

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

HSK Capital on 16th Investor LLC
A Wyoming Limited Liability Company
Class A Membership Units
\$1,000 per Unit

Minimum Investment: 50 Units¹

Total Number of Units Offered: 3,000 Units

The Company is selling up to Three Thousand (3,000) Class A Membership Units in aggregate, in efforts to raise a gross total of Three Million Dollars (\$3,000,000).

Investing in Company Membership Units involves risks. See “Risk Factors.” Prospective Investors should not invest in the Company if the Prospective Investor cannot afford the loss of the entire investment.

	PER UNIT	TOTAL
Offering Price	\$1,000	\$3,000,000
Finder’s Fees/Sales Commissions	\$0	\$0
Proceeds to Company after Sales Commissions	\$1,000	\$3,000,000

There is no minimum raise requirement for the Company. The Company may proceed with the Project even if the contemplated maximum units sold are not reached.

The Securities and Exchange Commission and state securities regulators have not approved these securities nor determined whether this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The Company offers Units on a best-efforts basis to Accredited Investors, as defined by the Securities and Exchange Commission (SEC). Any Prospective Investor that is not certain that it is Accredited, with the proper documentation to illustrate and prove its Accredited status, must make its status conspicuously clear to the Company before proceeding with this Offering.

All proceeds will be available immediately for use by the Company, even if the total raise is not achieved.

This Offering will end at the earlier of March 9, 2026, or the date upon which the Offering is fully subscribed. The Company reserves the right to extend the Offering in its sole discretion.

¹ The Company reserves the right to lower the Minimum Investment for specific Prospective Investors on a case-by-case basis.

Please read these [Blue Sky Disclosures](#) that may apply to you based on your location.

THE DATE OF THIS MEMORANDUM IS FEBRUARY 3, 2026

Summary of Offering

Prospective Investor should read the following summary together with the more detailed information about the Company and the Units being sold in this Offering, and the Company's financial projections and related material appearing in this Memorandum, and in the documents incorporated by reference in this Memorandum. Because this is a summary only, you should read the rest of this Memorandum, including the documents incorporated by reference in this Memorandum, before you invest in Company Units. Read this entire Memorandum carefully, especially the risks described under "Risk Factors." The summary below highlights some portions of this Offering, but does not at all purport to provide summaries of every portion of this Offering, nor is it a substitute for reading this Memorandum and all of its Supporting Documents.

Executive Summary	
Company Information	HSK Capital on 16th Investor LLC is a newly formed company that does not have a financial history, or any audited financial statements to provide. The Company's mailing address is 30 North Gould Street, Suite R, Sheridan, Wyoming 82801. The Company is a limited liability company formed in Wyoming. The Company consists of Class A and Class B Membership Units, but only Class A Membership Units are offered for sale through this Offering. Class B Members shall have the majority of voting authority and control of the Company and shall be the only Members entitled to manage. Investor Class Members, which are the subject of this Offering, will have extremely limited or no voting authority. Investor Class Members will have no authority at all to appoint the Company Manager. This limited voting authority of Investor Class Members is further exacerbated due to the Company Manager having the same or similar limitations in the Lead Sponsor.
Sponsors, Executives, Key Personnel	The Sponsors, Company Executives, and Key Personnel of this Offering are Hussein Girnary and Kimberly Workman. HSK Capital on 16th Management LLC shall serve as the Company Manager.
Company Objectives	The Company was created as a way to pool investment capital to invest in securities from Venture on 16th LLC, the Lead Sponsor.
Investor Qualifications	The Company offers Units on a best-efforts basis to Accredited Investors, as defined by the Securities and Exchange Commission (SEC).
General Offering Terms	HSK Capital on 16th Investor LLC is pleased to offer the opportunity for Prospective Investors to purchase an interest in the Company for Class A, the Investor Class. Prospective Investors shall pay \$1,000 per Unit with a minimum requirement of 50

