to 20% of qualified REIT dividends for non-corporate U.S. taxpayers for taxable years through 2025. The IRS has issued significant guidance under the Tax Cuts and Jobs Act, but guidance on additional issues, finalization of guidance and technical corrections legislation may adversely affect us or our stockholders. On March 27, 2020, federal legislation intended to ameliorate the economic impact of the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act, or the "CARES Act," was signed into law. The CARES Act made technical corrections to, or modified on a temporary basis, certain of the provisions of the Tax Cut and Jobs Act, and it is possible that additional such legislation may be enacted in the future. In addition, further changes to the tax laws, unrelated to the Tax Cuts and Jobs Act or the COVID-19 pandemic, are possible. In particular, the federal income taxation of REITs may be modified, possible with retroactive effect, by legislative, administrative or judicial action at any time.

We cannot assure stockholders that the Tax Cuts and Jobs Act, the CARES Act, or any such other changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in the Shares or on the market value or the resale potential of our assets. Stockholders are urged to consult with their tax advisors with respect to the impact of these legislative changes on their investment in the Shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in the Shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more

advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT.

To maintain our REIT status, we may have to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, we generally must distribute annually to our stockholders dividends equal to at least 90% of our net taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. We will be subject to regular corporate income taxes on any undistributed REIT taxable income, each year, including any undistributed net capital gains. Additionally, we will be subject to a 4% nondeductible excise tax on any amount by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from previous years. Certain payments we make to our stockholders under our SRP may not be taken into account for purposes of these distribution requirements. If we do not have sufficient cash to make distributions necessary to preserve our REIT status for any year or to avoid taxation, we may be forced to borrow funds or sell assets even if the market conditions at that time are not favorable for these borrowings or sales. These options could increase our costs or reduce our equity.

Compliance with REIT requirements may cause us to forego otherwise attractive opportunities, which may hinder or delay our ability to meet our investment objectives and reduce your overall return.

To qualify as a REIT, we are required at all times to satisfy tests relating to, among other things, the sources of our income, the nature and diversification of our assets, the ownership of our stock and the amounts we distribute to our stockholders. Compliance with the REIT requirements may impair our ability to operate solely on the basis of maximizing profits. For example, we may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution.

Compliance with REIT requirements may force us to liquidate or restructure otherwise attractive investments.

To qualify as a REIT, at the end of each calendar quarter, at least 75% of the value of our assets must consist of cash, cash items, government securities and qualified real estate assets. The remainder of our investments in securities (other than qualified real estate assets and government securities) generally cannot include more than 10% of the voting securities of any one issuer or more than 10% of the value of the outstanding securities (other than securities that qualify for the straight debt safe harbor) of any one issuer unless we and such issuer jointly elect for such issuer to be treated as a taxable REIT subsidiary, or TRS, under the Code. Debt will generally meet the "straight debt" safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a certain sum of money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on profits, the borrower's discretion, or similar factors. Additionally, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, no more than 20% of the value of our assets may be represented by securities of one or more TRS. If we fail to comply with these requirements at the end of any calendar quarter, we must dispose of a portion of our assets within 30 days after the end of such calendar quarter (or within 6 months if certain requirements are met) or qualify for certain statutory relief provisions, in order to avoid losing our REIT qualification and suffering adverse tax consequences. In order to satisfy these requirements and maintain our qualification as a REIT, we may be forced to liquidate assets from our portfolio or not make otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

Our charter does not permit any person or group to own more than 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or of our outstanding capital stock of all classes or series, and attempts to acquire our common stock or our capital stock of all other classes or series in excess of these 9.9% limits would not be effective without an exemption (prospectively or retroactively) from these limits by our board of directors.

For us to qualify as a REIT under the Code, not more than 50% of the value of our outstanding stock may be owned directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year after the first year for which we elect to qualify as a REIT. Our charter prohibits

beneficial or constructive ownership by any person or group of more 9.9%, in value or by number of shares, whichever is more restrictive, of the outstanding shares of our outstanding common stock or 9.9% in value or number of shares, whichever is more restrictive, of our outstanding capital stock of all classes or series, which we refer to as the "Ownership Limits." The constructive ownership rules under the Code and our charter are complex and may cause shares of our outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.9% of our outstanding common stock or our capital stock by a person could cause another person to be treated as owning in excess of 9.9% of the outstanding common stock or our capital stock, respectively, and thus violate the Ownership Limits. There can be no assurance that our board of directors, as permitted in the charter, will not decrease these Ownership Limits in the future. Any attempt to own or transfer shares of our common stock or capital stock in excess of the Ownership Limits without the consent of our board of directors will result either in the shares in excess of the limit being transferred by operation of our charter to a charitable trust, or in the transfer being void.

The Ownership Limits may have the effect of precluding a change in control of us by a third party, even if such change in control would be in the best interests of our stockholders or would result in receipt of a premium to the price of our common stock (and even if such change in control would not reasonably jeopardize our REIT status). Any exemptions to the Ownership Limits that we grant in the future may limit our board of directors' power to increase the Ownership Limits or grant further exemptions.

Non-U.S. holders may be required to file U.S. federal income tax returns and pay U.S. federal income tax upon their disposition of shares of our common stock or upon their receipt of certain distributions from us.

In addition to any potential withholding tax on ordinary dividends, a non-U.S. holder other than a "qualified shareholder" or a "qualified foreign pension fund," as each is defined for purposes of the Code, that disposes of a "United States real property interest" ("USRPI") (which includes shares of stock of a U.S. corporation whose assets consist principally of USRPIs), is generally subject to U.S. federal income tax under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), on the gain from such disposition. FIRPTA gains must be reported on U.S. federal income tax returns and are taxable at regular U.S. federal income tax rates. Such tax does not apply, however, to the gain on disposition of stock in a REIT that is "domestically controlled." Generally, a REIT is domestically controlled if less than 50% of its stock, by value, has been owned directly or indirectly by non-U.S. persons during a continuous five-year period ending on the date of disposition or, if shorter, during the entire period of the REIT's existence. We cannot assure our stockholders that we will qualify as a domestically controlled REIT. If we were to fail to so qualify, amounts received by a non-U.S. holder on certain dispositions of shares of our common stock (including a redemption) would be subject to tax under FIRPTA, unless (i) our shares of common stock were regularly traded on an established securities market and (ii) the non-U.S. holder did not, at any time during a specified testing period, hold more than 10% of our common stock. We do not expect the Shares to be regularly traded on an established securities market until such time, if ever, as we list the Shares on a national securities exchange. Furthermore, even if we are domestically controlled, distributions by us that are attributable to gains from dispositions of USRPIs will be subject to tax under FIRPTA and special withholding rules unless the conditions in clauses (i) and (ii) of the immediately preceding sentence are satisfied, subject to certain exceptions. See "U.S. Federal Income Tax Considerations—Taxation of Non-U.S. Holders of Our Common Stock—Sales of Our Common Stock."

A non-U.S. holder other than a "qualified shareholder" or a "qualified foreign pension fund," that receives a distribution from a REIT that is attributable to gains from the disposition of a USRPI as described above, including in connection with a repurchase of our common stock, is generally subject to U.S. federal income tax under FIRPTA to the extent such distribution is attributable to gains from such disposition, regardless of whether the difference between the fair market value and the tax basis of the USRPI giving rise to such gains is attributable to periods prior to or during such non-U.S. holder's ownership of our common stock unless the relevant class of stock is regularly traded on an established securities market in the United States and such non-U.S. holder did not own more than 10% of such class at any time during the one-year period ending on the date of such distribution. In addition, a repurchase of our common stock, to the extent not treated as a sale or exchange, may be subject to withholding as an ordinary dividend.

We seek to act in the best interests of our company as a whole and not in consideration of the particular tax consequences to any specific holder of Shares. Potential non-U.S. holders should inform themselves as to the U.S. tax consequences, and the tax consequences within the countries of their citizenship, residence, domicile, and place of business, with respect to the purchase, ownership and disposition of Shares.

We may incur tax liabilities that would reduce our cash available for distribution to you.

Even if we qualify and maintain our status as a REIT, we may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs with respect to undistributed income. Similarly, if we were to fail a gross income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect), we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our investments and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state and local taxes on our income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, such as our taxable REIT subsidiaries, which are subject to full U.S. federal, state and local corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to you.

Restrictions on the deduction of our interest expense could prevent us from satisfying the REIT distribution requirements and avoiding the incurrence of income or excise taxes.

Rules enacted as part of the Tax Cuts and Jobs Act may limit our ability (and the ability of entities that are not treated as disregarded entities for U.S. federal income tax purposes and in which we hold an interest) to deduct interest expense. Under amended Section 163(j) of the Code, the deduction for business interest expense may be limited to the amount of the taxpayer's business interest income plus 30% of the taxpayer's "adjusted taxable income" unless the taxpayer's gross receipts do not exceed $25 million per year during the applicable testing period or the taxpayer qualifies to elect and elects to be treated as an "electing real property trade or business." A taxpayer's adjusted taxable income will start with its taxable income and add back items of non-business income and expense, business interest income and business interest expense, net operating losses, any deductions for "qualified business income." A taxpayer that is exempt from the interest expense limitations as an electing real property trade or business is ineligible for certain expensing benefits and is subject to less favorable depreciation rules for real property. The rules for business interest expense will apply to us and at the level of each entity in which or through which we invest that is not a disregarded entity for U.S. federal income tax purposes. To the extent that our interest expense is not deductible, our taxable income will be increased, as will our REIT distribution requirements and the amounts we need to distribute to avoid incurring income and excise taxes.

Our board of directors is authorized to revoke our REIT election without stockholder approval, which may cause adverse consequences to our stockholders.

Our charter authorizes our board of directors to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that changes to U.S. federal income tax laws and regulations or other considerations mean it is no longer in our best interests to qualify as a REIT. Our board of directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in our best interests and in the best interests of our stockholders. In this event, we would become subject to U.S. federal income tax on our taxable income, and we would no longer be required to distribute most of our net income to our stockholders, which may cause a reduction in the total return to our stockholders.

You may have current tax liability on distributions you elect to reinvest in our common stock.

If you participate in the DRIP, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in Shares to the extent the amount reinvested was not a tax-free return of capital. Therefore, unless you are a tax-exempt entity, you may be forced to use funds from other sources to pay your tax liability on the reinvested dividends.

Generally, ordinary dividends payable by REITs do not qualify for reduced U.S. federal income tax rates.

Currently, the maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders, including individuals, is 20% (excluding the 3.8% Medicare tax). Dividends payable by REITs, however, generally are not eligible for the reduced rates. REIT dividends that are not designated as qualified dividend income, or

capital gain dividends are taxable as ordinary income. Although this does not adversely affect the taxation of REITs or dividends payable by REIT, the more favorable rates applicable to regular corporate qualified dividend income could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends. However, under the Tax Cuts and Jobs Act, for taxable years through 2025, non-corporate U.S. taxpayers may be entitled to claim a deduction in determining their taxable income of up to 20% of qualified REIT dividends (which are dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us). Stockholders are urged to consult with their tax advisors regarding the effect of this change on their effective tax rate with respect to REIT dividends.

We may choose to pay dividends in a combination of cash and shares of our common stock, in which case stockholders may be required to pay income taxes in excess of the cash dividends they receive.

We may choose to pay dividends in a combination of cash and shares of our common stock. Under IRS Revenue Procedure 2017-45, as a publicly offered REIT, we may give stockholders a choice, subject to various limits and requirements, of receiving a dividend in cash or in our common stock. As long as at least 20% of the total dividend is available in cash and certain other requirements are satisfied, the IRS will treat the stock distribution as a dividend (to the extent applicable rules treat such distribution as being made out of our earnings and profits). As a result, U.S. stockholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends they receive. In the case of non-U.S. stockholders, we generally will be required to withhold tax with respect to the entire dividend, which withholding tax may exceed the amount of cash such non-U.S. stockholder would otherwise receive.

If the Operating Partnership failed to qualify as a partnership or is not disregarded for U.S. federal income tax purposes, we would cease to qualify as a REIT.

If the IRS were to successfully challenge the status of the Operating Partnership as a partnership or disregarded entity for U.S. federal income tax purposes, it would be taxable as a corporation, which would reduce the amount of distributions that the Operating Partnership could make to us. This would also result in our failing to qualify as a REIT and becoming subject to a corporate-level tax on our income, which would substantially reduce our cash available to pay distributions and the yield on your investment.

Our taxable REIT subsidiaries are subject to special rules that may result in increased taxes.

We may conduct certain activities or invest in assets through one or more taxable REIT subsidiaries. A taxable REIT subsidiary is a corporation other than a REIT in which a REIT directly or indirectly holds stock and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. Other than some activities relating to management of hotel and health care properties, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A domestic taxable REIT subsidiary is subject to U.S. federal income tax as a regular C corporation.

No more than 20% of the value of our total assets may consist of stock or securities of one or more taxable REIT subsidiaries. This requirement limits the extent to which we can conduct our activities through taxable REIT subsidiaries. The values of some of our assets, including assets that we hold through taxable REIT subsidiaries, may not be subject to precise determination, and values are subject to change in the future. In addition, as a REIT, we must pay a 100% penalty tax on IRS adjustments to certain payments that we made or receive if the economic arrangements between us and any of our taxable REIT subsidiaries are not comparable to similar arrangements between unrelated parties. We intend to structure transactions with any taxable REIT subsidiary on terms that we believe are arm's length to avoid incurring the 100% excise tax described above: however, the IRS may successfully assert that the economic arrangements of any of our intercompany transactions are not comparable to similar arrangements between unrelated parties.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from hedging transactions will be excluded from gross income for purposes of the 75% and 95% gross income tests if: (i) the instrument (A) hedges interest rate risk or foreign currency exposure on liabilities used to carry or acquire real estate assets, (B) hedges risk of currency fluctuations with respect to any item of income

or gain that would be qualifying income under the 75% or 95% gross income tests or (C) hedges a position entered into pursuant to clause (A) or (B) after the extinguishment of such liability or disposition of the asset producing such income; and (ii) such instrument is properly identified under applicable Treasury Regulations. Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes of both the 75% and 95% gross income tests. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a taxable REIT subsidiary. This could increase the cost of our hedging activities because our taxable REIT subsidiary would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our taxable REIT subsidiary will generally not provide any tax benefit, except for being carried forward against future taxable income in the taxable REIT subsidiary.

Sales of our properties at gains are potentially subject to the prohibited transaction tax, which could reduce the return on a stockholder's investment.

Our ability to dispose of property is restricted as a result of our REIT status. Under applicable provisions of the Code regarding prohibited transactions by REITs, we will be subject to a 100% tax on any gain realized on the sale or other disposition of any property (other than foreclosure property) we own, directly or through a subsidiary entity, including the Operating Partnership, but excluding our TRS's, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of trade or business unless a safe harbor applies under the Code. Whether property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each property.

Retirement Plan Risks

If the fiduciary of an employee benefit plan subject to ERISA fails to meet the fiduciary and other standards under ERISA, the Code or common law as a result of an investment in our stock, the fiduciary could be subject to civil penalties.

There are special considerations that apply to investing in Shares on behalf of a trust, pension, profit sharing or 401(k) plans, health or welfare plans, trusts, individual retirement accounts or "IRAs" or Keogh plans. If you are investing the assets of any of the entities identified in the prior sentence in Shares, you should satisfy yourself that:

- the investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- the investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan's investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;
- the investment will not impair the liquidity of the trust, plan or IRA;
- the investment will not produce "unrelated business taxable income" for the plan or IRA;
- our stockholders will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the plan or IRA; and
- the investment will not constitute a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties, and can subject the fiduciary to equitable remedies. In addition, if an investment in Shares constitutes a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, the fiduciary that authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested.

If our assets at any time are deemed to constitute "plan assets" under ERISA, that may lead to the rescission of

certain transactions, tax or fiduciary liability and our being held in violation of certain ERISA and Code requirements.

Stockholders subject to ERISA should consult their own advisors as to the effect of ERISA on an investment in the Shares. As discussed under "Certain ERISA Considerations," if our assets are deemed to constitute "plan assets" of stockholders that are Covered Plans (as defined below) (i) certain transactions that we might enter into in the ordinary course of our business might have to be rescinded and may give rise to certain excise taxes and fiduciary liability under Title I of ERISA or Section 4975 of the Code; (ii) our management, as well as various providers of fiduciary or other services to us (including the Adviser), and any other parties with authority or control with respect to us or our assets, may be considered fiduciaries or otherwise parties in interest or disqualified persons for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code; and (iii) the fiduciaries of stockholders that are Covered Plans would not be protected from "co-fiduciary liability" resulting from our decisions and could be in violation of certain ERISA requirements.

Accordingly, prospective investors that are (i) "employee benefit plans" (within the meaning of Section 3(3) of ERISA), which are subject to Title I of ERISA; (ii) "plans" defined in Section 4975 of the Code, which are subject to Section 4975 of the Code (including "Keogh" plans and "individual retirement accounts"); or (iii) entities whose underlying assets are deemed to include plan assets within the meaning of Section 3(42) of ERISA and the regulations thereunder (*e.g*., an entity of which 25% or more of the total value of any class of equity interests is held by "benefit plan investors") (each such plan, account and entity described in clauses (i), (ii) and (iii) we refer to as "Covered Plans") should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor's particular circumstances. The sale of Shares to any Covered Plan is in no respect a representation by us or any other person associated with the offering of Shares that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

DESCRIPTION OF CAPITAL STOCK

The following summary of the material provisions concerning our capital stock is qualified in its entirety by the terms of the MGCL and our charter, bylaws and the policies adopted by our board of directors. Copies of our charter and bylaws are available upon request.

We were formed under the laws of the State of Maryland. The rights of our stockholders are governed by Maryland law as well as our charter, bylaws and the policies adopted by our board of directors. Under our charter, we have authority to issue a total of 2,100,000,000 shares of capital stock. Of the total shares of stock authorized, 2,000,000,000 shares are classified as common stock with a par value of $0.01 per share, and 100,000,000 shares are classified as preferred stock with a par value $0.01 per share. In addition, our board of directors may amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

Common Stock

Subject to the restrictions on ownership and transfer of stock set forth in our charter and except as may otherwise be specified in our charter, the holders of our common stock are entitled to one vote per share on all matters voted on by stockholders, including election of our directors. Our charter does not provide for cumulative voting in the election of our directors. Therefore, the holders of a majority of the outstanding shares of our common stock can elect our entire board of directors. Subject to any preferential rights of any outstanding class or series of shares of stock and to the provisions in our charter regarding the restriction on ownership and transfer of stock, the holders of common stock are entitled to such distributions as may be authorized from time to time by our board of directors (or a committee of the board of directors) and declared by us out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to our stockholders. Upon issuance for full payment in accordance with the terms of this offering, all shares of our common stock issued in the offering will be fully paid and non-assessable. Holders of common stock will not have preemptive rights, which means that you will not have an automatic option to purchase any new shares of stock that we issue.

Our charter also contains a provision permitting our board of directors, without any action by our stockholders, to classify or reclassify any unissued common stock into one or more classes or series by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of any new class or series of shares of stock.

We will generally not issue certificates for shares of our common stock. Shares of our common stock will be held in "uncertificated" form, which will eliminate the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminate the need to return a duly executed stock certificate to effect a transfer.

Preferred Stock

Our charter authorizes our board of directors to designate and issue one or more classes or series of preferred stock without stockholder approval, and to establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of repurchase of each class or series of preferred stock so issued. Because our board of directors has the power to establish the preferences and rights of each class or series of preferred stock, it may afford the holders of any series or class of preferred stock preferences, powers and rights senior to the rights of holders of our common stock.

If we ever created and issued preferred stock with a distribution preference over the Shares, payment of any distribution preferences of outstanding preferred stock would reduce the amount of funds available for the payment of distributions on the Shares. Further, holders of preferred stock are normally entitled to receive a liquidation preference in the event we liquidate, dissolve or wind up before any payment is made to the holders of our common stock, likely reducing the amount holders of our common stock would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred stock may render more difficult or tend to discourage a merger, offer or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management. Our board of directors has no present plans to issue any preferred stock, but may do so at any time in the future without stockholder approval.

Meetings and Special Voting Requirements

An annual meeting of the stockholders will be held annually, upon reasonable notice to our stockholders. Special meetings of stockholders may be called only upon the request of a majority of our directors, a majority of our independent directors or our chief executive officer, president or chairman of the board of directors and must be called by our secretary to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast at least a majority of the votes entitled to be cast on such matter at the meeting. Upon receipt of a written request stating the purpose of any such special meeting, our secretary shall provide a written notice to our stockholders within 10 days of receipt of such written request, stating the purpose of the meeting and setting a meeting date not less than 15 nor more than 60 days after the delivery of such notice. The presence either in person or by proxy of stockholders entitled to cast at least 50% of all the votes entitled to be cast on such matter at the meeting on any matter will constitute a quorum. Generally, the affirmative vote of a majority of all votes cast is necessary to take stockholder action, except as described in the next paragraph and except that the affirmative vote of a majority of the shares represented in person or by proxy at a meeting at which a quorum is present is required to elect a director.

Under the MGCL, stockholders generally are entitled to vote at a duly held meeting at which a quorum is present on (1) amendments to our charter, (2) our liquidation and dissolution, (3) a merger, consolidation, conversion, statutory share exchange or sale or other disposition of all or substantially all of our assets, (4) election or removal of our directors, and (5) such other matters that our board of directors have declared advisable and directed that the matter be submitted to our stockholders for approval or ratification. Except with respect to the election of directors or as otherwise provided in the MGCL or our charter, the vote of stockholders holding a majority of the outstanding shares of our stock entitled to vote is required to approve any such action, and no such action can be taken by our board of directors without such majority vote of our stockholders. In addition, any amendment to our charter or any dissolution of our company must first be declared advisable by our board of directors. Therefore, except with respect to the election or removal of our directors, prior to a stockholder vote, our board of directors must first adopt a resolution that the proposed action is advisable and directing the matter to be submitted to the stockholders. Accordingly, the only proposals to amend our charter or to dissolve our company that will be presented to our stockholders will be those that have been declared advisable by our board of directors. Stockholders are not entitled to exercise any of the rights of an objecting stockholder provided for in Title 3, Subtitle 2 of the MGCL unless our board of directors determines that such rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of the determination in connection with which stockholders would otherwise be entitled to exercise such rights. Stockholders have the power, without the concurrence of the directors, to remove a director from our board of directors with or without cause, by the affirmative vote of a majority of the shares of stock entitled to vote generally in the election of directors.

Pursuant to our charter, any stockholder and any designated representative thereof shall be permitted access to our corporate records to which such stockholder is entitled under applicable law at all reasonable times, and may inspect and copy any of them for a reasonable charge. Under Maryland law, stockholders are entitled to inspect and copy only our bylaws, minutes of stockholder proceedings, annual statements of affairs, voting trust agreements and statements of stock and securities issued by us during the period specified by the requesting stockholder, which period may not be longer than 12 months prior to the date of the stockholder's request. Because our stockholders are entitled to inspect only those corporate records that stockholders are entitled to inspect and copy under Maryland law, our stockholders will not be entitled to inspect and copy the minutes of the meetings of our board of directors, which are records that certain states other than Maryland allow corporate stockholders to inspect and copy. Requests to inspect and/or copy our corporate records must be made in writing to: Bonaventure Multifamily Income Trust, Inc., 104 Hume Avenue, Alexandria, Virginia 22301. It is the policy of our board of directors to comply with all proper requests for access to our corporate records in conformity with our charter and Maryland law.

Restrictions on Ownership and Transfer

Our charter contains restrictions on the number of shares of our stock that a person or group may own. No person or group may acquire or hold, directly or indirectly through application of constructive ownership rules, in excess of 9.9% in value or number of shares, whichever is more restrictive, of our outstanding common stock or 9.9% in value

or number of shares, whichever is more restrictive, of our outstanding stock of all classes or series unless they receive an exemption (prospectively or retroactively) from our board of directors.

Subject to certain limitations, our board of directors, in its sole discretion, may exempt a person prospectively or retroactively from, or modify, these limits, subject to such terms, conditions, representations and undertakings as required by our charter and as our board of directors may determine. Our board of directors may grant limited exemptions to certain persons who directly or indirectly own our stock.

Our charter further prohibits any person from beneficially or constructively owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT and any person from transferring shares of our stock if the transfer would result in our stock being beneficially owned by fewer than 100 persons. Any person who acquires or intends to acquire shares of our stock that may violate any of these restrictions, or who is the intended transferee of shares of our stock which are transferred to the trust, as described below, is required to give us immediate written notice, or in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide us with such information as we may request in order to determine the effect of the transfer on our status as a REIT. The above restrictions will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT or that compliance with such restrictions is no longer required for us to qualify as a REIT.

Any attempted transfer of our stock which, if effective, would result in violation of the above limitations, except for a transfer which results in shares being beneficially owned by fewer than 100 persons, in which case such transfer will be void and of no force and effect and the intended transferee shall acquire no rights in such shares, will cause the number of shares causing the violation, rounded to the nearest whole share, to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries designated by us and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be deemed to be effective as of the close of business on the business day, as defined in our charter, prior to the date of the transfer. Shares of our stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of stock held in the trust, will have no rights to dividends and no rights to vote or other rights attributable to the shares of stock held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiaries. Any dividend or other distribution paid prior to our discovery that shares of stock have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution paid to the trustee will be held in trust for the charitable beneficiaries. Subject to Maryland law, the trustee will have the authority to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiaries. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that shares of our stock have been transferred to the trust, the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limitations. Upon the sale, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiaries as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust, such as a gift, devise or other similar transaction, the market price, as defined in our charter, of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferee and are owed by the proposed transferor to the transferee. Any net sale proceeds in excess of the amount payable per share to the proposed transferee will be paid immediately to the charitable beneficiaries. If, prior to our discovery that shares of our stock have been transferred to the trust, the shares are sold by the proposed transferee, then the shares shall be deemed to have been sold on behalf of the trust and, to the extent that the proposed transferee received an amount for the shares that exceeds the amount he was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of our stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust, or, in the case of a devise or gift, the market price at the time of the devise or gift and (ii) the market price on the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee. We may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferor and are owed to the proposed transferor to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiaries.

If the transfer to the trust as described above is not automatically effective for any reason to prevent violation of the above limitations or our failing to qualify as a REIT, then the transfer of the number of shares that otherwise cause any person to violate the above limitations will be void and the intended transferee shall acquire no rights in such shares.

All certificates, if any, representing shares of our stock issued in the future will bear a legend referring to the restrictions described above.

Every owner of more than 5% of the outstanding shares of our stock during any taxable year, or such lower percentage as required by the Code or the regulations promulgated thereunder or as otherwise required by our board of directors, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our stock which he or she beneficially owns and a description of the manner in which the shares are held. Each such owner shall provide us with such additional information as we may request in order to determine the effect, if any, of its beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder shall, upon demand, be required to provide us with such information as we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Distribution Policy

We intend to declare distributions based on record dates established by our board of directors and to pay such distributions on a monthly basis. The ex-dividend dates for such distributions shall be established by our board of directors. Our distribution policy is set by our board of directors and is subject to change based on available cash flows. We cannot guarantee the amount of distributions paid, if any. You will not be entitled to receive a distribution if your Shares are repurchased prior to the applicable time of the ex-dividend date. In connection with a distribution to our stockholders, our board of directors intends to approve a monthly distribution for a certain dollar amount per share for our common stock. We will then calculate each stockholder's specific distribution amount using applicable record and declaration dates. A stockholder's distributions will begin to accrue on the date it is admitted as a stockholder.

To qualify as a REIT, we are required to pay distributions sufficient to satisfy the requirements for qualification as a REIT for tax purposes. We intend to distribute sufficient income so that we satisfy the requirements for qualification as a REIT. In order to qualify as a REIT, we are required to distribute 90% of our annual REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains, to our stockholders. See the "Material U.S. Federal Income Tax Considerations—Taxation of REITs in General—Requirements for Qualification as a REIT" and "Material U.S. Federal Income Tax Considerations—Annual Distribution Requirements Applicable to REITs" sections of this Memorandum. Generally, income distributed to stockholders will not be taxable to us under the Code if we distribute at least 90% of our REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains.

Distributions will be authorized at the discretion of our board of directors, in accordance with our earnings, cash flows and general financial condition. Our board of directors' discretion is directed, in substantial part, by its obligation to cause us to comply with the REIT requirements. Because we may receive income from interest or rents at various times during our fiscal year, distributions may not reflect our income earned in that particular distribution period but may be made in anticipation of cash flows which we expect to receive during a later quarter and may be made in advance of actual receipt of funds in an attempt to make distributions relatively uniform. Due to these timing differences, we may be required to borrow money, use proceeds from the issuance of securities or sell assets in order to distribute amounts sufficient to satisfy the requirement that we distribute at least 90% of our REIT taxable income

in order to qualify as a REIT. We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions other than those limits imposed by our organizational documents and Maryland law. See the "Material U.S. Federal Income Tax Considerations" section of this Memorandum for information concerning the U.S. federal income tax consequences of distributions paid by us.

There is no assurance we will pay distributions in any particular amount, if at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of our assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in the DRIP, the extent to which the Adviser elects to receive the Management Fee in Shares or Operating Partnership units and the Special Limited Partner elects to receive distributions on its Performance Participation Allocation in Operating Partnership units, how quickly we invest the proceeds from this and any future offering and the performance of our investments. Funding distributions from the sale of our assets, borrowings or proceeds of this offering will result in us having less funds available to make investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your Shares. We believe the likelihood that we pay distributions from sources other than cash flow from operations will be higher in the early stages of the offering.

Under the MGCL, our board of directors may delegate to a committee of directors the power to fix the amount and other terms of a distribution. In addition, if our board of directors gives general authorization for a distribution and provides for or establishes a method or procedure for determining the maximum amount of the distribution, our board of directors may delegate to one of our officers the power, in accordance with the general authorization, to fix the amount and other terms of the distribution.

Distribution Reinvestment Plan

We have adopted the DRIP, a copy of which is attached hereto as Appendix B, whereby stockholders and holders of Operating Partnership units will have their cash distributions automatically reinvested in Shares unless they elect to receive their distributions in cash. Any cash distributions attributable to the Shares or Operating Partnership units, as applicable, owned by participants in the DRIP will be immediately reinvested in additional Shares on behalf of the participants on the business day such distribution would have been paid to such stockholder or holder of Operating Partnership units. See "U.S. Federal Income Tax Considerations" for information concerning the U.S. federal income tax consequences of participating in the DRIP.

The per Share purchase price for Shares purchased pursuant to the DRIP will be equal to (i) the transaction price at the time the distribution is payable (pursuant to the Standard DRIP), or (ii) a 5% discount to the transaction price at the time the distribution is payable if the stockholder elects to participated in the Enhanced DRIP. Shares issued under the Enhanced DRIP shall be subject to the Enhanced DRIP Early Termination Penalty if held less than 5 years. Stockholders will not pay any Offering Fees when purchasing Shares pursuant to the DRIP. Shares acquired under the DRIP will entitle the participant to the same rights and be treated in the same manner as Shares purchased in this offering.

We reserve the right to amend, suspend or terminate the DRIP at any time without the consent of our stockholders or holders of Operating Partnership units, provided that notice of any such amendment, suspension or termination will be disclosed in a supplement to this Memorandum. A participant's participation in the DRIP will be terminated to the extent that a reinvestment of such participant's distributions in Shares would cause the percentage ownership or other limitations contained in our charter to be violated. Participants may terminate their participation in the DRIP upon ten business days' prior written notice to us.

Each participant in the DRIP is required to promptly notify us in writing if such participant experiences a material change in his, her or its financial condition, including without limitation the failure to continue to qualify as an "accredited investor" (as defined by Regulation D of the Securities Act) or any other investment suitability standards imposed by us.

We will provide on a monthly basis to each participant in the DRIP a statement of account describing, as to such participant, (1) the distributions reinvested during the quarter, (2) the number of Shares purchased during the quarter,

(3) the per Share purchase price for such Shares and (4) the total number of Shares purchased on behalf of the participant under the DRIP. On an annual basis, tax information with respect to income earned on Shares under the DRIP for the calendar year will be provided to each applicable participant.

SUMMARY OF OUR OPERATING PARTNERSHIP AGREEMENT

The following summary of the material terms of the Limited Partnership Agreement of the Operating Partnership, which we refer to as the "partnership agreement," is qualified in its entirety by the terms of the partnership agreement.

Management of Our Operating Partnership

The Operating Partnership was formed on April 9, 2021 to acquire and hold assets on our behalf.

We intend to continue to hold substantially all of our assets in the Operating Partnership or in subsidiary entities in which the Operating Partnership owns an interest. For purposes of satisfying the asset and gross income tests for qualification as a REIT for U.S. federal income tax purposes, our proportionate share of the assets and income of the Operating Partnership will be deemed to be our assets and income.

We are and expect to continue to be the sole general partner of the Operating Partnership. As of the date hereof, 24,974,115 Operating Partnership units are issued and 23,572,488 are currently outstanding, of which 5,250,364 units (approximately 21%) are held by us and 19,723,751 units (approximately 79%) are held by third party investors, the Adviser and the Special Limited Partner. The outstanding Operating Partnership units held by third parties were issued as consideration in UPREIT transactions, purchased for cash, and issued upon the reinvestment of cash distributions otherwise payable by the Operating Partnership. The Operating Partnership units held by the Adviser and the Special Limited Partner were issued primarily as payment of Management Fees and as payment of the Performance Participation Allocation, respectively. We expect to continue to issue a significant number of additional Operating Partnership units as consideration in connection with our acquisition of properties in UPREIT transactions and as payment of Management Fees to the Adviser and the Performance Participation Allocation to the Special Limited Partner.

As the sole general partner of the Operating Partnership, we have the exclusive power to manage and conduct the business of the Operating Partnership. A general partner is accountable to a limited partnership as a fiduciary and consequently must exercise good faith and integrity in handling partnership affairs. No limited partner of the Operating Partnership may transact business for the Operating Partnership, or participate in management activities or decisions, except as provided in the partnership agreement and as required by applicable law. We may not be removed as general partner by the limited partners. Our board of directors will at all times have oversight and policy-making authority, including responsibility for governance, financial controls, compliance and disclosure with respect to the Operating Partnership. However, pursuant to the Advisory Agreement, we have delegated to the Adviser authority to make decisions related to the management of our and the Operating Partnership's assets, including sourcing, evaluating and monitoring our investment opportunities and making decisions related to the acquisition, management, financing and disposition of our assets, in accordance with our investment objectives, guidelines, policies and limitations, subject to oversight by our board of directors.

The Special Limited Partner has expressly acknowledged and any future limited partners of the Operating Partnership will expressly acknowledge that we, as general partner, are acting on behalf of the Operating Partnership, ourselves and our stockholders collectively. Neither we nor our board of directors is under any obligation to give priority to the separate interests of the limited partners of the Operating Partnership or our stockholders in deciding whether to cause the Operating Partnership to take or decline to take any actions. If there is a conflict between the interests of our stockholders on the one hand and the Operating Partnership's limited partners on the other, we will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the Operating Partnership's limited partners; *provided, however*, that for so long as we own a controlling interest in the Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the Operating Partnership's limited partners may be resolved in favor of our stockholders. We are not liable under the partnership agreement to the Operating Partnership or to any of its limited partners for monetary damages for losses sustained, liabilities incurred or benefits not derived by such limited partners in connection with such decisions, provided that we have acted in good faith.

The partnership agreement requires that the Operating Partnership be operated in a manner that will enable us to (1) satisfy the requirements for qualification as a REIT for U.S. federal income tax purposes, unless we otherwise cease to qualify as a REIT, (2) avoid any U.S. federal income or excise tax liability and (3) ensure that the Operating

Partnership will not be classified as a "publicly traded partnership" that is taxable as a corporation. See "U.S. Federal Income Tax Considerations."

Capital Contributions

We contribute the net proceeds from this offering, after payment of fees and expenses attributable to our offering and operations, to the Operating Partnership as capital contributions. Pursuant to the partnership agreement, if we sell Shares in this offering for a cash purchase price and contribute all of the net proceeds of such sales to the Operating Partnership pursuant to the partnership agreement, we will be issued a number of additional Common Units (as defined below) equal to the number of such Shares sold by us the proceeds of which were so contributed. However, we will be deemed to have made capital contributions in the amount of the gross offering proceeds received from investors, and the Operating Partnership will be deemed to have simultaneously paid the fees, commissions and other costs associated with this offering and our operations.

If the Operating Partnership requires additional funds at any time in excess of capital contributions made by us, the Operating Partnership may borrow funds from a financial institution or other lenders or we or any of our affiliates may provide such additional funds through loans, purchase of additional partnership interests or otherwise (which we or such affiliates will have the option, but not the obligation, of providing). In addition, the Operating Partnership may admit additional limited partners whose investments may be subject to a different Management Fee and repurchase limitations if our board of directors concludes in good faith that such admittance is in our best interest.

Limited Partnership Units Generally

Limited partnership units represent an interest as a limited partner in the Operating Partnership. The Operating Partnership may issue additional partnership units and classes of partnership units with rights different from, and superior to, those of limited partnership units of any class, without the consent of the limited partners or our stockholders. Holders of limited partnership units do not have any preemptive rights with respect to the issuance of additional units.

Limited partners do not have the right to participate in the management of the Operating Partnership. Limited partners who do not participate in the management of the Operating Partnership, by virtue of their status as limited partners, generally are not liable for the debts and liabilities of the Operating Partnership beyond the amount of their capital contributions. The voting rights of the limited partners are generally limited to approval of specific types of amendments to the partnership agreement.

Common Units

The partnership agreement authorizes us, as the general partner of the Operating Partnership, to cause the Operating Partnership to issue common Operating Partnership units (such units, "Common Units") from time to time in accordance with the terms of the partnership agreement. The Common Units have the rights, powers and duties as are set forth in the partnership agreement and as provided for by applicable law.

Preferred Units

As the general partner of the Operating Partnership, we have authorized, designated and issued, and in the future may from time to time continue to authorize, designate and issue, without the approval of any other partners of the Operating Partnership or our stockholders, Operating Partnership units with rights, including without limitation with respect to distributions, including upon the Operating Partnership's liquidation and dissolution, that are different or superior to those of Common Units or other Operating Partnership units (such units, "Preferred Units"). Preferred Units may be designated and issued in multiple classes or series, in each case in our sole discretion. The special rights, powers and duties of each class or series of Preferred Units will be set forth in an exhibit attached to the partnership agreement (or as otherwise determined and recorded by us in our sole discretion) or provided by applicable law. We may, without the approval of any other partners in the Operating Partnership, amend and supplement the partnership agreement as necessary from time to time to authorize and designate the special rights, powers and duties of each class or series of Preferred Units. The partnership agreement will at all times be interpreted and applied in a manner designed to give reasonable effect to the terms of any such Preferred Units.

The terms of a class or series of Preferred Units may provide, among other things, that (i) such Preferred Units are entitled to accruing, cumulative distributions at a fixed percentage rate per annum (based upon an assigned liquidation value per Preferred Unit), and (ii) no distributions may be declared and paid or set apart for payment, directly or indirectly, by the Operating Partnership on the Common Units or any other class of Operating Partnership units which by its terms is junior to such Preferred Units for any period, unless full accrued, cumulative distributions on such Preferred Units for all past periods have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment. With respect to the payment of such cumulative distributions, Preferred Units will be junior to the payment of the Performance Participation Allocation (as discussed below).

Preferred Units will generally not have any right to vote or consent with respect to actions taken by the Operating Partnership, subject to certain limited exceptions set forth in the partnership agreement.

As discussed below, Preferred Units have special rights and privileges with respect to the payment of distributions.

Distributions of Cash

As the general partner of the Operating Partnership, we will cause the Operating Partnership to distribute cash available for distribution by the Operating Partnership at such times and in such amounts as determined by us in our discretion (referred to herein as "distributable cash"). Distributions of distributable cash will be made to the partners who are partners on the applicable record date with respect to the applicable distribution period, first (i) with respect to Preferred Units in accordance with the rights of such Preferred Units, and (ii) second, with respect to the Common Units, to the holder of Common Units (including us) on a pro rata basis in accordance with the aggregate net asset value of the Common Units held by the respective holders of Common Units as of the applicable record date.

The Operating Partnership will be deemed to have distributed cash to us in an amount equal to the amount of distributions by us that are reinvested in Shares issued by us pursuant to our DRIP, and we will be deemed to have made capital contributions to the Operating Partnership in the aggregate amount of such distributions in return for an equal number of Common Units as the issued Shares.

Special Limited Partner Interest

So long as the Advisory Agreement has not been terminated (including by means of non-renewal), the Special Limited Partner will hold the Performance Participation Allocation, which entitles it to receive an allocation from our Operating Partnership equal to 20% of the Total Return, subject to a 8% Hurdle Amount and a High Water Mark, with a Catch-Up (each term as defined below). Such allocation will be made annually and accrue monthly.

Specifically, the Special Limited Partner will be allocated a performance participation in an amount equal to:

- First, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "Excess Profits"), 100% of such Excess Profits until the total amount allocated to the Special Limited Partner equals 20% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Special Limited Partner pursuant to this clause (this is commonly referred to as a "Catch-Up"); and

- Second, to the extent there are remaining Excess Profits, 20% of such remaining Excess Profits.

"Total Return" for any period since the end of the prior calendar year shall equal the sum of:

- all distributions accrued or paid (without duplication) on the Operating Partnership units outstanding at the end of such period since the beginning of the then-current calendar year plus

- the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, and (y) any allocation/accrual to the Performance Participation Allocation.

For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of units issued during the then-current calendar year but (ii) exclude the proceeds from the initial issuance of such units.

"Hurdle Amount" for any period during a calendar year means that amount that results in a 8% annualized internal rate of return on the NAV of the Operating Partnership units outstanding at the beginning of the then-current calendar year and all Operating Partnership units issued since the beginning of the then-current calendar year, taking into account the timing and amount of all distributions accrued or paid (without duplication) on all such units and all issuances of Operating Partnership units over the period and calculated in accordance with recognized industry practices. The ending NAV of the Operating Partnership units used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Performance Participation Allocation, provided that the calculation of the Hurdle Amount for any period will exclude any Operating Partnership units repurchased during such period, which units will be subject to the Performance Participation Allocation upon repurchase as described below.

Except as described in Loss Carryforward below, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

"Loss Carryforward Amount" will initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return, provided that the Loss Carryforward Amount will at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any Operating Partnership units repurchased during such year, which units will be subject to the Performance Participation Allocation upon repurchase as described below. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Performance Participation Allocation. This is referred to as a "High Water Mark."