	Units. This Offering is submitted using the Regulation D 506(c) exemption. This Offering is for Accredited Investors only.
Use of Proceeds	The Company will use the proceeds from this raise to cover its startup costs, set aside reserves, and then acquire securities in the Lead Sponsor, Venture on 16th LLC.
Executive Compensation	The Managers, Key Personnel, and other Company Executives may be compensated in the following ways: a Due Diligence Fee of two percent (2%) of the total raise of this Offering.
Project Summary	The Company was created to acquire securities, likely Class C or D Units, in Venture on 16th LLC. Venture on 16th LLC is the Lead Sponsor and will acquire real property in an effort to provide a return on investment. The Lead Sponsor plans to buy, operate, and ultimately sell the multifamily property located at 6315 North 16th Street, Phoenix, Arizona 85016. The property consists of 86 rental units and was built in 1969. It is currently approximately 92% occupied with an average rent of \$1,577. The Lead Sponsor intends to implement more efficient management practices, improve collections, reduce expenses, and seek to increase rents toward market levels as leases roll over, and it expects to hold the Project for approximately three years before a potential sale, subject to market conditions. Please be sure to read all of the Lead Sponsor's PPM .
Lead Sponsor	The Lead Sponsor is Venture on 16th LLC, an Arizona limited liability company. The Lead Sponsor is managed by Opportunistic Fund II LLC, which is managed by Neighborhood Management, LLC, which in turn is managed by Neighborhood Ventures Inc. The principals and executives of Neighborhood Ventures Inc. are John Kobierowski and Jamison Manwaring. Neighborhood Ventures was launched in 2017 and has raised funds for 19 real estate projects in Arizona. The Lead Sponsor plans to acquire and hold a fee interest in the Property and to use proceeds and financing in connection with the Property, including to acquire, own, operate, and ultimately sell the Property.
Risk Factors	Investment in the Company involves numerous risks, which cannot all be forecasted, foreseen, or predicted. Some of the risks include but are not limited to: Class B shall possess the majority of control; the Company cannot guarantee that it will continue meeting certain regulatory exemptions; the Company cannot guarantee that it will beat competitors; the Company will be investing into an asset upon which it has no management or control; Distributions are not guaranteed; the Company will only be able to make Distributions if the Lead Sponsor makes distributions; the Project's exit may be delayed beyond three years and interest rates or variable rate debt may reduce cash flow and value; Multifamily operating risks may reduce occupancy, increase costs, and impair returns; the Lead Sponsor may not be able to execute its business plan; Investors may not receive a return and may even lose their initial capital, and; the Managers, Key Personnel, and/or Company Executives may work on similar projects to the Company. This is a brief summary. Please review all Risk Factors below and refer to the Lead Sponsor's Private Placement Memorandum for more details. The Company cannot anticipate all potential risks associated with this investment.

Distribution Plans	The Company anticipates providing Distributions on a quarterly basis, generally following the Company's receipt of distributions from the Lead Sponsor. The Company expects the Lead Sponsor to begin making distributions to the Company beginning with the first full calendar month of ownership, although timing may vary.
Restriction on Transfer	This investment is not liquid. Transfer of Units is very limited and prohibited in some scenarios. There is no public market for Membership Units, and the Company is not aware of any private markets for Membership Units. The Company does not plan to register these securities.
No Regulatory Approval	Neither the Securities and Exchange Commission nor state securities regulators have approved these securities. They additionally have not determined whether this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

NOTICE TO PROSPECTIVE INVESTORS

READ ALL OF THIS MEMORANDUM AND ALL EXHIBITS AND ATTACHMENTS

The information set forth in this Memorandum with respect to the issuance of Units, pricing, and other related information assumes a purchase price of \$1,000 per Unit. The Company is free to conduct additional and/or supplemental Offerings at different prices per Unit.

Certain portions of the information set forth in this Memorandum are confidential and proprietary and are being submitted to you solely for your confidential use. When the Company uses the word "you" and/or "your," it is referring to the party reading this Memorandum who is likely an investor, prospective investor, and perhaps, upon acceptance from the Company Manager and remitting payment, a Member of the Company in the future. Without the Company's prior express written permission, you may not release this Memorandum, discuss the information contained in this Memorandum, or make any reproduction of or use this Memorandum for any purpose other than evaluating a potential investment in the Units.

As a recipient of this Memorandum, you agree to promptly return this Memorandum and any other document or information furnished to you by the Company if you elect not to acquire any of the Units.

This Memorandum does not purport to be all-inclusive or to contain all the information that you as a prospective investor in the Units may desire in investigating the Company. You must conduct and rely on your own evaluation of the Company and the terms of this Offering, including the merits and risks involved in making an investment decision with respect to the Units.

This Memorandum contains certain information about the Company's future plans and performance. The Company cannot assure that the Company will be able to successfully implement any of its plans or that assumptions or expectations regarding the Company's future plans and performance will not materially differ from the Company's present expectations. Nothing contained in this Memorandum is or should be relied on as a promise or representation as to the future performance of the Company.

This Offering is subject to withdrawal, cancellation, or modification by the Company without notice. The Company reserves the right, in its sole and absolute discretion, to reject any subscription in whole or in part for any reason, to allot to you less than the number of Units you subscribed for, or to waive and/or alter conditions to the purchase of the Units.

The Units are being offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, in reliance on the exemption from registration afforded by §4(a)(2) of the Securities Act and Regulation D promulgated thereunder and on similar state exemptions.

The Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act, or any other applicable state securities laws. You may be required to bear the financial risks of any investment you make in the Units for an indefinite period of time. Your capital contribution may never be returned to you.

In making an investment decision, you must rely on your own examination of the Company and the terms of this Offering, including the merits and risks involved. The sole purpose of this Memorandum is to aid you in such an examination.

You should rely only on the information contained in this Memorandum or incorporated in this Memorandum by reference. The Company has not authorized anyone to provide you with information that is different.

Except as otherwise indicated, this Memorandum speaks on the date hereof, and the information contained in this Memorandum is believed to be accurate only on the date of this Memorandum. Neither the delivery of this Memorandum nor any sale of Units will imply that the affairs of the Company have not changed since the date of this Memorandum or that the information contained in this Memorandum is correct at any time after the date of this Memorandum.