The Special Limited Partner will also be allocated a performance participation with respect to all Operating Partnership units that are repurchased at the end of any month (in connection with repurchases of Shares in our SRP) in an amount calculated as described above with the relevant period being the portion of the year for which such unit was outstanding, and proceeds for any such unit repurchase will be reduced by the amount of any such performance participation.

Distributions on the Performance Participation Allocation may be payable in cash or Operating Partnership units at the election of the Special Limited Partner. If the Special Limited Partner elects to receive such distributions in Operating Partnership units, the Special Limited Partner may request the Operating Partnership to repurchase such Operating Partnership units from the Special Limited Partner at a later date, subject to the terms of the partnership agreement. The Operating Partnership will repurchase all or any portion of the Operating Partnership units held by the Special Limited Partner at any time upon the request of the Special Limited Partner. The Operating Partnership will repurchase Operating Partnership units held by the Special Limited Partner for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the partnership agreement, in which case such Operating Partnership units will be repurchased for Shares.

The NAV of the Operating Partnership calculated on the last trading day of a calendar year shall be the amount against which changes in NAV is measured during the subsequent calendar year. In our first calendar year of operations, the Performance Participation Allocation will be prorated for the portion of the calendar year.

The measurement of the foregoing net assets change is also subject to adjustment by our board of directors to account for any unit dividend, unit split, recapitalization or any other similar change in the Operating Partnership's capital structure or any distributions made after the commencement of this offering that the board of directors deems to be a return of capital (if such changes are not already reflected in the Operating Partnership's net assets).

The Special Limited Partner will not be obligated to return any portion of the Performance Participation Allocation paid based on our subsequent performance.

Changes in our Operating Partnership's NAV per unit will generally correspond to changes in our NAV per Share. Distributions with respect to the Performance Participation Allocation are calculated from the Operating Partnership's Total Return over a calendar year. As a result, the Special Limited Partner may be entitled to receive compensation under the Performance Participation Allocation for a given year even if some of our stockholders who purchased Shares during such year experienced a decline in NAV per Share. Similarly, stockholders whose Shares are repurchased during a given year may have their Shares repurchased at a lower NAV per Share as a result of an accrual for the estimated Performance Participation Allocation at such time, even if no Performance Participation Allocation for such year are ultimately payable to the Special Limited Partner at the end of such calendar year.

In the event the Advisory Agreement is terminated, the Special Limited Partner will be allocated any accrued Performance Participation Allocation with respect to all Operating Partnership units as of the date of such termination.

With respect to distribution rights, Preferred Units will be junior to the payment of the Performance Participation Allocation

Issuance of Additional Limited Partnership Interests

As sole general partner of the Operating Partnership, we will have the ability to cause the Operating Partnership to issue additional limited partnership interests, preferred partnership interests or convertible securities. We have issued Operating Partnership units, and may issue more in the future, including in connection with the acquisition of properties. For additional information, see "Property Portfolio." In addition, we may sell Operating Partnership units on such terms and for such consideration as we determine in our sole discretion.

Our Operating Partnership allows us to be organized as an UPREIT. A sale of property directly to a REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of appreciated property who desires to defer taxable gain on the transfer of such property may, subject to meeting applicable tax requirements, transfer the property to the Operating Partnership in exchange for limited partnership interests on a tax-free basis. The Operating Partnership may enter into tax protection agreements with parties that contribute properties to the Operating Partnership in exchange for limited partnership interests. Such agreements would obligate the Operating Partnership to indemnify such parties if certain taxable events are triggered. Being able to offer a seller the opportunity to defer taxation of gain until the seller disposes of its interest in the Operating Partnership may give us a competitive advantage in acquiring desired properties relative to buyers who cannot offer this opportunity. To date, nearly all of our properties were acquired via UPREIT transactions in which the former owners of the properties (or the legal entities which owned the properties) contributed their ownership interests in such properties to the Operating Partnership in exchange for the issuance of Operating Partnership units to the contributors (and, in certain instances, the payment of cash consideration). We expect to continue to issue a significant number of additional Operating Partnership units as consideration in connection with our acquisition of properties in UPREIT transactions. In the future, investors who contribute ownership interests in properties to the Operating Partnership in exchange for Operating Partnership units in UPREIT transactions will become additional limited partners.

In addition, investing in the Operating Partnership, rather than in shares of our common stock, may be more attractive to certain institutional or other investors due to their business or tax structure.

Transferability of Interests

Without the consent of a majority in interest of the limited partners of the Operating Partnership, other than interests held by us, we may not voluntarily withdraw as the general partner of the Operating Partnership, engage in any merger, consolidation or other business combination or transfer our general partnership interest in the Operating Partnership (except to a wholly owned subsidiary), unless: (1) the transaction in which such withdrawal, business combination or transfer occurs results in the limited partners of the Operating Partnership receiving or having the right to receive an amount of cash, securities or other property equal in value to the amount they would have received if they had exercised their exchange rights immediately prior to such transaction or (2) in the case of a merger or other business combination, the successor entity contributes substantially all of its assets to the Operating Partnership in return for an interest in the Operating Partnership and agrees to assume all obligations of the general partner of the Operating Partnership.

With certain exceptions, the limited partners may not transfer their interests in the Operating Partnership, in whole or in part, without our written consent, as general partner.

Redemption of Operating Partnership Units

Subject to the terms of any agreements between the Operating Partnership and one or more limited partners with respect to the Operating Partnership units held by such limited partners, each limited partner, after holding any Common Units for at least one year, has the right to require the Operating Partnership to redeem all or a portion of such Common Units for Shares or cash. As the general partner of the Operating Partnership, we will determine, in our sole discretion, whether Common Units tendered for redemption will be redeemed for cash or Shares. Common Units redeemed for cash will be redeemed at a price per unit equal to the most recent NAV per Share as of the redemption date. Common Units redeemed for Shares will be exchanged for Shares on a one-for-one basis.

The Special Limited Partner and the Adviser are not subject to the foregoing one-year holding requirement and may request that the Operating Partnership redeem all or any portion of the Common Units held by them at any time. Common Units held by the Special Limited Partner and the Adviser will be redeemed for cash, unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or the partnership agreement, in which case such units will be repurchased for Shares.

No limited partner (other than the Special Limited Partner and the Adviser) may deliver more than two redemption requests during each calendar year. No limited partner (other than the Special Limited Partner and the Adviser) may exercise a redemption request for less than 1,000 Common Units or, if such limited partner holds less than 1,000 Common Units, all of the Common Units held by such limited partner.

We, as the general partner, may not amend the Partnership Agreement in any manner that would adversely affect the existing redemption rights with respect to Operating Partnership units without the consent of limited partners holding a majority of the Operating Partnership units.

Distribution Reinvestment Plan

We have adopted the DRIP, a copy of which is attached hereto as Appendix B, whereby holders of Operating Partnership units will have their cash distributions from the Operating Partnership automatically reinvested in Shares unless they elect to receive their distributions from the Operating Partnership in cash. The per Share purchase price for Shares purchased pursuant to the DRIP will be equal to (i) the transaction price at the time the distribution is payable (pursuant to the Standard DRIP), or (ii) a 5% discount to the transaction price at the time the distribution is payable if the stockholder has elected to participate in the Enhanced DRIP. Any Shares issued to a holder of Operating Partnership units pursuant to the DRIP will also automatically participate in the DRIP unless the holder of such Shares elects not to participate in the DRIP with respect to such Shares.

Subject in each case to our written consent as the general partner of the Operating Partnership (which we may withhold in our sole discretion), limited partners in the Operating Partnership may participate in the Operating Partnership's program to reinvest distributions payable to holders of the Operating Partnership units in additional Operating Partnership units as set forth in the partnership agreement.

Exculpation

We, as general partner, will not be liable to the Operating Partnership or limited partners for errors in judgment or other acts or omissions not amounting to willful misconduct or gross negligence since provision has been made in the partnership agreement for exculpation of the general partner. Therefore, purchasers of interests in the Operating Partnership have a more limited right of action than they would have absent the limitation in the partnership agreement.

Indemnification

The partnership agreement provides for the indemnification of us, as general partner, by the Operating Partnership for liabilities we incur in dealings with third parties on behalf of the Operating Partnership. To the extent that the indemnification provisions purport to include indemnification of liabilities arising under the Securities Act, in the opinion of the SEC, such indemnification is contrary to public policy and therefore unenforceable.

Tax Matters

We are the Operating Partnership's tax matters partner (and partnership representative, as applicable) and have the authority to make tax elections under the Code on the Operating Partnership's behalf.

PLAN OF DISTRIBUTION

We are offering Shares pursuant to this Memorandum on a "best efforts" basis through the Managing Dealer, a registered broker-dealer. Because this is a "best efforts" offering, the Managing Dealer must only use its best efforts to sell the Shares, which means that no underwriter, broker-dealer, Participating Adviser or other person will be obligated to purchase any Shares. We are offering an unlimited number of Shares on a continuous basis, provided that we reserve the right to terminate this offering at any time.

We entered into the Managing Dealer Agreement with the Managing Dealer, pursuant to which the Managing Dealer agreed to, among other things, serve as our exclusive managing broker-dealer in connection with the offer and sale of the Shares in this offering. Pursuant to the Managing Dealer Agreement, the Managing Dealer will identify and engage Participating Advisers and Broker-Dealer Members to make the Shares available to their clients.

Purchase Price

The purchase price per Share vary and will equal the then-current transaction price, which will generally be our NAV per Share as of the last calendar day of the prior month. Generally, we will disclose our NAV per Share for each month on the fifteenth day after the end of such month. We began disclosing our monthly NAV following the initial closing in this offering. Our NAV may vary significantly from one month to the next, and although the transaction price for Shares you purchase will generally be based on the prior month's NAV per Share, the NAV per Share for the month in which you make your purchase may be significantly different. We may offer Shares based on a transaction price that we believe reflects the NAV per Share of such Shares more appropriately than the prior month's NAV per Share or suspend this offering in cases where we believe there has been a material change (positive or negative) to our NAV per Share since the end of the prior month. See "Net Asset Value Calculation and Valuation Guidelines" for more information about the calculation of NAV per Share. If Subscription Documents are received less than five business days prior to the monthly closing date, the purchase of Shares reflected by such Subscription Documents may, unless we elect otherwise, be executed in the immediately following month's closing at the transaction price applicable to that closing. As a result of this process, the price per Share at which a subscription is executed may be different than the price per Share for the month in which the subscription was submitted.

Underwriting Compensation

Offering Fees

The Company will pay the Managing Dealer the Managing Dealer Fee in an amount equal to up to 0.75% of the aggregate gross purchase price of the Shares sold in this offering; *provided, however*, that no Managing Dealer Fee will be paid in connection with Shares issued pursuant to the DRIP or purchased by Bonaventure or its affiliates or certain other investors designated by the Adviser. As applicable, the Company will also pay the Managing Dealer the Due Diligence Fee of up to 1.5% and the Wholesaling Fee of up to 1.0% of the aggregate gross purchase price of the Shares sold in this offering, which the Managing Dealer may reallow to Broker-Dealer Members. The Offering Fees will be an operating expense of our company. The Adviser or an affiliate may agree to refund certain investors for all or a portion of the Offering Fees paid in connection with such investors' purchase of Shares. Any such refund payments will not be a cost of our company.

Retainer

We (or the Adviser on our behalf) will pay the Managing Dealer a monthly retainer in the amount of $5,000 for so long as the Managing Dealer Agreement remains in effect. We will reimburse the Adviser for any monthly payments of such retainer that it pays the Managing Dealer on our behalf.

Expense Reimbursement

We will reimburse the Managing Dealer for all actual, out-of-pocket expenses incurred by the Managing Dealer in connection with: (i) customary travel, lodging and meal expenses incurred in connection with the offering; (ii) costs and expenses of conducting educational conferences and seminars, attending broker-dealer sponsored conferences, industry sponsored conferences, informational seminars and educational conferences sponsored by the us; (iii) reasonable bona fide due diligence expenses set forth in an itemized and detailed invoice provided to us (including

travel, lodging and meal expenses and other reasonable out-of-pocket expenses incurred by the Managing Dealer or any Broker-Dealer Member and their personnel; and (iv) fees of legal counsel to the Managing Dealer related to the offering. Additionally, we will pay the Managing Dealer a $500 onboarding fee per representative from us or our affiliates and a $500 quarterly fee per representative from us or our affiliates (collectively, all foregoing expenses are, "Reimbursable Expenses"). We will reimburse the Managing Dealer for Reimbursable Expenses within 30 days of the Managing Dealer's presentation of an itemized invoice or receipt or such other documentation as we deem reasonably acceptable for such Reimbursable Expenses.

Term and Termination of the Managing Dealer Agreement

The Managing Dealer Agreement will continue in effect until this offering is terminated; provided, that the Managing Dealer Agreement may be terminated by us or the Managing Dealer as set forth below.

Either the Managing Dealer or us may terminate the Managing Dealer Agreement without penalty upon 60 days' written notice of termination by either party.

Indemnification

To the maximum extent permitted by law, we will indemnify the Managing Dealer against losses (including reasonable attorneys' fees) based upon (i) any untrue statement or omission of a material fact contained in this Memorandum or any other offering materials; *provided, however*, that such indemnity will not apply to any losses arising based upon an untrue statement or omission of material in any information furnished by or on behalf of the Managing Dealer; (ii) any breach by us of a representation, warranty or covenant in the Managing Dealer Agreement; or (iii) any material failure by us to comply with state or federal securities laws applicable to this offering; *provided*, *however*, that we will not provide any such indemnification to the extent such losses resulted from the Managing Dealer's fraud, willful misconduct, gross negligence, or a material breach of a representation, warranty or covenant in the Managing Dealer Agreement.

To the maximum extent permitted by applicable law, the Managing Dealer will indemnify us and our affiliates against losses (including reasonable attorneys' fees) based upon (i) any action or omission by the Managing Dealer in connection with the performance of its duties under the Managing Dealer Agreement that is determined by a court of competent jurisdiction to have constituted fraud, willful misconduct or gross negligence, (ii) any material breach by the Managing Dealer of applicable securities laws or regulations in connection with its performance of its obligations under the Managing Dealer Agreement, or (iii) any untrue statement or omission of material fact contained in this Memorandum or any other offering materials (only to the extent that such untrue statement or omission was made in reliance upon written information furnished to us by the Managing Dealer specifically for use with reference to the Managing Dealer).

SHARE REPURCHASES

General

While you should view your investment as long term with limited liquidity, pursuant to our SRP stockholders may request that we repurchase all or any portion of their Shares on a quarterly basis, subject to the minimum holding period discussed below "—Minimum Holding Period." Due to the illiquid nature of investments in real estate, we may not have sufficient liquid resources to fund repurchase requests. In addition, we have established limitations on the amount of funds we may use for repurchases during any quarter, as discussed in "—Repurchase Limitations" below.

The procedures relating to the repurchase of Shares are as follows:

- Under our SRP, to the extent we choose to repurchase any Shares in any particular quarter we will repurchase Shares as of the opening of the first calendar day of the following quarter (a "Repurchase Date"). To have your Shares repurchased, your repurchase request and required documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of the applicable quarter. Settlements of Share repurchases will generally be made within ten business days of the Repurchase Date. Repurchase requests will be effected at a repurchase price equal to the current transaction price on the applicable Repurchase Date (which will generally be equal to our NAV per Share as of the last day of the month immediately preceding the Repurchase Date).

- A stockholder may withdraw his or her repurchase request by notifying our transfer agent, Phoenix American Financial Services, Inc., directly or through the stockholder's financial intermediary, on our toll-free, automated telephone line, (855) 889-1778. The line is open on each business day between the hours of 9:00 a.m. and 6:00 p.m. (Eastern time). Repurchase requests must be cancelled before 4:00 p.m**.** (Eastern time) on the last business day of the applicable quarter.

- If a repurchase request is received after 4:00 p.m. (Eastern time) on the second to last business day of the applicable quarter, the repurchase request will be executed, if at all, on the next quarter's Repurchase Date at the transaction price applicable as of such Repurchase Date, unless such request is withdrawn prior to the repurchase. Repurchase requests received and processed by our transfer agent on a business day, but after the close of business on that day or on a day that is not a business day, will be deemed received on the next business day. All questions as to the form and validity (including time of receipt) of repurchase requests and notices of withdrawal will be determined by us, in our sole discretion, and such determination shall be final and binding.

- Repurchase requests may be made by mail or by contacting your financial intermediary. If making a repurchase request by contacting your financial intermediary, your financial intermediary may require you to provide certain documentation or information. If making a repurchase request by mail to our transfer agent, you must complete and sign a repurchase authorization form, which can be found on our password-protected investor relations website, www.bonaventure.com. Written requests should be sent to the following address:

  Phoenix American Financial Services, Inc.
  125 E Sir Francis Drake Blvd, Ste 301
  Larkspur, CA 94939-1820

- For processed repurchases, stockholders may request that repurchase proceeds are to be paid by mailed check provided that the check is mailed to an address on file with us for at least 30 days. Stockholders may also receive repurchase proceeds via wire transfer, provided that wiring instructions for their brokerage account or designated U.S. bank account are provided. For all repurchases paid via wire transfer, the funds will be wired to the account on file with us or, upon instruction, to another financial institution provided that the stockholder has made the necessary funds transfer arrangements. The customer service representative can provide detailed instructions on establishing funding arrangements and designating a bank or brokerage account on file. Funds will be wired only to U.S. financial institutions (ACH network members).

- If a stockholder has made multiple purchases of Shares, any repurchase request will be processed on a first in/first out basis unless otherwise requested in the repurchase request.

Sources of Funds for Repurchases

We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of our assets, borrowings or offering proceeds, and we have no limits on the amounts we may pay from such sources.

In an effort to have adequate cash available to support our SRP, we may reserve borrowing capacity under our Master Credit Facility with KeyBank. We could then elect to borrow against the Master Credit Facility in part to repurchase Shares presented for repurchase during periods when we do not have sufficient proceeds from operating cash flows or the sale of Shares in this continuous offering to fund all repurchase requests.

Minimum Holding Period

Shares will not be eligible for repurchase pursuant to our SRP unless such Shares have been issued and outstanding for at least 12 months; *provided, however*, that such minimum holding period requirement will not apply in the case of repurchase requests resulting from the death of a stockholder and with respect to shares issued pursuant to the Standard DRIP (although Shares under the Enhanced DRIP will be subject to the Enhanced DRIP Early Termination Penalty). Our waiver of the minimum holding period resulting from the death of a stockholder will be subject to our receipt of written notice from the estate of the stockholder or the recipient of the Shares through bequest or inheritance. We must receive the written repurchase request within 12 months after the death of the stockholder, and such written request must be accompanied by a certified copy of the official death certificate of the stockholder. In addition, stockholders who receive Shares in exchange for redeemed Operating Partnership units will be allowed to include the time period that such Operating Partnership units were previously held for purposes of the 12 month minimum holding period. If spouses are joint registered holders of Shares, the request to have the Shares repurchased may be made if either of the registered holders dies. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar legal entity, the right to waiver of the minimum holding period upon death does not apply.

Repurchase Limitations

We may repurchase fewer Shares than have been requested in any particular quarter, or none at all, in our discretion at any time. We may reject for any reason, or cancel, any repurchase request. In addition, the aggregate NAV of total repurchases of Shares will be limited to no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV attributable to stockholders as of the end of the immediately preceding three months).

In the event that we determine to repurchase some but not all of the Shares submitted for repurchase during any quarter, Shares submitted for repurchase during such quarter will be repurchased on a pro rata basis. All unsatisfied repurchase requests must be resubmitted after the start of the next quarter, or upon the recommencement of our SRP, as applicable.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on our company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our Shares is in the best interests of our company as a whole, we may choose to repurchase fewer Shares in any particular quarter than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, modify, suspend or terminate our SRP if it deems such action to be in our best interest and the best interest of our stockholders. Material modifications, including any amendment to the 5% quarterly limitation on repurchases, to and suspensions of our SRP will be promptly disclosed in a supplement to this Memorandum and on our password-protected website. In addition, we may determine to suspend our SRP due to regulatory changes, changes in law or if we become aware of undisclosed material information that we believe should be disclosed before Shares are repurchased. Once our SRP is suspended, our board of directors must affirmatively authorize the recommencement of the plan before stockholder requests will be considered again.

Shares held by the Adviser acquired as payment of the Management Fee will not be subject to our SRP, including with

respect to any of the foregoing repurchase limits or minimum holding period.

As of the date hereof we have repurchased 2,225,630.2 Shares pursuant to our SRP for an aggregate repurchase price of $41,254,422.25.

CERTAIN REGULATORY CONSIDERATIONS

Securities Act of 1933

The Shares have not been registered under the Securities Act, or any other securities laws, including state securities or blue sky laws, and we do not intend to register the Shares under such laws. The Shares are offered in reliance upon the exemption from registration thereunder provided by Rule 506(c) of Regulation D promulgated under the Securities Act, which requires us to take reasonable steps to verify each investor's status as an "accredited investor." Accordingly, Shares will be available for purchase only by investors who qualify as an "accredited investor," as that term is defined by Rule 501(a) of Regulation D promulgated under the Securities Act, and meet any other investor suitability standards that we establish. Each investor in Shares will be required to provide to us or to third parties engaged by us or acting on our behalf such additional documentation and financial and other supplemental information as is deemed necessary or appropriate to satisfy the requirements of Rule 506(c) of the Securities Act.

Registration Under the Securities Exchange Act of 1934

Pursuant to the Exchange Act and the rules promulgated by the SEC thereunder, a company is required to register a class of its securities under the Exchange Act, and thereafter comply with the public reporting and other regulatory requirements imposed by the Exchange Act and the rule promulgated thereunder, once, as of any calendar year-end, the company has both (i) $10 million in total assets and (ii) 2,000 record holders of such class of securities.

We do not intend to limit the issuance and transfer of Shares such that the total number of record holders of the Shares, as determined pursuant to the Exchange Act, is less than 2,000 in order to avoid the registration requirements of Section 12 of the Exchange Act. As a result, we are expected to ultimately become subject to the periodic public reporting and related requirements of the Exchange Act.

Investment Company Act of 1940

We intend to engage primarily in the business of investing in real estate and to conduct our operations, directly and through wholly or majority-owned subsidiaries, so that neither we, the Operating Partnership nor any of the subsidiaries of the Operating Partnership is required, as such requirements have been interpreted by the SEC, to register as an investment company under the Investment Company Act. A company is an "investment company" under the Investment Company Act:

- under Section 3(a)(1)(A), if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or

- under Section 3(a)(1)(C), if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns, or proposes to acquire, "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis, which we refer to as the "40% test." The term "investment securities" generally includes all securities except U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We intend to acquire real estate and real estate-related securities directly, primarily by acquiring fee interests in real property. We may also make investments indirectly through joint venture entities, including joint venture entities in which we do not own a controlling interest. We plan to conduct our businesses primarily through the Operating Partnership, a majority-owned subsidiary, and expect to establish other direct or indirect majority-owned subsidiaries to hold particular assets.

We will conduct our operations so that we, the Operating Partnership and most, if not all, of the wholly and majority-owned subsidiaries of the Operating Partnership comply with the 40% test. We will monitor our holdings on an ongoing basis to determine compliance with this test. The Operating Partnership and most, if not all, of the wholly and majority-owned subsidiaries of the Operating Partnership will not rely on exceptions under either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Consequently, interests in the Operating Partnership and in these subsidiaries of the Operating Partnership (which are expected to constitute a substantial majority of our assets)

generally will not constitute "investment securities." Accordingly, we believe that we, the Operating Partnership and most, if not all, of the wholly and majority-owned subsidiaries of the Operating Partnership will not be considered investment companies under Section 3(a)(1)(C) of the Investment Company Act.

In addition, we believe that neither we, the Operating Partnership nor any of the wholly or majority-owned subsidiaries of the Operating Partnership will be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because they do not engage primarily or hold themselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we, the Operating Partnership and the subsidiaries of the Operating Partnership will be primarily engaged in non-investment company businesses related to real estate. Consequently, we intend to conduct our and the Operating Partnership and its subsidiaries' respective operations such that none of them are required to register as an investment company under the Investment Company Act.

We determine whether an entity is a majority-owned subsidiary of our company. The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat entities in which we own at least 50% of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. If the SEC or its staff was to disagree with our treatment of one or more subsidiary entities as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any adjustment in our strategy could have a material adverse effect on us.

If we, the Operating Partnership or any of the wholly or majority-owned subsidiaries of the Operating Partnership would ever inadvertently fall within one of the definitions of "investment company," we intend to rely on the exception from the definition of investment company provided by Section 3(c)(5)(C) of the Investment Company Act, which is available for entities "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." The SEC staff has taken the position that this exception generally requires that at least 55% of an entity's assets be comprised of mortgages and other liens on and interests in real estate, also known as "qualifying assets," and at least another 25% of the entity's assets must be comprised of additional qualifying assets or a broader category of assets that we refer to as "real estate-related assets" under the Investment Company Act (and no more than 20% of the entity's assets may be comprised of miscellaneous assets).

We will classify our assets for purposes of our Section 3(c)(5)(C) exception based upon no-action positions taken by the SEC staff and interpretive guidance provided by the SEC and its staff. These no-action positions are based on specific factual situations that may be substantially different from the factual situations we may face, and a number of these no-action positions were issued more than 20 years ago. No assurance can be given that the SEC or its staff will concur with our classification of our assets. In addition, the SEC or its staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of the Investment Company Act. If we are required to re-classify our assets, we may no longer be in compliance with the exception from the definition of an investment company provided by Section 3(c)(5)(C) of the Investment Company Act.

For purposes of determining whether we satisfy the 55%/25% test under Section 3(c)(5)(C), based on certain no-action letters issued by the SEC staff, we intend to classify our fee interests in real property, held by us directly or through our wholly owned or majority-owned subsidiaries, as qualifying assets. In addition, based on no-action letters issued by the SEC staff, we will treat our investments in any joint ventures that in turn invest in qualifying assets such as real property as qualifying assets, but only if we are active in the management and operation of the joint venture and have the right to approve major decisions by the joint venture; otherwise, they will be classified as real estate-related assets. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from participating in certain investment opportunities that are otherwise suitable for us. We expect that no less than 55% of our assets will consist of investments in real property, including any joint ventures that we control or in which we share control. We will treat any investments in real estate-related securities as real estate-related assets, for purposes of determining whether we satisfy the 55%/25% test.

A change in the value of any of our assets could negatively affect our ability to maintain our exception from the definition of investment company under the Investment Company Act. To maintain compliance with the Section 3(c)(5)(C) exception, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we

would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

Qualifying for the Section 3(c)(5)(C) exception will limit our ability to make certain investments. For example, these restrictions may limit our and our subsidiaries' ability to invest directly in mortgage-backed securities that represent less than the entire ownership in a pool of mortgage loans, debt and equity tranches of securitizations and certain asset-backed securities, non-controlling equity interests in real estate companies or in assets not related to real estate.

To the extent that the SEC or its staff provides more specific guidance regarding any of the matters bearing upon the definition of investment company and the exemptions to that definition, we may be required to adjust our strategy accordingly. Any additional guidance from the SEC or its staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen.

Although we intend to monitor our portfolio, there can be no assurance that we will be able to maintain compliance with any applicable exception from the definition of investment company under the Investment Company Act. If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of Shares by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws") and any entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in our Shares of a portion of the assets of any Plan, a fiduciary should consider whether an investment in our Shares is appropriate for the Plan, taking into account the provisions of the Plan documents, the overall investment policy of the Plan and the composition of the Plan's investment portfolio, as there are imposed on Plan fiduciaries certain fiduciary requirements, including those of investment prudence and diversification and the requirement that a Plan's investments be made in accordance with the documents governing the Plan. Further, a fiduciary should consider that in the future there may be no market in which such Plan would be able to sell or otherwise dispose of Shares.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The fiduciary of an ERISA Plan that proposes to purchase or hold any Shares should consider, among other things, whether such purchase and holding may involve the sale or exchange of any property between an ERISA Plan and a party in interest or disqualified person, or the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any ERISA plan assets. Certain exemptions are available from the prohibited transaction rules. However, there can be no assurance that an exemption will apply in any particular situation. . It is also possible that one exemption could apply to some aspect of the acquisition or holding of such Shares, but not apply to some other aspect of such acquisition or holding. Each such exemption contains conditions and limitations on its application. Fiduciaries of ERISA Plans considering acquiring and holding our Shares in reliance any such exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Plan Assets Issues

An additional issue concerns the extent to which we or all or a portion of our assets could themselves be treated as subject to ERISA. ERISA and the United States Department of Labor regulations, as modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), concerns the definition of what constitutes the assets of an ERISA Plan for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and the prohibited transaction provisions of Section 4975 of the Code.

Under ERISA and the Plan Assets Regulation, generally when an ERISA Plan acquires an "equity interest" in an entity that is neither a "publicly offered security" (as discussed below) nor a security issued by an investment company

registered under the Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either (i) that less than 25% of the total value of each class of equity interest in the entity is held by "benefit plan investors" as defined in Section 3(42) of ERISA (the "25% Test"), or (ii) that the entity is an "operating company" as defined in the Plan Assets Regulation (as discussed below). The term "benefit plan investors" is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan's investment in such entity (*e.g.*, an entity of which 25% or more of the value of any class of equity interests is held by benefit plan investors and which does not satisfy another exception under ERISA).

We will not be an investment company under the Investment Company Act, our Shares will not initially qualify as a "publicly offered security" and there can be no assurance that we will not exceed the 25% Test at any point.

Operating Company

The Plan Assets Regulation defines an "operating company" as an entity primarily engaged (directly or indirectly through a majority-owned subsidiary or subsidiaries) in the production or sale of a product or service other than the investment of capital, and includes a venture capital operating company ("VCOC") and a real estate operating company ("REOC"). An entity will qualify as a VCOC during a period if (i) on the initial date on which it makes an investment (other than short-term investments pending long-term commitment) and on certain specified annual testing dates, at least 50% of its assets (valued at cost and excluding certain short-term investments) consist of "venture capital investments" (as defined below) or "derivative investments" (as defined in the Plan Assets Regulation), and (ii) during such period, the entity in the ordinary course of its business actually exercises management rights with respect to one or more of the operating companies in which it invests. The Plan Assets Regulation defines the term "venture capital investment" as an investment in an operating company (other than a VCOC but including a REOC) with respect to which the investor obtains management rights. The Plan Assets Regulation defines "management rights" as contractual rights directly between the investor and the operating company that entitle the investor to substantially participate in, or substantially influence the conduct of, the management of the operating company. An entity will qualify as a REOC during a period if (i) on the initial date on which it makes an investment (other than short-term investments pending long-term commitment) and on certain specified annual testing dates, at least 50% of its assets (valued at cost and excluding certain short-term investment) are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities and (ii) during such period, the entity in the ordinary course of its business is engaged directly in real estate management or development activities. We anticipate that we will initially qualify as a VCOC or REOC and we expect the shares of our common stock to eventually qualify as a "publicly offered security" as described below. However, no assurance can be given that either of the foregoing will be the case.

Publicly Offered Securities

For purposes of the Plan Assets Regulation, a "publicly offered security" is a security that is (a) "freely transferable," (b) part of a class of securities that is "widely held," and (c) (i) sold to the plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and is part of a class of securities that is registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering of such securities to the public has occurred, or (ii) part of a class of securities that is registered under Section 12 of the Exchange Act. The Shares will not initially qualify as a "publicly offered security" because they will not be (i) a class of securities registered under Section 12 of the Exchange Act or (ii) "widely held" (due to the Shares being held initially by a limited number of stockholders). We expect that our Shares will eventually qualify for the exception for a "publicly offered security," however, no assurance can be given that this will be the case.

If our assets are deemed to constitute ERISA "plan assets" (*i.e.*, if our shares fail to qualify as publicly offered securities, or we fail to qualify as a VCOC or REOC as of our initial valuation date, or during any subsequent annual valuation period, and we have also failed the 25% Test), certain transactions that we might enter into, or may have entered into, in the ordinary course of our business may constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code, may have to be rescinded and may give rise to prohibited transaction excise taxes and fiduciary liability, as described above. In addition, if our assets are deemed to be "plan assets" of an ERISA Plan, our management, as well as various providers of fiduciary or other services to us, and any other parties

with authority or control with respect to us or our assets, may be considered fiduciaries under ERISA and Section 4975 of the Code, or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

In addition, ERISA generally provides that discretionary authority with respect to the management and disposition of the assets of an ERISA Plan may be delegated to certain "investment managers" who acknowledge that they are fiduciaries of the ERISA Plan. In such case, an ERISA Plan fiduciary who has appointed an investment manager will generally not be liable for the acts of such investment manager. We do not expect to be an "investment manager" within the meaning of ERISA. Consequently, if our assets are deemed to constitute "plan assets" of any stockholder which is an ERISA Plan, the fiduciary of any such ERISA Plan would not be protected from liability resulting from our decisions. Moreover, if our underlying assets were deemed to be assets constituting "plan assets," there are several other provisions of ERISA that could be implicated for an ERISA Plan if it were to acquire or hold Shares either directly or by investing in an entity whose underlying assets are deemed to be assets of the ERISA Plan.

Representation

By acceptance of our Shares, each purchaser and subsequent transferee of a Share will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Shares constitutes assets of any Plan or (ii) the purchaser or transferee made its own discretionary decision to invest in our Shares and the holding of the Shares by such purchaser or transferee will not constitute a fiduciary breach or non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

The sale of our Shares to an ERISA Plan is in no respect a representation by us or any other person associated with this offering that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

The preceding discussion is only a summary of certain ERISA implications of an investment in the securities and does not purport to be complete. Prospective investors should consult with their own legal, tax, financial and other advisors prior to investing to review these implications in light of such investor's particular circumstances.

Each purchaser or transferee that is or is acting on behalf of a Plan should consult with its legal advisor concerning the potential consequences to the Plan under ERISA, Section 4975 of the Code or applicable Similar Law of an investment in our Shares.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes certain material U.S. federal income tax considerations relating to the ownership of Shares as of the date hereof by U.S. holders and non-U.S. holders, each as defined below. Except where noted, this summary deals only with Shares held as a capital asset and does not deal with special situations, such as those of dealers in securities or currencies, financial institutions, regulated investment companies, tax-exempt entities (except as described in "—Taxation of Tax-Exempt Holders of Our Common Stock" below), insurance companies, persons holding common stock as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons liable for alternative minimum tax, investors in pass- through entities or U.S. holders of common stock whose "functional currency" is not the U.S. dollar. This summary does not discuss any alternative minimum tax considerations or any state, local or non-U.S. tax considerations. Furthermore, the discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, possibly with retroactive effect, resulting in U.S. federal income tax consequences different from those discussed below.

On December 22, 2017, tax legislation commonly referred to as the Tax Cuts and Jobs Act was signed into law. The Tax Cuts and Jobs Act made significant changes to the U.S. federal income tax rules for taxation of individuals and corporations. Most of the changes applicable to individuals are temporary and would apply only to taxable years beginning before January 1, 2026. The IRS has issued significant guidance under the Tax Cuts and Jobs Act, but guidance on additional issues, finalization of proposed guidance and technical corrections legislation may adversely affect us or our stockholders. On March 27, 2020, federal legislation intended to ameliorate the economic impact of the COVID-19 pandemic, the CARES Act, was signed into law. The CARES Act made technical corrections to, or modified on a temporary basis, certain of the provisions of the Tax Cut and Jobs Act, and it is possible that additional such legislation may be enacted in the future. Further changes to the tax laws, unrelated to the Tax Cuts and Jobs Act or the COVID-19 pandemic, are possible. Prospective stockholders are urged to consult with their tax advisors with respect to the impact of the Tax Cuts and Jobs Act, the impact of legislation enacted to address the economic impact of the COVID-19 pandemic, and any other regulatory or administrative developments and proposals and their potential effect on investment in our common stock.

No ruling on the U.S. federal, state, or local tax considerations relevant to our operation or to the purchase, ownership or disposition of our common stock has been requested from the IRS or other tax authority. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. The summary is also based upon the assumption that we and our subsidiaries and affiliated entities will operate in accordance with our and their applicable organizational documents.

The U.S. federal income tax treatment of holders of Shares depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular stockholder of holding Shares will depend on the stockholder's particular tax circumstances. You are urged to consult your own tax advisors concerning the U.S. federal income tax consequences in light of your particular situation as well as consequences arising under the laws of any other taxing jurisdiction.

Our Taxation as a REIT

We elected and qualified to be taxed as a REIT under the Code commencing with our taxable year ending December 31, 2021. Furthermore, we intend to operate in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code so long as our board of directors determines that REIT qualification remains in our best interest.

We have not received, and do not intend to seek, any legal opinions or rulings from the IRS regarding our status as a REIT or our satisfaction of the REIT qualification requirements. The IRS may challenge our status as a REIT, and a court could sustain any such challenge. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the U.S. federal income tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of the ownership of our shares, and the percentage of our taxable income that we distribute. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of our failure to qualify as a REIT, see "—Failure to Qualify."

The sections of the Code and the corresponding regulations that govern the U.S. federal income tax treatment of a REIT and its stockholders are highly technical and complex. The following discussion is qualified in its entirety by the applicable Code provisions, rules and regulations promulgated thereunder and administrative interpretations thereof.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "—Requirements for Qualification as a REIT." While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See "—Failure to Qualify."

Provided that we continue to qualify as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" at the corporate and stockholder levels that generally results from an investment in a C corporation (i.e., a corporation generally subject to U.S. federal corporate income tax). Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. In general, the income that we generate, to the extent distributed to our stockholders as a dividend, is taxed only at the stockholder level.

If we qualify as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will pay U.S. federal income tax on our taxable income, including undistributed net capital gains, that we do not distribute to stockholders during, or within a specified time after, the calendar year in which the income is earned.

- If we have net income from "prohibited transactions," which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, unless we qualify for a safe harbor exception, such income will be subject to a 100% tax.

- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or from certain leasehold terminations as "foreclosure property," we may thereby avoid (a) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction) and (b) the inclusion of any income from such property not qualifying for purposes of the gross income tests discussed below, but the income from the sale or operation of the property may be subject to U.S. corporate income tax at the highest corporate income tax rate.

- If we fail to satisfy either the 75% gross income test or the 95% gross income test discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a 100% tax on the greater of the amount by which we fail the 75% gross income test or the 95% gross income test, multiplied in either case by a fraction intended to reflect our profitability.

- If (i) we fail to satisfy the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test, as described below under "—Asset Tests") due to reasonable cause and not to willful neglect, (ii) we dispose of the assets or otherwise comply with such asset tests within six months after the last day of the quarter in which we identify such failure and (iii) we file a schedule with the IRS describing the assets that caused such failure, we will pay a tax equal to the greater of $50,000 or the net income from the nonqualifying assets during the period in which we failed to satisfy such asset tests multiplied by the highest corporate income tax rate.
- If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and the failure was due to reasonable cause and not to willful neglect, we will be required to pay a penalty of $50,000 for each such failure.

- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet recordkeeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's stockholders, as described below in "—Requirements for Qualification as a REIT."

- If we fail to distribute during each calendar year at least the sum of:
  - 85% of our ordinary income for such calendar year;
  - 95% of our capital gain net income for such calendar year; and
  - any undistributed taxable income from prior taxable years,

  we will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount we actually distributed, plus any retained amounts on which income tax has been paid at the corporate level.
- If we elect to retain and pay income tax on our net long-term capital gain, a U.S. holder would include its proportionate share of our undistributed long-term capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income and would receive a credit or a refund for its proportionate share of the tax we paid.
- We will be required to pay a 100% excise tax on any "redetermined rents," "redetermined deductions," "excess interest" or "redetermined TRS service income" resulting from non-arm's length transactions involving our taxable REIT subsidiaries.
- If we acquire any assets in a carry-over basis transaction from a non-REIT C corporation that does not elect to recognize its built-in gain in such assets, i.e., the excess of the fair market value of such assets over the adjusted basis of such assets at the time we acquire such assets we would be subject to tax at the highest regular corporate rate on the built-in gain if we dispose of that built-in gain asset during the five-year period following its acquisition.

In addition, notwithstanding our status as a REIT, we may also have to pay certain state and local income taxes, because not all states and localities treat REITs in the same manner that they are treated for U.S. federal income tax purposes. Moreover, as further described below, any domestic taxable REIT subsidiary in which we own an interest will be subject to U.S. federal corporate income tax on its net income.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;

(3) that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;

(4) that is neither a financial institution nor an insurance company subject to certain provisions of the Code;

(5) the beneficial ownership of which is held by 100 or more persons;

(6) of which not more than 50% in value of the outstanding shares are owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) after applying certain attribution rules;

(7) that makes an election to be a REIT for the current taxable year or has made such an election for a previous taxable year, which has not been terminated or revoked; and

(8) that meets other tests described below regarding its gross income, assets and distributions.

Conditions (1) through (4), inclusive, must be met during the entire taxable year. Condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Condition (6) must be met during the last half of each taxable year, but neither conditions (5) nor (6) apply to the first taxable year for which an election to be taxed as a REIT is made. We believe that we will maintain sufficient diversity of ownership to allow us to satisfy conditions (5) and (6) above. In addition, our charter contains restrictions regarding the ownership and transfer of our stock that are intended to assist us in continuing to satisfy the share ownership

requirements described in (5) and (6) above. The provisions of our charter restricting the ownership and transfer of our stock are described in "Description of Capital Stock— Restrictions on Ownership and Transfer." These restrictions, however, may not ensure that we will be able to satisfy these share ownership requirements. If we fail to satisfy these share ownership requirements, we will fail to qualify as a REIT.

If we comply with regulatory rules pursuant to which we are required to send annual letters to holders of our stock requesting information regarding the actual ownership of our stock (as discussed below), and we do not know, or exercising reasonable diligence would not have known, whether we failed to meet requirement (6) above, we will be treated as having met the requirement.

To monitor compliance with the share ownership requirements, we generally are required to maintain records regarding the actual ownership of our shares. To do so, we must demand written statements each year from the record holders of specified percentages of our stock pursuant to which the record holders must disclose the actual owners of the shares (i.e., the persons required to include our dividends in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury Regulations to submit a statement with your tax return disclosing your actual ownership of our shares and other information. In addition, we must satisfy all relevant filing and other administrative requirements established by the IRS to elect and maintain REIT status, use a calendar year for U.S. federal income tax purposes, and comply with the record-keeping requirements of the Code and regulations promulgated thereunder.

Ownership of Partnership Interests. In the case of a REIT that is a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, (for purposes of this discussion, references to "partnership" include a limited liability company or other entity treated as a partnership for U.S. federal income tax purposes, and references to a partner include a member in such limited liability company or other entity), Treasury Regulations provide that the REIT is deemed to own its proportionate share of the partnership's assets for purposes of the asset tests described below and to earn its proportionate share of the partnership's gross income for purposes of the gross income tests described below, based on its pro rata share of capital interests in the partnership. However, solely for purposes of the 10% value test described below (see "—Asset Tests"), the determination of a REIT's interest in a partnership's assets will be based on the REIT's proportionate interest in any securities issued by the partnership, excluding for these purposes, certain excluded securities as described in the Code. In addition, the assets and gross income of the partnership generally are deemed to retain the same character in the hands of the REIT. Thus, our proportionate share of the assets and items of income of partnerships in which we own an equity interest is treated as our assets and items of gross income for purposes of applying the REIT requirements described below. Consequently, to the extent that we directly or indirectly hold a preferred or other equity interest in a partnership, the partnership's assets and operations may affect our ability to qualify as a REIT, even though we may have no control or only limited influence over the partnership.

Under the Bipartisan Budget Act of 2015, liability is imposed on the partnership (rather than its partners) for adjustments to reported partnership taxable income resulting from audits or other tax proceedings. The liability can include an imputed underpayment of tax, calculated by using the highest marginal U.S. federal income tax rate, as well as interest and penalties on such imputed underpayment of tax. Using certain rules, partnerships may be able to transfer these liabilities to their partners. In the event any adjustments are imposed by the IRS on the taxable income reported by any partnership in which we own an interest, we intend to utilize certain rules to the extent possible to allow us to transfer any liability with respect to such adjustments to the partners of the partnership who should properly bear such liability. However, there is no assurance that we will qualify under those rules or that we will have the authority to use those rules under the operating agreements for certain of the partnerships in which we hold interests.

Disregarded Subsidiaries. If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," the separate existence of that subsidiary is disregarded for U.S. federal income tax purposes. A qualified REIT subsidiary is a corporation or other entity that otherwise would be treated as a corporation for U.S. federal income tax purposes, other than a taxable REIT subsidiary, all of the stock of which is owned directly or indirectly by the REIT. Other entities that are wholly owned by us, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT gross income and asset tests. All assets, liabilities and items of income, deduction and credit of qualified REIT subsidiaries and disregarded subsidiaries will be treated as assets, liabilities and items of income, deduction and credit of the REIT itself. A qualified REIT subsidiary of ours is not

subject to U.S. federal corporate income taxation, although it may be subject to state and local taxation in some states.

In the event that a qualified REIT subsidiary or a disregarded subsidiary ceases to be wholly owned by us (for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of us), the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income tests applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the value or voting power of the outstanding securities of another corporation. See "—Asset Tests" and "—Gross Income Tests."

Taxable REIT Subsidiaries. A "taxable REIT subsidiary" is an entity that is taxable as a corporation in which we directly or indirectly own stock and that elects with us to be treated as a taxable REIT subsidiary. The separate existence of a taxable REIT subsidiary is not ignored for U.S. federal income tax purposes. Accordingly, a domestic taxable REIT subsidiary generally is subject to U.S. federal corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate and may reduce our ability to make distributions to our stockholders. In addition, if a taxable REIT subsidiary owns, directly or indirectly, securities representing 35% or more of the vote or value of a subsidiary corporation, that subsidiary will also be treated as a taxable REIT subsidiary. However, an entity will not qualify as a taxable REIT subsidiary if it directly or indirectly operates or manages a lodging or health care facility or, generally, provides to another person, under a franchise, license or otherwise, rights to any brand name under which any lodging facility or health care facility is operated. We generally may not own more than 10%, as measured by voting power or value, of the securities of a corporation that is not a qualified REIT subsidiary unless we and such corporation elect to treat such corporation as a taxable REIT subsidiary. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more taxable REIT subsidiaries.

Assets owned, and income earned, by a taxable REIT subsidiary is not attributed to the REIT for purposes of the gross income and asset tests. Rather, the stock issued by a taxable REIT subsidiary to us is an asset in our hands, and we treat dividends paid to us from such taxable REIT subsidiary, if any, as income for purposes of our gross income tests. As a result, income that might not be qualifying income for purposes of the gross income tests applicable to REITs could be earned by a taxable REIT subsidiary without affecting our status as a REIT. For example, we may use taxable REIT subsidiaries to perform services or conduct activities that give rise to certain categories of income such as advisory fees, to own assets that give rise to gross income that would not qualify for the gross income tests, such as income from an ownership interest in a hotel, or to conduct activities that, if conducted by us directly, would be treated in our hands as prohibited transactions.

Certain restrictions imposed on taxable REIT subsidiaries are intended to ensure that such entities will be subject to appropriate levels of federal income taxation. We will be required to pay a 100% tax on any redetermined rents, redetermined deductions, excess interest and redetermined TRS service income. In general, redetermined rents are rents from real property that are overstated as a result of services furnished by our TRSs. Redetermined deductions and excess interest generally represent amounts that are deducted by a TRS for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's-length negotiations. Redetermined TRS service income generally means the additional gross income a TRS would recognize if it were paid an arm's-length fee for services provided to, or on behalf of, us.

Gross Income Tests

To qualify as a REIT, we must satisfy two gross income requirements, each of which is applied on an annual basis. First, at least 75% of our gross income, excluding gross income from prohibited transactions and certain hedging and foreign currency transactions, for each taxable year generally must be derived directly or indirectly from:

- rents from real property;
- interest on debt secured by mortgages on real property or on interests in real property;
- dividends or other distributions on, and gain from the sale of, stock in other REITs;
- gain from the sale of real property or mortgage loans;

- abatements and refunds of taxes on real property;
- income and gain derived from foreclosure property (as described below);
- amounts (other than amounts the determination of which depends in whole or in part on the income or profits of any person) received or accrued as consideration for entering into agreements (i) to make loans secured by mortgages on real property or on interests in real property or (ii) to purchase or lease real property (including interests in real property and interests in mortgages on real property); and
- interest or dividend income from investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following our receipt of new capital that we raise through equity offerings (but not our DRIP) or public offerings of debt obligations with at least a five-year term.

Second, at least 95% of our gross income, excluding gross income from prohibited transactions and certain hedging transactions, for each taxable year must be derived from sources that qualify for purposes of the 75% gross income test, and from (i) dividends, (ii) interest (including interest income from debt instruments issued by publicly offered REITs) and (iii) gain from the sale or disposition of stock or securities that need not have any relation to real property (including gain from the sale or other disposition of debt instruments issued by publicly offered REITs).

If we fail to satisfy one or both of the 75% and 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for that year if our failure to meet the tests is due to reasonable cause and not due to willful neglect and we attach a schedule of the sources of our income to our U.S. federal income tax return. It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally recognize exceeds the limits on nonqualifying income, the IRS could conclude that the failure to satisfy the tests was not due to reasonable cause. If these relief provisions are inapplicable to a particular set of circumstances, we will fail to qualify as a REIT. Even if these relief provisions apply, a penalty tax would be imposed based on the amount of nonqualifying income. See "—Taxation of REITs in General."

Gross income from our sale of property that we hold primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both gross income tests. In addition, certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. We will monitor the amount of our nonqualifying income, and we intend to manage our portfolio to comply at all times with the gross income tests. The following paragraphs discuss some of the specific applications of the gross income tests to us.

Dividends. We may directly or indirectly receive distributions from taxable REIT subsidiaries or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Our dividend income from the ownership of stock in any corporation (other than any REIT), including any taxable REIT subsidiary, will be qualifying income for purposes of the 95% gross income test but not the 75% gross income test. Dividends that we receive from any REITs in which we own stock and our gain on the sale of the stock in those REITs will be qualifying income for purposes of both gross income tests. However, if a REIT in which we own stock fails to qualify as a REIT in any year, our income from such REIT would be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test.

Interest. The term "interest," as defined for purposes of both gross income tests, generally excludes any amount that is based in whole or in part on the income or profits of any person; however, it generally includes the following: (i) an amount that is received or accrued based on a fixed percentage or percentages of receipts or sales, and (ii) an amount that is based on the income or profits of a debtor, as long as the debtor derives substantially all of its income from the real property securing the debt by leasing substantially all of its interest in the property, and only to the extent that the amounts received by the debtor would be qualifying "rents from real property" if received directly by a REIT.

Interest on debt secured by mortgages on real property or on interests in real property (including, for this purpose, prepayment penalties, loan assumption fees and late payment charges that are not compensation for services) generally is qualifying income for purposes of the 75% gross income test. If we receive interest income with respect to a mortgage loan that is secured by both real property and personal property, the value of the personal property securing

the loan exceeds 15% of the value of all property securing the loan, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we had a binding commitment to acquire or originate the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and interest will qualify for purposes of the 75% gross income test only to the extent that it is allocable to the real property. Even if a loan is not secured by real property or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test.

Interest, original issue discount and market discount income that we receive or accrue from any mortgage-related assets generally will be qualifying income for purposes of both gross income tests.

Hedging Transactions. We and our subsidiaries may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swap agreements, interest rate cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Any income from a hedging transaction to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, by us to acquire or own real estate assets, or to hedge existing hedging positions after a portion of the hedged indebtedness or property is disposed of, which is clearly identified as such before the close of the day on which it was acquired, originated or entered into, including gain from the disposition of such a transaction, will be disregarded for purposes of the 75% and 95% gross income tests. There are also rules for disregarding income for purposes of the 75% and 95% gross income tests with respect to hedges of certain foreign currency risks. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both of the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the asset tests described below. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. No assurance can be given, however, that our hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that our hedging will not adversely affect our ability to satisfy the REIT qualification requirements.

We may conduct some or all of our hedging activities through a taxable REIT subsidiary or other corporate entity, the income of which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries.

Fee Income. We may receive various fees in connection with our operations. The fees will be qualifying income for purposes of both the 75% and 95% gross income tests if they are received in consideration for entering into an agreement to make a loan secured by real property or to purchase or lease real property and the fees are not determined by the borrower's income and profits. Other fees are not qualifying income for purposes of either gross income test.

Rents from Real Property. Rents we receive will qualify as "rents from real property" in satisfying the gross income requirements for a REIT described above only if several conditions described below are met. These conditions relate to the identity of the tenant, the computation of the rent payable, and the nature of the property leased and any services provided in connection with the property. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from rents from real property solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, rents we receive from a "related party tenant" will not qualify as rents from real property in satisfying the gross income tests unless the tenant is a taxable REIT subsidiary, at least 90% of the property is leased to unrelated tenants, the rent paid by the taxable REIT subsidiary is substantially comparable to the rent paid by the unrelated tenants for comparable space and the rent is not attributable to an increase in rent due to a modification of a lease with a "controlled taxable REIT subsidiary" (i.e., a taxable REIT subsidiary in which we own directly or indirectly more than 50% of the voting power or value of the stock). A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT, actually or constructively owns 10% or more of the tenant. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, or modified, if such modification increases the rents due under such lease. We also may lease to our TRS if the TRS engages an "eligible independent contractor" to manage such properties. Third, if rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as rents from real property. Finally, for rents to qualify as "rents from real property" for purposes of the gross income tests, we are only allowed to provide services that are both usually or "customarily rendered" in

connection with the rental of real property and not otherwise considered "rendered to the occupant" of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. We may, however, render services to our tenants through an "independent contractor" who is adequately compensated and from whom we do not derive any income if certain requirements are satisfied. We may also own an interest in a taxable REIT subsidiary that provides non- customary services to tenants without tainting our rental income from the related properties.

Even if a REIT furnishes or renders services that are non-customary with respect to a property, if the greater of (i) the amounts received or accrued, directly or indirectly, or deemed received by the REIT with respect to such services, or (ii) 150% of our direct cost in furnishing or rendering the services during a taxable year is not more than 1% of all amounts received or accrued, directly or indirectly, by the REIT with respect to the property during the same taxable year, then only the amounts with respect to such services are not treated as rent for purposes of the gross income tests.

We intend to cause any services that are not "usually or customarily rendered," or that are for the benefit of a particular tenant in connection with the rental of real property, to be provided through a taxable REIT subsidiary or through an "independent contractor" that is adequately compensated and from which we do not derive revenue, and which meets certain other requirements. However, no assurance can be given that the IRS will concur with our determination as to whether a particular service is usual or customary, or otherwise in this regard.

Prohibited Transactions Tax. A REIT will incur a 100% tax on the net income derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. Whether a REIT holds an asset primarily for sale to customers in the ordinary course of a trade or business depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset. Nevertheless, we intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or as having been, held for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. We cannot assure you that we will comply with certain safe harbor provisions or that we will avoid owning property that may be characterized as property that we hold primarily for sale to customers in the ordinary course of a trade or business. The 100% tax will not apply to gains from the sale of property that is held through a taxable REIT subsidiary or other taxable corporation, although such income will be subject to tax in the hands of such corporation at regular corporate income tax rates. We intend to structure our activities to avoid prohibited transaction characterization.

Foreclosure Property. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

- that is acquired by a REIT as the result of the REIT having bid in such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;
- for which the related loan was acquired by the REIT at a time when the default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

However, a REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor.

Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property, or longer if an extension is granted by the Secretary of the Treasury. This grace period terminates and foreclosure property ceases to be foreclosure property on the first day:

- on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;
- on which any construction takes place on the property, other than completion of a building or any other improvement, if more than 10% of the construction was completed before default became imminent; or

- which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business that is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income.

We will be subject to tax at the maximum corporate rate on any income from foreclosure property, including gain from the disposition of the foreclosure property, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, net income from foreclosure property, including gain from the sale of foreclosure property held for sale in the ordinary course of a trade or business, will qualify for purposes of the 75% and 95% gross income tests. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property.

Phantom Income. Due to the nature of the assets in which we will invest, we may be required to recognize taxable income from certain assets in advance of our receipt of cash from, or proceeds from disposition of, such assets, and may be required to report taxable income that exceeds the economic income ultimately realized on such assets.

We may acquire debt instruments in the secondary market for less than their face amount. The amount of such discount generally will be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless we elect to include accrued market discount in income as it accrues. Principal payments on certain debt instruments may be made monthly, and, consequently, accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

The terms of the debt instruments that we hold may be modified under certain circumstances. These modifications may be considered "significant modifications" for U.S. federal income tax purposes that give rise to a deemed debt-for-debt exchange upon which we may recognize taxable income or gain without a corresponding receipt of cash.

Some of the debt securities that we acquire may have been issued with original issue discount. In general, we will be required to accrue non-de minimis original issue discount based on the constant yield to maturity of such debt securities, and to treat it as taxable income in accordance with applicable U.S. federal income tax rules even though such yield may exceed cash payments, if any, received on such debt instrument.

In addition, in the event that any debt instruments or debt securities acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income. Similarly, we may be required to accrue interest income with respect to subordinated mortgage-backed securities at the stated rate regardless of whether corresponding cash payments are received.

We may be required under the terms of indebtedness that we incur to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to our stockholders.

As a result of potential timing differences between income recognition or expense deduction and cash receipts or disbursements, there is a risk that we may have taxable income in excess of cash available for distribution. In that event, we may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which this "phantom income" is recognized. See "—Annual Distribution Requirements Applicable to REITs."

Asset Tests

At the close of each quarter of our taxable year, we must satisfy the following tests relating to the nature of our assets.

- At least 75% of the value of our total assets must be represented by the following:
    - interests in real property, including leaseholds and options to acquire real property and leaseholds;

- interests in mortgages on real property;
- interests in personal property that generates rents from real property;
- stock in other REITs and debt instruments issued by publicly offered REITs;
- cash and cash items (including certain receivables);
- government securities;
- investments in stock or debt instruments attributable to the temporary investment of new capital during the one-year period following our receipt of new capital that we raise through equity offerings (but not our DRIP) or public offerings of debt obligations with at least a five-year term; and
- regular or residual interests in a REMIC. However, if less than 95% of the assets of a REMIC consists of assets that are qualifying real estate-related assets under U.S. federal income tax laws, determined as if we held such assets directly, we will be treated as holding directly our proportionate share of the assets of such REMIC.

- Not more than 25% of our total assets may be represented by securities, other than those in the 75% asset class described above.
- Except for securities in taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, the value of any one issuer's securities owned by us may not exceed 5% of the value of our total assets.
- Except for securities in taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, we may not own more than 10% of any one issuer's outstanding voting securities.
- Except for securities of taxable REIT subsidiaries and the securities in the 75% asset class described in the first bullet point above, we may not own more than 10% of the total value of the outstanding securities of any one issuer, other than securities that qualify for the "straight debt" exception or other exceptions discussed below.
- Not more than 20% of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries.
- Not more than 25% of the value of our total assets may be represented by nonqualified publicly offered REIT debt instruments.

A debt obligation secured by a mortgage on both real and personal property is treated as a real estate asset for purposes of the 75% asset test, and interest thereon is treated as interest on an obligation secured by real property, if the fair market value of the personal property does not exceed 15% of the fair market value of all property securing the debt even if the loan is not fully secured by real property. Thus, there is no apportionment for purposes of the asset tests or the gross income tests if the fair market value of personal property securing the loan does not exceed 15% of the fair market value of all property securing the loan.

Notwithstanding the general rule, as noted above, that for purposes of the gross income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as "securities" for purposes of the 10% value test, as explained below) where such REIT is a publicly offered REIT.

Securities, for purposes of the asset tests, may include debt we hold from other issuers. However, debt we hold in an issuer that does not qualify for purposes of the 75% asset test will not be taken into account for purposes of the 10% value test if the debt securities meet the straight debt safe harbor. Subject to certain exceptions, debt will meet the

straight debt safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a sum certain in money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits of any person, the borrower's discretion or similar factors. In the case of an issuer that is a corporation or a partnership, securities that otherwise would be considered straight debt will not be so considered if we, and any of our "controlled taxable REIT subsidiaries" as defined in the Code, hold any securities of the corporate or partnership issuer that (a) are not straight debt or other excluded securities (prior to the application of this rule), and (b) have an aggregate value greater than 1% of the issuer's outstanding securities (including, in the case of a partnership issuer, our interest as a partner in the partnership).

In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership's income is of such a nature that the partnership would satisfy the 75% gross income test described above under "—Gross Income Tests." In applying the 10% asset test, a debt security issued by a partnership (other than straight debt or any other excluded security) is not taken into account to the extent, if any, of the REIT's proportionate interest as a partner in that partnership.

Any stock that we hold or acquire in other REITs will be a qualifying asset for purposes of the 75% asset test. However, if a REIT in which we own stock fails to qualify as a REIT in any year, the stock in such REIT will not be a qualifying asset for purposes of the 75% asset test. Instead, we would be subject to the second, third, fourth, and fifth asset tests described above with respect to our investment in such a disqualified REIT. We will also be subject to those asset tests with respect to our investments in any non-REIT C corporations for which we do not make a taxable REIT subsidiary election.

We monitor the status of our assets for purposes of the various asset tests and seek to manage our portfolio to comply at all times with such tests. There can be no assurances, however, that we will be successful in this effort. Independent appraisals may not have been obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the asset tests.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if we failed to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause us to lose our REIT qualification if (i) we satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an acquisition of nonqualifying assets, but instead arose from changes in the relative market values of our assets. If the condition described in (ii) were not satisfied, we could nevertheless avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of de minimis violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and $10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if we did not qualify for the foregoing relief provisions, one additional provision allows a REIT that fails one or more of the asset requirements for a particular tax quarter to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) $50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in

which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

Annual Distribution Requirements Applicable to REITs

To qualify for taxation as a REIT, we generally must distribute dividends (other than capital gain dividends) to our stockholders in an amount at least equal to:

- the sum of (i) 90% of our REIT taxable income, computed without regard to the dividends-paid deduction and our net capital gain and (ii) 90% of our net income after tax, if any, from foreclosure property; minus

- the excess of the sum of specified items of non-cash income (including original issue discount on our mortgage loans) over 5% of our REIT taxable income, computed without regard to the dividends-paid deduction and our net capital gain.

Distributions generally must be made during the taxable year to which they relate. Distributions may be made in the following year in two circumstances. First, if we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend in January of the following year, we will be treated as having paid the dividend on December 31 of the year in which the dividend was declared. Second, distributions may be made in the following year if the dividends are declared before we timely file our tax return for the year and if made before the first regular dividend payment made after such declaration. These distributions are taxable to our stockholders in the year in which paid, even though the distributions relate to our prior taxable year for purposes of the 90% distribution requirement. To the extent that we do not distribute all of our net capital gain or we distribute dividends equal to at least 90%, but less than 100% of our REIT taxable income, as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates.

To the extent that in the future we may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, (1) generally will not affect the character, in the hands of our stockholders, of any dividends that actually are made as ordinary dividends or capital gain; and (2) cannot be passed through or used by our stockholders.

If we fail to distribute during a calendar year (or, in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January following such calendar year) at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed taxable income from prior years, we will be subject to a 4% excise tax on the excess of such required distribution over the sum of (x) the amounts actually distributed (taking into account excess distributions from prior years) and (y) the amounts of income retained on which we have paid corporate income tax.

Although several types of non-cash income are excluded in determining the annual distribution requirement, we will incur corporate income tax and the 4% nondeductible excise tax with respect to those non-cash income items if we do not distribute those items on a current basis. As a result of the foregoing, we may not have sufficient cash to distribute all of our taxable income and thereby avoid corporate income tax and the excise tax imposed on certain undistributed income. In such a situation, we may need to borrow funds or issue additional stock.

We may elect to retain rather than distribute all or a portion of our net capital gains and pay the tax on the gains. In that case, we may elect to have our stockholders include their proportionate share of the undistributed net capital gains in income as long-term capital gains and receive a credit for their share of the tax paid by us. Our stockholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that we designated and that they include in their taxable income, minus (ii) the tax that we paid on their behalf with respect to that income. For purposes of the 4% excise tax described above, any retained amounts for which we elect this treatment would be treated as having been distributed.

We intend to make timely distributions sufficient to satisfy the distribution requirement. However, it is possible that, from time to time, we may not have sufficient cash or other liquid assets to meet the distribution requirement due to timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of items of income and deduction of expenses by us for U.S. federal income tax purposes or due to allocations of net income from partnerships in excess of distributions received therefrom. In addition, we may prefer to retain our cash,

rather than distribute it, in order to repay debt, acquire assets or for other reasons. In the event that such timing differences occur, and in other circumstances, it may be necessary in order to satisfy the distribution requirements to arrange for short- term, or possibly long-term, borrowings, or to pay the dividends in the form of other property (including, for example, shares of our own stock).

If our taxable income for a particular year is subsequently determined to have been understated, under some circumstances we may be able to rectify a failure to meet the distribution requirements for a year by paying deficiency dividends to stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as deficiency dividends. However, we will be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

The Tax Cuts and Jobs Act contains provisions that may change the way we calculate our REIT taxable income and that our subsidiaries calculate their taxable income. Under the Tax Cuts and Jobs Act, we may have to accrue certain items of income before they would otherwise be taken into income under the Code if they are taken into account in our applicable financial statements. Additionally, the Tax Cuts and Jobs Act limits interest deductions for businesses, whether in corporate or pass-through form, to the sum of the taxpayer's business interest income for the tax year and 30% of the taxpayer's adjusted taxable income for the tax year. Treasury Regulations define interest expansively to cover various amounts not otherwise treated as interest. This limitation could apply to the Operating Partnership, underlying partnerships and any TRSs that we form. This limitation on business interest deductions does not apply to an "electing real property trade or business." One consequence of electing to be an "electing real property trade or business" is that the accelerated expensing rules under the Tax Cuts and Jobs Act will not apply to property used in an electing real property trade or business and less favorable depreciation methods will apply. Finally, under amendments made by the Tax Cuts and Jobs Act to Section 172 of the Code, our deduction for any net operating loss carryforwards arising from losses we incur is limited to 80% of our annual REIT taxable income (determined without regard to the deduction for dividends paid), and any unused portion of such losses may not be carried back, but may be carried forward indefinitely.

Like-Kind Exchanges

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transaction.

Penalty Tax for Non-Arm's Length Transactions with TRSs

Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary, and redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations. Rents that we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code. Redetermined TRS service income is income earned by a taxable REIT subsidiary that is attributable to services provided to us, or on our behalf to any of our tenants, that is less than the amounts that would have been charged based upon arms' length negotiations.

Recordkeeping Requirements

We are required to comply with applicable recordkeeping requirements. Failure to comply could result in monetary fines. For example, we must request on an annual basis information from our stockholders designed to disclose the actual ownership of our outstanding common stock.

Failure to Qualify

If we fail to satisfy one or more requirements of REIT qualification, other than the gross income tests or asset tests, we may still retain REIT qualification if the failure is due to reasonable cause and not willful neglect, and we pay a penalty of $50,000 for each failure.

If we fail to qualify for taxation as a REIT in any taxable year and the relief provisions do not apply, we will be subject to tax on our taxable income at regular corporate income tax rates. This would significantly reduce both our cash available for distribution to our stockholders, and our earnings. If we fail to qualify as a REIT, we will not be required to make any distributions to stockholders and any distributions that are made will not be deductible by us. Moreover, all distributions to stockholders would be taxable as dividends to the extent of our current and accumulated earnings and profits, whether or not attributable to capital gains of ours. Furthermore, subject to certain limitations in the Code, corporate distributees may be eligible for the dividends-received deduction with respect to those distributions, and individual, trust and estate distributees may be eligible for reduced U.S. federal income tax rates on such dividends as "qualified dividend income." Unless we are entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost.

Tax Aspects of the Operating Partnership and any Subsidiary Partnerships

General. Substantially all of our assets will be held through the Operating Partnership. In addition, the Operating Partnership may hold certain investments indirectly through subsidiary partnerships and limited liability companies that are treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities that are not required to pay U.S. federal income tax except as discussed below under "Entity Classification." Rather, partners or members of such entities are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership or limited liability company and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership or limited liability company. A partner in such entities that is a REIT will include in its income its share of these partnership and limited liability company items for purposes of the various gross income tests, the computation of its REIT taxable income, and the REIT distribution requirements. Pursuant to these rules, for purposes of the asset tests, we will include our pro rata share of assets held by our Operating Partnership, including our share of its subsidiary partnerships and limited liability companies, based on its capital interest in each such entity.

Entity Classification. Our interests in the Operating Partnership and the subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships (or disregarded entities), as opposed to associations taxable as corporations for U.S. federal income tax purposes. For example, an entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership or limited liability company would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury regulations. If the Operating Partnership or a subsidiary partnership or limited liability company were treated as an association rather than as a partnership, it would be taxable as a corporation and would be required to pay a corporate income tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from qualifying as a REIT. See "—Failure to Qualify" for a discussion of the effects of our failure to meet the REIT asset and gross income tests. In addition, a change in the tax status of the Operating Partnership, a subsidiary partnership or limited liability company might be treated as a taxable event. If so, we might incur a tax liability without any related cash distributions. We do not anticipate that the Operating Partnership or any subsidiary partnership or limited liability company will be treated as a publicly traded partnership which is taxable as a corporation.

Under the rules for U.S. federal income tax audits of partnerships, such audits will be conducted at the entity level, but unless such entity qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the entity itself. Under the alternative procedure, if elected, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If a partnership elects the alternative procedure for a given adjustment, the amount of taxes for which such persons will be liable will be increased by any applicable penalties and a special interest charge. There can be no assurance that any partnerships in which we hold interests will be eligible to make such an election or that it will, in fact, make such an election for any given adjustment.

Allocations of Income, Gain, Loss and Deduction. A partnership agreement (or, in the case of a limited liability company treated as a partnership for U.S. federal income tax purposes, the limited liability company agreement) will generally determine the allocation of partnership income and loss among partners. Generally, Section 704(b) of the Code and the Treasury Regulations thereunder require that partnership allocations respect the economic arrangement

of the partners. If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation may be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The Operating Partnership's allocations of taxable income and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations with Respect to the Properties. Under Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership (including a limited liability company treated as a partnership for U.S. federal income tax purposes) in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain, or benefits from the unrealized loss, associated with the property at the time of the contribution, as adjusted from time to time. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Appreciated property may be contributed to the Operating Partnership in exchange for Operating Partnership interests in connection with future acquisitions. In such case, allocations must be made in a manner consistent with Section 704(c) of the Code. Treasury regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Any book-tax differences will be accounted for using any method approved under Section 704(c) of the Code and the applicable Treasury Regulations as chosen by the general partner under the partnership agreement. Any property acquired by the Operating Partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code will not apply.

Taxation of U.S. Holders of Our Common Stock

U.S. Holder. As used in the remainder of this discussion, the term "U.S. holder" means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding common stock, you should consult your advisors. A "non-U.S. holder" is a beneficial owner of our common stock that is neither a U.S. holder nor a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

Distributions Generally. As long as we qualify as a REIT, distributions made by us to our taxable U.S. holders out of our current or accumulated earnings and profits that are not designated as capital gain dividends or "qualified dividend income" will be taken into account by them as ordinary income taxable at ordinary income tax rates and will not qualify for the reduced capital gains rates that currently generally apply to "qualified dividend income" distributed by non-REIT C corporations to certain non-corporate U.S. holders. However, for taxable years beginning before January 1, 2026, non-corporate U.S. holders will be entitled to deduct up to 20% of "qualified REIT dividends" (*i.e.*, dividends other than capital gain dividends and dividends attributable to "qualified dividend income" received by us) they receive. The amount of the deduction may be up to 20% of the amount of the non-corporate U.S. holder's aggregate qualified dividend income, but may be less than 20% of the amount of the U.S. holder's qualified REIT dividends if the U.S. holder has losses from publicly traded partnerships or the U.S. holder's taxable income, not taking into account net capital gain, is less than the amount of the U.S. holder's qualified REIT dividends. In addition, Treasury

Regulations under section 199A of the Code impose a minimum holding period for the 20% deduction that was not set forth in the Code. Under the Treasury Regulations, in order for a REIT dividend with respect to a share of REIT stock to be treated as a qualified REIT dividend, the U.S. holder (i) must have held the share for more than 45 days during the 91-day period beginning on the date which is 45 days before the date on which such share becomes ex-dividend with respect to such dividend and (ii) cannot have been under an obligation to make related payments with respect to positions in substantially similar or related property, e.g., pursuant to a short sale.

Distributions in excess of both current and accumulated earnings and profits will not be taxable to a U.S. holder to the extent that the distributions do not exceed the adjusted basis of the U.S. holder's stock. Rather, such distributions will reduce the U.S. holder's adjusted basis in the stock. To the extent that distributions exceed the adjusted basis of a U.S. holder's stock, the U.S. holder generally must include such excess in income as long- term capital gain if the shares have been held for more than one year, or as short-term capital gain if the shares have been held for one year or less.

Distributions will generally be taxable, if at all, in the year of the distribution. However, if we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend in January of the following year, we will be treated as having paid the dividend, and U.S. holders will be treated as having received the dividend, on December 31 of the year in which the dividend was declared.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution we pay up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed above. Moreover, any "deficiency dividend" will be treated as an ordinary or capital gain dividend, as the case may be, regardless of our earnings and profits. As a result, U.S. holders may be required to treat certain distributions that would otherwise result in a tax-free return of capital as taxable dividends.

Capital Gain Dividends. We may elect to designate distributions of our net capital gain as "capital gain dividends" to the extent that such distributions do not exceed our actual net capital gain for the taxable year. Capital gain dividends are taxed to U.S. holders of our stock as gain from the sale or exchange of a capital asset held for more than one year. This tax treatment applies regardless of the period during which the stockholders have held their stock. If we designate any portion of a dividend as a capital gain dividend, the amount that will be taxable to the stockholder as capital gain will be indicated to U.S. holders on IRS Form 1099-DIV. Corporate stockholders, however, may be required to treat up to 20% of capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends-received deduction for corporations.

Instead of paying capital gain dividends, we may elect to require stockholders to include our undistributed net capital gains in their income. If we make such an election, U.S. holders (i) will include in their income as long- term capital gains their proportionate share of such undistributed capital gains and (ii) will be deemed to have paid their proportionate share of the tax paid by us on such undistributed capital gains and thereby receive a credit or refund to the extent that the tax paid by us exceeds the U.S. holder's tax liability on the undistributed capital gain. A U.S. holder of our stock will increase its basis in its stock by the difference between the amount of capital gain included in its income and the amount of tax it is deemed to have paid. A U.S. holder that is a corporation will appropriately adjust its earnings and profits for the retained capital gain in accordance with Treasury Regulations to be prescribed by the IRS. Our earnings and profits will be adjusted appropriately. Alternatively, we could pay tax on such long-term capital gain and not adopt the credit regime discussed herein.

We must classify portions of our designated capital gain dividend into the following categories:

- a 20% gain distribution, which would be taxable to non-corporate U.S. holders of our stock at a federal rate of up to 20%; or

- an unrecaptured Section 1250 gain distribution, which would be taxable to non-corporate U.S. holders of our stock at a maximum rate of 25%.

We must determine the maximum amounts that we may designate as 20% and 25% capital gain dividends by performing the computation required by the Code as if the REIT were an individual whose ordinary income were subject to a marginal tax rate of at least 28%. The IRS currently requires that distributions made to different classes of stock be comprised proportionately of dividends of a particular type.

Qualified Dividend Income. Distributions that are treated as dividends may be taxed at capital gains rates, rather than

ordinary income rates, if they are distributed to an individual, trust or estate, are properly designated by us as qualified dividend income and certain other requirements are satisfied. Dividends are eligible to be designated by us as qualified dividend income up to an amount equal to the sum of the qualified dividend income received by us during the year of the distribution from other C corporations such as taxable REIT subsidiaries, our "undistributed" REIT taxable income from the immediately preceding year, and any income attributable to the sale of a built-in gain asset from the immediately preceding year (reduced by any U.S. federal income taxes that we paid with respect to such REIT taxable income and built-in gain).

Dividends that we receive will be treated as qualified dividend income to us if certain criteria are met. The dividends must be received from a domestic corporation (other than a REIT or a regulated investment company) or a qualifying foreign corporation. A foreign corporation generally will be a qualifying foreign corporation if it is incorporated in a possession of the United States, the corporation is eligible for benefits of an income tax treaty with the United States which the Secretary of Treasury determines is satisfactory, or the stock on which the dividend is paid is readily tradable on an established securities market in the United States. However, if a foreign corporation is a foreign personal holding company, a foreign investment company or a passive foreign investment company, then it will not be treated as a qualifying foreign corporation, and the dividends we receive from such an entity would not constitute qualified dividend income.

Furthermore, certain exceptions and special rules apply to determine whether dividends may be treated as qualified dividend income to us. These rules include certain holding requirements that we would have to satisfy with respect to the stock on which the dividend is paid, and special rules with regard to dividends received from regulated investment companies and other REITs.

In addition, even if we designate certain dividends as qualified dividend income to our stockholders, the stockholder will have to meet certain other requirements for the dividend to qualify for taxation at capital gains rates. For example, the stockholder will only be eligible to treat the dividend as qualifying dividend income if the stockholder is taxed at individual rates and meets certain holding requirements. In general, in order to treat a particular dividend as qualified dividend income, a stockholder will be required to hold our stock for more than 60 days during the 121-day period beginning on the date which is 60 days before the date on which the stock becomes ex-dividend.

Sales of Our Common Stock. Upon any taxable sale or other disposition of our common stock (except pursuant to a repurchase by us, as described below), a U.S. holder of our common stock will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between:

- the amount of cash and the fair market value of any property received on such disposition; and
- the U.S. holder's adjusted basis in such common stock for tax purposes.

Gain or loss will be capital gain or loss if the common stock has been held by the U.S. holder as a capital asset. The applicable tax rate will depend on the holder's holding period in the asset (generally, if an asset has been held for more than one year, it will produce long-term capital gain) and the holder's tax bracket.

In general, any loss upon a sale or exchange of our common stock by a U.S. holder who has held such stock for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss, but only to the extent of distributions from us received by such U.S. holder that are required to be treated by such U.S. holder as long-term capital gains.

Repurchases of Our Common Stock. A repurchase of our common stock will be treated as a distribution in exchange for the repurchased shares and taxed in the same manner as any other taxable sale or other disposition of our common stock discussed above, provided that the repurchase satisfies one of the tests enabling the repurchase to be treated as a sale or exchange. A repurchase will generally be treated as a sale or exchange if it (i) results in a complete termination of the holder's interest in our common stock, (ii) results in a substantially disproportionate redemption with respect to the holder, or (iii) is not essentially equivalent to a dividend with respect to the holder. In determining whether any of these tests has been met, common stock actually owned, as well as common stock considered to be owned by the holder by reason of certain constructive ownership rules set forth in the Code, generally must be taken into account. The sale of common stock pursuant to a repurchase generally will result in a "substantially disproportionate" redemption with respect to a holder if the percentage of our then outstanding voting stock owned by the holder

immediately after the sale is less than 80% of the percentage of our voting stock owned by the holder determined immediately before the sale. The sale of common stock pursuant to a repurchase generally will be treated as not "essentially equivalent to a dividend" with respect to a holder if the reduction in the holder's proportionate interest in our stock as a result of our repurchase constitutes a "meaningful reduction" of such holder's interest.

A repurchase that does not qualify as an exchange under such tests will constitute a dividend equivalent repurchase that is treated as a taxable distribution and taxed in the same manner as regular distributions, as described above under "—Distributions Generally." In addition, although guidance is sparse, the IRS could take the position that a holder who does not participate in any repurchase treated as a dividend should be treated as receiving a constructive distribution of our common stock taxable as a dividend in the amount of their increased percentage ownership of our common stock as a result of the repurchase, even though the holder did not actually receive cash or other property as a result of the repurchase.

Passive Activity Loss, Excess Business Loss and Investment Interest Limitation. Dividends that we distribute and gains arising from the disposition of our common stock by a U.S. holder will not be treated as passive activity income, and therefore, U.S. holders will not be able to apply any "passive activity losses" against such income. Similarly, for taxable years beginning after December 31, 2020 but before January 1, 2026, non-corporate U.S. holders cannot apply "excess business losses" against dividends that we distribute and gains arising from the disposition of our common stock. Dividends paid by us, to the extent they do not constitute a return of capital, will generally be treated as investment income for purposes of the investment income limitation on the deduction of the investment interest.

Medicare Tax. Certain U.S. holders, including individuals and estates and trusts, are subject to an additional 3.8% Medicare tax on all or a portion of their "net investment income," which includes net gain from a sale or exchange of common stock and dividends. In the case of an individual, the tax will be 3.8% of the lesser of the individual's net investment income or the excess of the individual's modified adjusted gross income over an amount equal to (1) $250,000 in the case of a married individual filing a joint return or a surviving spouse, (2) $125,000 in the case of a married individual filing a separate return, or (3) $200,000 in the case of a single individual. The 20% deduction for qualified REIT dividends discussed above is not taken into account in computing net investment income.

Taxation of Non-U.S. Holders of Our Common Stock

The rules governing the U.S. federal income taxation of non-U.S. holders are complex. This section is only a summary of such rules. **We urge non-U.S. holders to consult their own tax advisors to determine the impact of federal, state and local income tax laws on ownership of the common stock, including any reporting requirements.**

Distributions. Distributions by us to a non-U.S. holder that are neither attributable to gain from sales or exchanges by us of "United States real property interests," or "USRPIs," within the meaning of FIRPTA nor designated by us as capital gains dividends will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. These distributions generally will be subject to U.S. federal withholding tax on a gross basis at a rate of 30%, or a lower rate as may be specified under an applicable income tax treaty, unless the dividends are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States. Under some treaties, however, lower rates generally applicable to dividends do not apply to dividends from REITs or only apply to dividends from REITs in certain circumstances. Dividends that are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) will be subject to U.S. federal income tax on a net basis, that is, after allowance for deductions, at graduated rates, in the same manner as U.S. holders are taxed, and are generally not subject to withholding. Applicable certification and disclosure requirements must be satisfied to be exempt from withholding under the effectively connected income exception. Any dividends received by a corporate non-U.S. holder that is engaged in a trade or business within the United States may also be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for our ordinary dividends will be required (i) to complete the applicable IRS Form W-8 and certify under penalty of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits or (ii) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Distributions in excess of our current or accumulated earnings and profits that do not exceed the adjusted basis of the non-U.S. holder in its common stock will reduce the non-U.S. holder's adjusted basis in its common stock and will not be subject to U.S. federal income tax. Distributions in excess of current and accumulated earnings and profits that do exceed the adjusted basis of the non-U.S. holder in its common stock will be treated as gain from the sale of its stock, the tax treatment of which is described below under "—Sales of Our Common Stock." Because we generally cannot determine at the time we make a distribution whether or not the distribution will exceed our current and accumulated earnings and profits, we normally will withhold tax on the entire amount of any distribution as if it were a dividend.

We would be required to withhold at least 15% of any distribution to a non-U.S. holder in excess of our current and accumulated earnings and profits if our common stock constitutes a USRPI with respect to such non-U.S. holder, as described below under "—Sales of Our Common Stock." This withholding would apply even if the non-U.S. holder is not liable for tax on the receipt of that distribution. However, a non-U.S. holder may seek a refund of these amounts from the IRS if the non-U.S. holder's U.S. tax liability with respect to the distribution is less than the amount withheld.

Distributions to a non-U.S. holder that are designated by us at the time of the distribution as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation unless:

- The investment in the common stock is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder), in which case the non-U.S. holder will generally be subject to the same treatment as U.S. holders with respect to any gain, except that a holder that is a foreign corporation also may be subject to the 30% branch profits tax, as discussed above; or

- The non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year of the distribution and has a "tax home" in the United States, in which case the individual will be subject to a 30% tax on the individual's capital gains.

Under FIRPTA, distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing gain that is income effectively connected with the conduct of a U.S. trade or business. Non-U.S. holders will be taxed on this gain at the same rates applicable to U.S. holders, subject to a special alternative minimum tax in the case of nonresident alien individuals. In the case of a non-U.S. holder that is a corporation, this gain may also be subject to a 30% (or lower applicable treaty rate) branch profits tax. A distribution is not attributable to a USRPI if we held an interest in the underlying asset solely as a creditor.

We will be required to withhold and remit to the IRS tax at the highest corporate income tax rate of any distributions to non-U.S. holders that are designated as capital gain dividends, or, if greater, 21% of a distribution that could have been designated as a capital gain dividend with respect to gains from dispositions of USRPIs. The amount withheld, which for individual non-U.S. holders may exceed the actual tax liability, is creditable against the non-U.S. holder's U.S. federal income tax liability.

However, the FIRPTA withholding tax would not apply to any capital gain dividend with respect to any class of our stock which is "regularly traded" on an established securities market located in the United States if the non- U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of such dividend. Instead, any such capital gain dividend would be treated as a distribution subject to the rules discussed above with respect to ordinary dividends. Also, the branch profits tax would not apply to such a distribution. However, it is not anticipated that our common stock will be "regularly traded" on an established securities market.

Although the law is not clear on the matter, it appears that amounts we designate as undistributed capital gains in respect of the stock held by U.S. holders generally should be treated with respect to non-U.S. holders in the same manner as actual distributions by us of capital gain dividends. Under that approach, the non-U.S. holders would be

able to offset as a credit against their U.S. federal income tax liability resulting therefrom their proportionate share of the tax paid by us on the undistributed capital gains, and to receive from the IRS a refund to the extent that their proportionate share of this tax paid by us were to exceed their actual U.S. federal income tax liability. If we were to designate a portion of our net capital gain as undistributed capital gain, a non-U.S. holder is urged to consult its tax advisor regarding the taxation of such undistributed capital gain.

Sales of Our Common Stock. Subject to the discussion below under "—Repurchases of Our Common Stock," gain recognized by a non-U.S. holder upon the sale or exchange of our stock generally would not be subject to U.S. taxation unless:

- the investment in our common stock is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder), in which case the non-U.S. holder will be subject to the same treatment as domestic holders with respect to any gain;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and has a tax home in the United States, in which case the nonresident alien individual will be subject to a 30% tax on the individual's net capital gains for the taxable year; or

- the non-U.S. holder is not a "qualified shareholder" or a "qualified foreign pension fund" (each as defined in the Code) and our common stock constitutes a USRPI within the meaning of FIRPTA, as described below.

We anticipate that our common stock will constitute a USRPI within the meaning of FIRPTA unless we are a domestically controlled REIT. We will be a domestically controlled REIT if, at all times during a specified testing period, less than 50% in value of our stock is held directly or indirectly by non-U.S. holders. No assurance can be given, however, that we are or will be a domestically controlled REIT.

Even if we were not a domestically controlled REIT, a sale of common stock by a non-U.S. holder would nevertheless not be subject to taxation under FIRPTA as a sale of a USRPI if:

- our common stock were "regularly traded" on an established securities market within the meaning of applicable Treasury Regulations; and

- the non-U.S. holder did not actually, or constructively under specified attribution rules under the Code, own more than 10% of our common stock at any time during the specified testing period.

However, it is not anticipated that our common stock will be "regularly traded" on an established securities market. If gain on the sale or exchange of our common stock were subject to taxation under FIRPTA, the non- U.S. holder would be subject to regular U.S. income tax with respect to any gain in the same manner as a taxable U.S. holder, subject to a special alternative minimum tax in the case of nonresident alien individuals. In such a case, under FIRPTA the purchaser of common stock from a non-U.S. holder may be required to withhold 15% of the purchase price and remit this amount to the IRS.

Qualified Stockholders. Subject to the exception discussed below, a qualified stockholder who holds our common stock directly or indirectly (through one or more partnerships) will not be subject to FIRPTA on distributions by us or dispositions of our common stock. While a qualified shareholder will not be subject to FIRPTA on distributions by us or dispositions of our common stock, a distribution to a qualified shareholder that otherwise would have been taxable under FIRPTA will be treated as an ordinary dividend, and certain investors of a qualified shareholder (i.e., non-U.S. persons who hold interests in the qualified shareholder (other than interests solely as a creditor), and hold more than 10% of our common stock (whether or not by reason of the investor's ownership in the qualified shareholder)) may be subject to FIRPTA and FIRPTA withholding.

Qualified Foreign Pension Funds. A qualified foreign pension fund (or an entity all of the interests of which are held by a qualified foreign pension fund) that holds our common stock directly or indirectly (through one or more partnerships) will not be subject to tax under FIRPTA or to FIRPTA withholding on distributions by us or dispositions of our common stock.

We urge non-U.S. holders to consult their own tax advisors to determine their eligibility for exemption from

FIRPTA withholding and their qualification as a qualified shareholder or a qualified foreign pension fund.

Repurchases of Our Common Stock. A repurchase of our common stock that is not treated as a sale or exchange will be taxed in the same manner as distributions under the rules described above. See "—Taxation of Non-U.S. Holders of Our Common Stock—Repurchases of Our Common Stock" for a discussion of when a redemption will be treated as a sale or exchange and related matters.

A repurchase of our common stock generally will be subject to tax under FIRPTA to the extent that our common stock is a USRPI and the non-U.S. holder recognizes gain or the distribution in the repurchase is attributable to gains from our dispositions of USRPIs. To the extent the distribution is not attributable to gains from our dispositions of USRPIs, the excess of the amount of money received in the repurchase over the non-U.S. holder's basis in the repurchased shares will be treated in the manner described above under "—Sales of Our Common Stock." The IRS has released an official notice stating that repurchase payments may be attributable to gains from dispositions of USRPIs (except when the 10% publicly traded exception would apply), but has not provided any guidance to determine when and what portion of a repurchase payment is a distribution that is attributable to gains from our dispositions of USRPIs. Due to the uncertainty, we may withhold at the top corporate income tax rate from all or a portion of repurchase payments to non-U.S. holders other than qualified stockholders or qualified foreign pension funds. To the extent the amount of tax we withhold exceeds the amount of a non-U.S. holder's U.S. federal income tax liability, the non-U.S. holder may file a U.S. federal income tax return and claim a refund.

U.S. Federal Income Tax Returns. If a non-U.S. holder is subject to taxation under FIRPTA on proceeds from the sale of our common stock or on distributions we make, the non-U.S. holder will be required to file a U.S. federal income tax return. Prospective non-U.S. holders are urged to consult their tax advisors to determine the impact of U.S. federal, state, local and foreign income tax laws on their ownership of our common stock, including any reporting requirements.

Foreign Account Tax Compliance Act

Withholding at a rate of 30% is required on dividends paid in respect of shares of our common stock to certain foreign financial institutions (including investments funds), unless such institution enters into an agreement with the Secretary of the Treasury (unless alternative procedures apply pursuant to an applicable intergovernmental agreement between the United States and the relevant foreign government) to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. Accordingly, the entity through which our Shares are held may affect the determination of whether such withholding is required. Similarly, dividends paid in respect of our Shares to an investor that is a passive non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial U.S. owners" or (ii) provides certain information regarding the entity's "substantial U.S. owners," which we will in turn provide to the Secretary of the Treasury. While withholding under FATCA would also have applied to payments of gross proceeds from the disposition of stock after December 31, 2018, proposed Treasury Regulations eliminate FATCA withholding on gross proceeds payments. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Non-U.S. stockholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in our common stock.

Taxation of Tax-Exempt Holders of Our Common Stock

Provided that a tax-exempt holder has not held its common stock as "debt-financed property" within the meaning of the Code and our shares of stock are not being used in an unrelated trade or business, dividend income from us generally will not be unrelated business taxable income ("UBTI") to a tax-exempt holder. Similarly, income from the sale of our common stock will not constitute UBTI unless the tax-exempt holder has held its common stock as debt-financed property within the meaning of the Code or has used the common stock in a trade or business.

Further, for a tax-exempt holder that is a social club, voluntary employee benefit association, supplemental unemployment benefit trust or qualified group legal services plan exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, or a single parent title-holding corporation exempt under Section 501(c)(2) the income of which is payable to any of the aforementioned tax- exempt organizations, income from an investment in our common stock will constitute UBTI unless the organization properly sets aside or reserves such amounts for purposes specified in the Code. These tax-exempt holders should consult their

own tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" are treated as UBTI as to any trust which is described in Section 401(a) of the Code, is tax-exempt under Section 501(a) of the Code, and holds more than 10%, by value, of the interests in the REIT. Tax-exempt pension funds that are described in Section 401(a) of the Code are referred to below as "pension trusts."

A REIT is a "pension-held REIT" if it meets the following two tests:

- it would not have qualified as a REIT but for Section 856(h)(3) of the Code, which provides that stock owned by pension trusts will be treated, for purposes of determining whether the REIT is closely held, as owned by the beneficiaries of the trust rather than by the trust itself; and

- either (i) at least one pension trust holds more than 25% of the value of the interests in the REIT, or (ii) a group of pension trusts each individually holding more than 10% of the value of the REIT's stock, collectively owns more than 50% of the value of the REIT's stock.

The percentage of any REIT dividend from a "pension-held REIT" that is treated as UBTI is equal to the ratio of the UBTI earned by the REIT, treating the REIT as if it were a pension trust and therefore subject to tax on UBTI, to the total gross income of the REIT. An exception applies where the percentage is less than 5% for any year, in which case none of the dividends would be treated as UBTI. The provisions requiring pension trusts to treat a portion of REIT distributions as UBTI will not apply if the REIT is not a "pension-held REIT" (for example, if the REIT is able to satisfy the "not closely held requirement" without relying on the "look through" exception with respect to pension trusts). Because of our charter's restrictions on the number of shares of our stock that a person may own, we do not anticipate that we will become a "pension-held REIT."

Distribution Reinvestment Plan

Holders who participate in the DRIP will recognize taxable income in the amount they would have received had they elected not to participate, even though they receive no cash. These deemed distributions will be treated as actual distributions from us to the participating holders and will retain the character and U.S. federal income tax consequences applicable to all distributions. Stock received under the DRIP will have a holding period beginning with the day after purchase, and a U.S. federal income tax basis equal to its cost, which is the gross amount of the deemed distribution.

Backup Withholding Tax and Information Reporting

U.S. Holders of Common Stock. In general, information-reporting requirements will apply to payments of dividends and proceeds of the sale of our common stock held by U.S. holders, unless such U.S. holder is an exempt recipient. A backup withholding tax may apply to such payments if such U.S. holder fails to provide a taxpayer identification number or certification of other exempt status or fails to report in full dividend or interest income. In addition, we may be required to withhold a portion of capital gain distributions to any U.S. holders who fail to certify their U.S. status to us. Any amounts withheld under the backup withholding rules will be allowed as a credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Brokers that are required to report the gross proceeds from a sale of our common stock on IRS Form 1099-B will also be required to report the customer's adjusted basis in the common stock sold and whether any gain or loss with respect to such stock is long-term or short-term. In some cases, there may be alternative methods of determining the basis in the common stock sold, in which case your broker will apply a default method of its choosing if you do not indicate which method you choose to have applied. U.S. holders should consult their own tax advisors regarding these reporting requirements and their election options.

Non-U.S. Holders of Our Common Stock. We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a "United States person" as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a "United States person" as defined under the Code), or such owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non- U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Legislative or Other Actions Affecting REITs

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the Treasury, which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal income tax laws and interpretations thereof could adversely affect an investment in our common stock.

State and Local Taxes

We and our stockholders may be subject to state or local taxation in various state or local jurisdictions, including those in which we or they transact business or reside. Our state and local tax treatment and that of our stockholders may not conform to the U.S. federal income tax treatment discussed above. Consequently, prospective stockholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in our common stock.

Tax Shelter Reporting

If a stockholder recognizes a loss with respect to stock of $2 million or more for an individual stockholder or $10 million or more for a corporate stockholder, the stockholder must file a disclosure statement with the IRS on Form 8886. Direct stockholders of portfolio securities are in many cases exempt from this reporting requirement, but stockholders of a REIT currently are not exempted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Stockholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

APPENDIX A. FORM OF SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

INSTRUCTIONS TO INVESTORS

PLEASE READ CAREFULLY THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF BONAVENTURE MULTIFAMILY INCOME TRUST, INC. (THE "COMPANY"), INITIALLY DATED JULY 26, 2023, AND AMENDED, SUPPLEMENTED, AND RESTATED AS OF SEPTEMBER 30, 2024, AND ALL APPENDICES THERETO (AS SUPPLEMENTED OR AMENDED FROM TIME TO TIME, THE "MEMORANDUM"), BEFORE DECIDING TO SUBSCRIBE FOR SHARES OF THE COMPANY'S COMMON STOCK ("SHARES"). THE OFFERING DESCRIBED IN THE MEMORANDUM (THE "OFFERING") IS LIMITED TO INVESTORS WHO QUALIFY AS "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

EACH PROSPECTIVE INVESTOR SHOULD EXAMINE THE SUITABILITY OF AN INVESTMENT IN SHARES IN THE CONTEXT OF HIS, HER OR ITS OWN NEEDS, INVESTMENT OBJECTIVES, AND FINANCIAL CAPABILITIES AND SHOULD MAKE HIS, HER OR ITS OWN INDEPENDENT INVESTIGATION OF THE COMPANY AND ITS EXTERNAL ADVISER, BONAVENTURE MIT ADVISER, LLC ("BONAVENTURE"), IN MAKING A DECISION AS TO THE SUITABILITY OF THE INVESTMENT. EACH PROSPECTIVE INVESTOR IS ALSO ENCOURAGED TO CONSULT WITH HIS, HER OR ITS BUSINESS OR TAX ADVISOR REGARDING THE RISKS AND MERITS OF AN INVESTMENT IN SHARES. ANY CAPITALIZED TERMS USED AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO SUCH TERMS IN THE MEMORANDUM.

IMPORTANT NOTE: FAILURE TO COMPLETE ALL APPLICABLE INFORMATION AND DELIVER ANY ADDITIONAL INFORMATION REQUESTED BY THE COMPANY WILL RESULT IN THESE DOCUMENTS BEING RETURNED FOR COMPLETION AND MAY CAUSE A REJECTION OR DELAY OF ACCEPTANCE OF THE SUBSCRIPTION.

APPENDIX B. DISTRIBUTION REINVESTMENT PLAN

DISTRIBUTION REINVESTMENT PLAN

This Distribution Reinvestment Plan (the "Plan") is adopted by Bonaventure Multifamily Income Trust, Inc. (the "Company") pursuant to its Articles of Incorporation (as amended or restated from time to time, the "Charter"). Unless otherwise defined herein, capitalized terms shall have the same meaning as set forth in the Charter.

1. ***Distribution Reinvestment.*** As agent for the stockholders of the Company (the "Stockholders") who purchase shares of the Company's common stock (collectively, "Shares") pursuant to the Company's private offering of Shares pursuant to the applicable exemption from registration under the Securities Act (the "Private Placement") and who do not opt out of participating in the Plan (the "Participants"), the Company will apply all dividends and distributions declared and paid in respect of the Shares held by each Participant and attributable to the Shares purchased by such Participant (the "Distributions"), including Distributions paid with respect to any full or fractional Shares acquired under the Plan, to the purchase of additional Shares for such Participant.

Additionally, as agent for the holders of partnership units (the "OP Units") of Bonaventure MIT Operating Partnership, LP (the "Partnership") who acquire such OP Units as a result of any transaction of the Partnership, and who elect to participate in the Plan (such participating holders of OP Units, together with the participating Stockholders, the "Participants"), the Partnership will apply all distributions declared and paid in respect of the OP Units held by each Participant (the "OP Distributions"), including OP Distributions paid with respect to any full or fractional OP Units, to the purchase of Shares.

Furthermore, Participants may make an election to participate in the Enhanced DRIP (as defined in the Memorandum). Such "Enhanced DRIP Election" shall allow the Participant to obtain Shares under the Plan at a discount (as further detailed herein), provided that if the Participant redeems or elects to have such Shares repurchased prior to 5 years after their issuance, then such redemption or repurchase shall be subject to an early redemption penalty as follows:

- 5% of the value of such Shares if such Shares were held for less than 1 year after the date of issuance;
- 4% of the value of such Shares if such Shares were held for at least 1 year but less than 2 years after the date of issuance;
- 3% of the value of such Shares if such Shares were held for at least 2 years but less than 3 years after the date of issuance;
- 2% of the value of such Shares if such Shares were held for at least 3 years but less than 4 years after the date of issuance; and
- 1% of the value of such Shares if such Shares were held for at least 4 years but less than 5 years after the date of issuance.

2. ***Effective Date.*** The effective date of the Plan shall be the date that the Private Placement commences, as determined by the Company.

3. ***Procedure for Participation.*** Any Stockholder who has received a copy of the Company's confidential private placement memorandum with respect to the Private Placement (as amended, supplemented or restated, the "Memorandum"), will automatically become a Participant unless they elect not to become a Participant by noting such election on their subscription agreement. Notwithstanding the foregoing, no Stockholder shall be entitled to the terms of the Enhanced DRIP Election unless such Stockholder makes such election on their subscription agreement. If any Stockholder initially elects not to be a Participant or does not make the Enhanced DRIP Election, they may later become a Participant by subsequently completing and executing an enrollment form or any appropriate authorization form as may be available from the Company, the Company's transfer agent, the placement agent or managing broker-dealer for the Private Placement or any broker-dealer or investment adviser participating in the distribution of Shares in the Private Placement.

Any holder of OP Units who has received a copy of the Memorandum may elect to become a Participant by completing and executing a subscription agreement (which may provide for automatic enrollment unless such holder of OP Units opts out), an enrollment form or any other appropriate authorization form as may be available from the Company or the Partnership.

Participation in the Plan will begin with the next Distribution or OP Distribution, as applicable, payable after

acceptance of a Participant's subscription, enrollment or authorization. Shares will be purchased under the Plan on the date that Distributions or OP Distributions are paid by the Company or the OP, as the case may be.

4. ***Suitability.*** Each Participant is required to promptly notify the Company in writing if the Participant experiences a material change in his, her or its financial condition, including without limitation the failure to continue to qualify as an "accredited investor" (as defined by Rule 501(a) of the Securities Act) or any other investment suitability standards imposed by the Company and set forth in the Memorandum. Any Holder of OP Units that elects to become a Participant will be required to certify, as of the date of such election, that it qualifies as an "accredited investor" (as defined by Rule 501(a) of the Securities Act).

5. ***Purchase of Shares.*** Except as set forth under the Enhanced DRIP Election, Participants will acquire Shares from the Company at a price equal to the net asset value ("NAV") per Share applicable to the Shares purchased by the Participant on the date that the Distribution or OP Distribution, as applicable, is payable (calculated as of the most recent month end) (the "Share Purchase Price"). Notwithstanding the foregoing, the Participants who have made the Enhanced DRIP Election shall acquire Shares from the Company at a 5% discount to the Share Purchase Price. No upfront Offering Fees or selling commissions will be payable with respect to Shares issued pursuant to the Plan. Participants in the Plan may purchase fractional Shares so that 100% of the Distributions or OP Distributions, as applicable, will be used to acquire Shares. However, a Participant will not be able to acquire Shares pursuant to the Plan and such Participant's participation in the Plan will be terminated to the extent that a reinvestment of such Participant's Distributions or OP Distributions, as applicable, in Shares would cause the percentage ownership or other limitations contained in the Charter to be violated.

6. ***Taxes.*** THE REINVESTMENT OF DISTRIBUTIONS OR OP DISTRIBUTIONS DOES NOT RELIEVE A PARTICIPANT OF ANY INCOME TAX LIABILITY THAT MAY BE PAYABLE THEREON. INFORMATION REGARDING POTENTIAL TAX INCOME LIABILITY OF PARTICIPANTS MAY BE FOUND IN THE MEMORANDUM.

7. ***Share Certificates.*** The ownership of the Shares purchased through the Plan will be in book-entry form unless and until the Company issues certificates for its outstanding Shares.

8. ***Reports.*** On a monthly basis, the Company shall provide each Participant a statement of account describing, as to such Participant: (i) the Distributions or OP Distributions, as applicable, reinvested during the quarter; (ii) the number of Shares purchased pursuant to the Plan during the quarter; (iii) the per Share purchase price for such Shares; and (iv) the total number of Shares purchased on behalf of the Participant under the Plan. On an annual basis, tax information with respect to income earned on Shares under the Plan for the calendar year will be provided to each Participant.

9. ***Termination by Participant.*** A Participant may terminate participation in the Plan at any time, without penalty, by delivering ten (10) business days' prior written notice to the Company. This notice must be received by the Company prior to the last day of a month in order for a Participant's termination to be effective for such month (*i.e.*, a timely termination notice will be effective as of the last day of a month in which it is timely received and will not affect participation in the Plan for any prior month). Any transfer of Shares by a Participant to a non-Participant will terminate participation in the Plan with respect to the transferred Shares. If a Participant requests that the Company repurchase all or any portion of the Participant's Shares, the Participant's participation in the Plan with respect to the Participant's Shares for which repurchase was requested but that were not repurchased will be terminated. If a Participant terminates Plan participation, the Company may, at its option, ensure that the terminating Participant's account will reflect the whole number of Shares in such Participant's account and provide a check for the cash value of any fractional share in such account. Upon termination of participation in the Plan for any reason, all future Distributions and OP Distributions, as applicable, will be distributed to the former Participant in cash.

10. ***Amendment, Suspension or Termination by the Company.*** The Board of Directors may by majority vote amend any aspect of the Plan; *provided, however*, that the Plan cannot be amended to eliminate a Participant's right to terminate participation in the Plan. The Board of Directors may by majority vote suspend or terminate the Plan for any reason.

11. ***Liability of the Company.*** The Company shall not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability (i) arising out of failure to terminate a Participant's account upon such Participant's death prior to timely receipt of notice in writing of such death or (ii) with

respect to the time and the prices at which Shares are purchased or sold for a Participant's account.

[*Attached Hereto*]

SUPPLEMENT NUMBER ONE
TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

SHARES OF COMMON STOCK
$25,000 MINIMUM INVESTMENT

MARCH 17, 2025

The information set forth in this Supplement No. 1 (this "Supplement") supplements, modifies and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum, dated September 30, 2024 (as previously supplemented to date, including all appendixes thereto, the "Memorandum"), relating to the private offering of shares of our common stock (the "Shares"). Any statement contained in the Memorandum will be deemed to be modified, amended, qualified, or superseded for all purposes to the extent that a statement contained in this Supplement modifies, amends, qualifies or supersedes such statement. If any statement in this Supplement conflicts with a statement in the Memorandum, the statement in this Supplement will control. Except as set forth herein, this Supplement does not amend or modify any other terms of the Memorandum. Capitalized terms used herein that are not defined herein shall have the meanings given to such terms in the Memorandum. The summaries of the terms of the agreements discussed herein are not comprehensive and are subject to the terms of such agreements.

STATUS OF PRIVATE OFFERING

As of the date hereof, we have sold a total of 8,066,799.77 shares in this offering, including 358,131.08 shares issued pursuant to our distribution reinvestment plan for aggregate gross offering proceeds of $116,837,993.56. No placement agent fees were paid in connection with the sale of such Shares.

As of the date hereof, we currently own approximately 28.72% of the issued and outstanding partnership units in the Operating Partnership.

DISPOSITION OF PROPERTY

Attain Downtown

On October 3, 2024, the Operating Partnership divested the remaining 56.9% tenants-in-common interest in Attain Downtown to an external investor engaged in a 1031 exchange. Attain Downtown was sold for $42 million, providing the Operating Partnership with approximately $18 million in liquidity to redeploy.

Originally acquired by BMIT on January 31, 2022, for $34.0 Million, the goal of Attain Downtown's disposition for the Operating Partnership was to unlock equity from the increased value of the property and reinvest the capital in a tax-efficient manner into an undercapitalized or mismanaged that presents opportunity for value growth.

ACQUISITION OF PROPERTY

Braddock Lee Apartments

Subsequent to the above transaction, on October 9, 2024, the Operating Partnership acquired Braddock Lee Apartments for $49.5 Million. This all-cash acquisition facilitated the completion of the 1031 exchange initiated by the sale of Attain Downtown, allowing for the reinvestment of proceeds without incurring capital gains taxes.

Braddock Lee Apartments, located in Alexandria, Virginia, was seen by the Operating Partnership as part of a strategic move to redeploy capital into a value-add investment. The property is located just four miles from Bonaventure's headquarters in Alexandria, allowing the company to leverage its deep understanding of the local market and strong community relationships.

Property	Location	Year Built	Multifamily Units	Multifamily Unit Occupancy (1)	Mortgage Indebtedness
Braddock Lee	Alexandria, VA	1954	258	92.6%	$35.6 million (2)

(1) As of October 9, 2024.

(2) The senior mortgage securing the property was provided by Freddie Mac. The loan bears an interest rate of 5.23% and an amortization period of 35 years. The loan allow for capex to be funded using debt proceeds and carries a 5 year term. The short-term loan aligns with the value-add investment strategy, where the property will be refinanced upon completion.

Braddock Lee Apartments (the "Property") is a 258-unit, garden style multifamily community located in Alexandria, Virginia.

The Property presents a value-add business plan that does not require material growth assumptions to achieve outsized risk-adjusted returns. Situated in the thriving Northern Virginia market, Braddock Lee

Apartments benefits from favorable demographic trends, supply/demand conditions, and expensive home values. These characteristics together have created a favorable environment for rent and overall revenue growth in Alexandria over the short-term and point toward strong multifamily investment fundamentals over the long-term.

Solace Apartments

On February 20th, 2025, the Operating Partnership acquired a 100% ownership interest in Solace Apartments, a 250-unit multifamily property located in Virginia Beach, Virginia. The investors that previously owned Solace contributed their ownership interests to the Operating Partnership in exchange for 943,877.55 Common Operating Partnership units and 4,000 Preferred Operating Partnership Units. The property was valued at a $66.0 million gross asset value for purposes of the acquisition.

As of the date hereof, the former owners of the Solace collectively own approximately 3.79% of the total issued and outstanding Operating Partnership units.

The following table sets forth summary information regarding the Solace Apartments.

Property	Location	Year Built	Multifamily Units	Multifamily Unit Occupancy (1)	Mortgage Indebtedness
Solace Apartments	Virginia Beach, Va	2014	250	91.6%	$38.5 million (2)

(1) As of February 20th, 2025.
(2) The mortgage that was assumed at the property is secured through Freddie Mac with a 3.05% interest rate and has a $38.5 million dollar balance. This loan is full term Interest-Only with approximately 7 years of the term remaining.

Solace Apartments located in Virginia Beach, Virginia is a luxury community containing 1- & 2-bedroom homes in the notable neighborhood of Kempsville. The property has a straight-forward business plan and, courtesy of its 3.05% interest rate loan that is full-term interest-only, offers strong cash-on-cash

returns. Located in a market that is very familiar to Bonaventure, this property adds additional economies of scale to our Virginia Beach portfolio and is an accretive addition for the fund.

CHANGES IN MANAGEMENT

Effective as of March 17th, 2025, Eric Duncan has resigned his seat on our Investment Committee. He will continue in his role as Vice President – Asset Management. In the absence created by this, David Pittman, Bonaventure's Head of Capital Markets, has been appointed to BMIT's Investment Committee. David will continue in his role of Head of Capital Markets.

The Investment Committee

The following table sets forth the updated names, ages and titles of each of the members of the Investment Committee and supplements as appropriate the disclosure in the sections of the Memorandum entitled "Management—The Investment Committee."

Name	Age	Position
Dwight D. Dunton, III	49	Director, Chairman of the Board, Chief Executive Officer, President and Chief Investment Officer
Chris D. Cobb	43	Director, President of Bonaventure Development
Stephen R. Burch	40	Director, Chief Accounting Officer and Treasurer
JP Hyland	43	Director, Vice President – Development
David Pittman	50	Head of Capital Markets

SUPPLEMENT NUMBER TWO
TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

SHARES OF COMMON STOCK
$25,000 MINIMUM INVESTMENT

JUNE 10, 2025

The information set forth in this Supplement No. 2 (this "Supplement") supplements, modifies and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum, dated September 30, 2024 (as previously supplemented to date, including all appendixes thereto, the "Memorandum"), relating to the private offering of shares of our common stock (the "Shares"). Any statement contained in the Memorandum will be deemed to be modified, amended, qualified, or superseded for all purposes to the extent that a statement contained in this Supplement modifies, amends, qualifies or supersedes such statement. If any statement in this Supplement conflicts with a statement in the Memorandum, the statement in this Supplement will control. Except as set forth herein, this Supplement does not amend or modify any other terms of the Memorandum. Capitalized terms used herein that are not defined herein shall have the meanings given to such terms in the Memorandum. The summaries of the terms of the agreements discussed herein are not comprehensive and are subject to the terms of such agreements.

STATUS OF PRIVATE OFFERING

As of the date hereof, we have sold a total of 8,482,210.51 shares in this offering, including 405,276.77 shares issued pursuant to our distribution reinvestment plan for aggregate gross offering proceeds of $123,368,296.88. No placement agent fees were paid in connection with the sale of such Shares.

As of the date hereof, we currently own approximately 28.94% of the issued and outstanding partnership units in the Operating Partnership.

DISPOSITION OF PROPERTY

Messenger Place

On May 22, 2025, the Operating Partnership converted the property's ownership entity from a Limited Liability Company (LLC) into a Delaware Statutory Trust (DST) to allow for the sale of fractional ownership of the property at an established property value of $30.5M. At the close of May 2025, BMIT had sold 46.07% of Messenger Place and intends to sell fractional percentages until 100% of the property's equity has been sold.

Originally acquired by BMIT on October 29, 2021, for $25.5 Million, the goal of Messenger Place's disposition for the Operating Partnership was to unlock equity from the increased value of the property and reinvest the capital in a tax-efficient manner into an undercapitalized or mismanaged asset that presents opportunity for value growth. BMIT retains a call option to bring Messenger Place back into the portfolio after a 24-month hold period at the prevailing fair market value.

SUPPLEMENT NUMBER THREE
TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

SHARES OF COMMON STOCK
$25,000 MINIMUM INVESTMENT

SEPTEMBER 30, 2025

The information set forth in this Supplement No. 3 (this "Supplement") supplements, modifies and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum, dated September 30, 2024 (as previously supplemented to date, including all appendixes thereto, the "Memorandum"), relating to the private offering of shares of our common stock (the "Shares"). Any statement contained in the Memorandum will be deemed to be modified, amended, qualified, or superseded for all purposes to the extent that a statement contained in this Supplement modifies, amends, qualifies or supersedes such statement. If any statement in this Supplement conflicts with a statement in the Memorandum, the statement in this Supplement will control. Except as set forth herein, this Supplement does not amend or modify any other terms of the Memorandum. Capitalized terms used herein that are not defined herein shall have the meanings given to such terms in the Memorandum. The summaries of the terms of the agreements discussed herein are not comprehensive and are subject to the terms of such agreements.

STATUS OF PRIVATE OFFERING

As of the date hereof, we have sold a total of 8,664,679.3724 shares in this offering, including 442,794.6444 shares issued pursuant to our distribution reinvestment plan for aggregate gross offering proceeds of $126,123,605.58. No placement agent fees were paid in connection with the sale of such Shares.

As of the date hereof, we currently own approximately 29.36% of the issued and outstanding partnership units in the Operating Partnership.

CHANGES IN FUND OPERATIONS

As of the date hereof, Bonaventure Multifamily Income Trust will declare its fund investment minimum of $25,000 for its Common REIT shares. This comes as a change from the previous fund minimum of $100,000 and has been done to allow for portfolio allocations that align with the needs of more accredited investors.

ACQUISITION OF PROPERTY

Parkway Apartments

On July 30th, 2025, the Operating Partnership acquired a 100% ownership interest in Parkway Apartments, a 148-unit multifamily community in Williamsburg, Virginia, for a cash purchase price of

$25.8 million (excluding closing costs). We acquired Parkway Apartments at a compelling, below replacement cost basis, supported by a low-risk business plan that immediately boosts revenue by activating non-revenue units and implementing Internet Subway. The asset offers strong in-place cash flow with future upside through value-add renovations, operational efficiencies from nearby ownership, and favorable submarket fundamentals including limited new supply and strong rent growth.

Property	Location	Year Built	Multifamily Units	Multifamily Unit Occupancy (1)	Mortgage Indebtedness (2)
Parkway Apartments	Williamsburg, VA	1971	148	92%	$17.3 million

(1) As of July 30, 2025.
(2) As of July 30, 2025.

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.
SUPPLEMENT NO. 4 DATED JUNE 12, 2026 TO THE
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

SHARES OF COMMON STOCK

This Supplement No. 4 dated June 12, 2026, (this "**Supplement**") to the Confidential Private Placement Memorandum for Bonaventure Multifamily Income Trust, Inc., a Maryland corporation (the "Company") dated September 30, 2024, (the "**Memorandum**") modifies and supplements certain information contained in the Memorandum. Capitalized terms not otherwise defined herein have the same meaning as provided in the Memorandum.

THIS SUPPLEMENT PROVIDES NEW AND ADDITIONAL INFORMATION BEYOND THAT CONTAINED IN THE MEMORANDUM AND PROSPECTIVE PURCHASERS SHOULD READ THIS SUPPLEMENT IN CONNECTION WITH, NOT IN LIEU OF, THE MEMORANDUM.

The date of this Supplement is June 12, 2026.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE SEC OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE PASSED UPON THE ACCURACY OR ADEQUACY OF THE MEMORANDUM OR THIS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS MAY BE OFFERED ONLY TO "ACCREDITED INVESTORS" WHO MEET OR EXCEED THE STANDARDS OF SUITABILITY SET FORTH IN THE MEMORANDUM. IN RELIANCE UPON EXEMPTIONS FROM SUCH REGISTRATION SET FORTH IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE INTERESTS HAVE NOT BEEN REGISTERED WITH THE SEC NOR HAVE THEY BEEN REGISTERED WITH THE SECURITIES COMMISSIONS OF CERTAIN STATES IN RELIANCE UPON CERTAIN EXEMPTIONS FROM REGISTRATION. INTERESTS MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS. PROSPECTIVE PURCHASERS OF INTERESTS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

MANAGING DEALER

Effective as of June 12, 2026, Preferred Capital Securities, LLC has replaced Metric Financial LLC as the Managing Dealer of the Offering. All references in the Memorandum to the "Managing Dealer" shall hereafter refer to Preferred Capital Securities, LLC, a broker-dealer registered with the Financial Industry Regulatory Authority, Inc. ("FINRA"), which has been engaged as the exclusive managing broker-dealer for this offering.

PLAN OF DISTRIBUTION

The sections of the Memorandum titled "*Plan of Distribution – Underwriting Compensation – Offering Fees*" and "*— Retainer*" are hereby replaced in their entirety by the following:

Offering Fees

The Company will pay the Managing Dealer a dealer manager fee equal to 3.25% of the aggregate gross purchase price of the Shares sold in this offering, a portion of which may be reallowed to Broker-Dealer Members as Due Diligence Fees or used to pay the REIT's wholesalers that are registered as registered representatives of the Managing Dealer as Wholesaling Fees; *provided, however,* that no Managing Dealer Fee will be paid in connection with Shares issued pursuant to the DRIP or purchased by the Company or its affiliates or certain other investors designated in writing by the Adviser. The Offering Fees will be an operating expense of our company. The Adviser or an affiliate may agree to refund certain investors for all or a portion of the Offering Fees paid in connection with such investors' purchase of Shares. Any such refund payments will not be a cost of the Company.

Retainer

We (or the Adviser on our behalf) will pay the Managing Dealer a monthly retainer in the amount of $7,500 for so long as a Managing Dealer Agreement between the Managing Dealer and the REIT remains in effect. We will reimburse the Adviser for any monthly payments of such retainer that it pays the Managing Dealer on our behalf.

All terms and conditions of the offering as set forth in the Memorandum remain unchanged except as modified by this Supplement.

SUPERSEDING INFORMATION

To the extent that any of the information found in this Supplement modifies or supersedes earlier statements in the Memorandum, such earlier statements, to the extent they are modified or superseded, are no longer part of the Memorandum.

SUPPLEMENT NUMBER FIVE
TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

BONAVENTURE MULTIFAMILY INCOME TRUST, INC.

SHARES OF COMMON STOCK
$25,000 MINIMUM INVESTMENT

JUNE 30, 2026

The information set forth in this Supplement No. 5 (this "Supplement") supplements, modifies and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum, dated September 30, 2024 (as previously supplemented to date, including all appendixes thereto, the "Memorandum"), relating to the private offering of shares of our common stock (the "Shares"). Any statement contained in the Memorandum will be deemed to be modified, amended, qualified, or superseded for all purposes to the extent that a statement contained in this Supplement modifies, amends, qualifies or supersedes such statement. If any statement in this Supplement conflicts with a statement in the Memorandum, the statement in this Supplement will control. Except as set forth herein, this Supplement does not amend or modify any other terms of the Memorandum. Capitalized terms used herein that are not defined herein shall have the meanings given to such terms in the Memorandum. The summaries of the terms of the agreements discussed herein are not comprehensive and are subject to the terms of such agreements.

STATUS OF PRIVATE OFFERING

As of the date hereof, we have sold a total of 9,794,640.5892 shares in this offering, including 552,646.1614 shares issued pursuant to our distribution reinvestment plan for aggregate gross offering proceeds of $145,526,702.00. No placement agent fees were paid in connection with the sale of such Shares.

As of the date hereof, we currently own approximately 26.0421% of the issued and outstanding partnership units in the Operating Partnership.

ACQUISITION OF PROPERTY

Attain Downtown East

On February 28th, 2026, the Operating Partnership acquired the remaining 66% ownership interest in Attain Downtown East, a 121-unit multifamily community in Norfolk, Virginia. The Operating Partnership acquired the initial 34% ownership interest in November 2023. The investors that previously owned the 66% ownership in Attain Downtown East contributed their ownership interests to the Operating Partnership in exchange for 586,443.81 Common Operating Partnership units. The property value valued at $43.7M in gross asset value for purposes of the transaction.

As of the data hereof, the former owners of Attain Downtown East collectively own approximately 2.31% of the total issued and outstanding partnership units.

The following table sets forth summary information regarding Attain Downtown East.

Property	Location	Year Built	Multifamily Units	Multifamily Unit Occupancy (1)	Mortgage Indebtedness (2)
Attain Downtown East	Norfolk, VA	2011	121	95%	$28.6 million

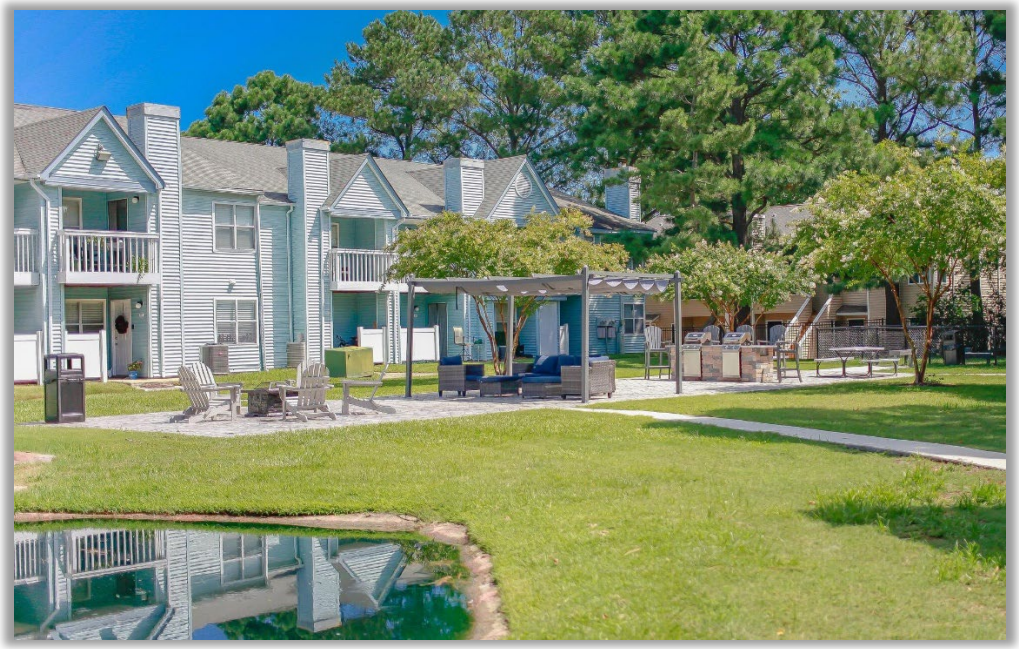
(1) As of June 30, 2026.
(2) As of June 30, 2026.

Royal Point Apartments

On March 13th, 2026, the Operating Partnership acquired a 100% ownership interest in Royal Pointe Apartments, a 208-unit multifamily community in Virginia Beach, Virginia. This transaction was a partial ownership contribution by the previous owner and a partial 1031 Exchange completed by using the sale proceeds from Promenade Pointe. The investors that previously owned Royal Pointe contributed a percentage of their ownership interest in the Property to the Operating Partnership in exchange for 54,883.56 Common Operating Partnership units. The property value valued at $39.5M gross asset value for purposes of the transaction.

As of the data hereof, the former owners of Royal Pointe collectively own approximately 0.22%. of the total issued and outstanding partnership units

The Property presents a value-add business plan through unit interior renovation and exterior curb-appeal improvements. Situated in the high-occupancy, low-new supply Hampton Roads MSA, Royal Pointe benefits from a market-wide 97% occupancy rate, as reported by RealPage at the end of 1Q2026, and a limited new supply pipeline with approximately 0.5% of total inventory currently under construction.



The following table sets forth the summary information regarding Royal Pointe Apartments.

Property	Location	Year Built	Multifamily Units	Multifamily Unit Occupancy (1)	Mortgage Indebtedness (2)
Royal Pointe Apartments	Virginia Beach, VA	1987	208	93%	$22.6 million

DISPOSITION OF PROPERTY

Promenade Pointe

As of May 31st, 2026 the Operating Partnership has sold 100% of its ownership interest in Promenade Pointe via a Delaware Statutory Trust transaction. The Property was sold for $46.5M, providing the Operating Partnership with approximately $16.0M in sales proceeds to redeploy. The Property was acquired by the Operating Partnership in September 2021 for approximately $38.7M. Promenade Pointe was one of the first six properties that seeded the Operating Partnership and has a tax protection agreement associated with its original contribution. The Operating Partnership successfully deployed $12.7M of sales proceeds into Royal Pointe Apartments and is under contract to acquire another property, in which the remaining 1031 proceeds will be invested. BMIT's association with Promenade Pointe will continue as it serves as the Master Tenant for the DST transaction.

CHANGE IN MANAGEMENT

BMIT has five members that serve on its Investment Committee. Following his departure from Bonaventure, David Pittman has resigned his seat on our Investment Committee. In the absence created

by this, Barrett Lowell, Bonaventure's Head of Asset Management, has been appointed to BMIT's Investment Committee.

Name	Age	Position
Dwight D. Dunton III	50	Director, Chairman of the Board, Chief Executive Officer, President and Chief Investment Officer
Chris D. Cobb	44	Director, President of Bonaventure Development
Stephen R. Burch	41	Director, Chief Financial Officer
JP Hyland	44	Director, Vice President – Development
Barrett Lowell	43	Head of Asset Management