You should not construe the contents of this Memorandum as legal, investment, or tax advice. Before you invest in the Company, you should consult your own advisors regarding legal, investment, tax, and related matters.

This Memorandum contains summaries of certain provisions of documents relating to the Company and the purchase of Units, as well as summaries of various provisions of relevant statutes and regulations. Such summaries are not complete and are qualified in their entirety by reference to the texts of the original documents, statutes, and regulations, which are included as exhibits to this Memorandum or will be made available to you upon request.

This Memorandum constitutes an offer only to selected investors, and only if such investors meet the suitability standards set forth in this Memorandum as well as the additional requirements necessary for acceptance and subscription. This Memorandum may be used only where it is legal to offer and sell these securities.

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I. HSK CAPITAL ON 16TH INVESTOR LLC

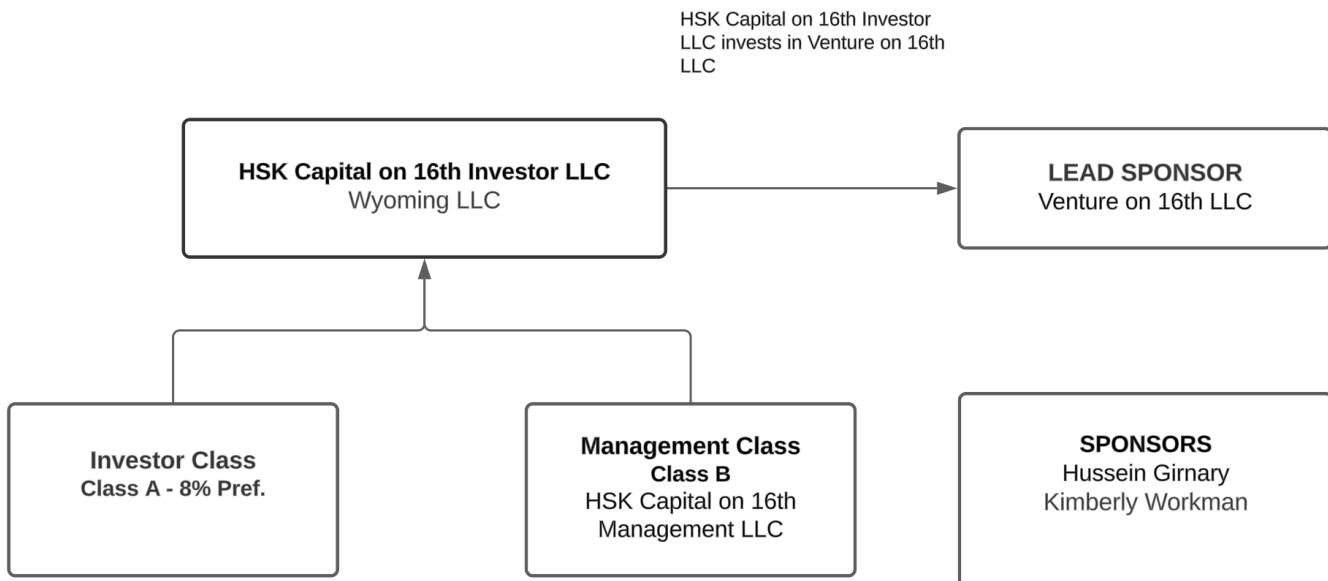
HSK Capital on 16th Investor LLC is a Wyoming limited liability company formed on January 28, 2026. The Company consists of Class A Units and Class B Units. Class A Units are the only Units offered through this Offering. The Company is a newly formed company that does not specifically have any operating history or past.

This Offering refers to HSK Capital on 16th Investor LLC throughout this Memorandum as “we,” “the Company,” “Company,” or “our.” The Company’s principal executive offices are located at 30 North Gould Street, Suite R, Sheridan, Wyoming 82801. Any information on the Company website is not intended to be a prospectus or other securities offering document and does not constitute a part of this Memorandum.

This Offering refers to “investor,” “prospective investor,” “you,” and similar words. Nothing shall be read as guaranteeing admission to the Company. A person does not become a Member of the Company unless they meet the Investor Suitability requirements and are admitted by the Company Manager as a Member of the Company.

The Sponsors, Company Executives, and Key Personnel of this Offering are Hussein Ginary and Kimberly Workman. HSK Capital on 16th Management LLC shall serve as the Company Manager. The Lead Sponsor is Venture on 16th LLC.

ORGANIZATION CHART



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II. THIS OFFERING

Total Investor Class Units Offered:	3,000 Units
Offering Price Per Unit:	\$1,000
Total Proceeds Raised By this Offering if fully Subscribed ² :	\$3,000,000
Sales Commissions/Finder's Fees:	None
Estimated Expenses of this Offering:	\$40,000 (estimated)
Net Proceeds of this Offering ³ :	\$2,960,000 (estimated)
Use of Proceeds:	The Company will use the proceeds from this raise to cover its startup costs, set aside reserves, and then acquire securities in the Lead Sponsor, Venture on 16th LLC.
Market:	Restricted Securities — No Public Market — Not Transferable — Legended
Registration Rights:	None
Distribution Plan:	Distributions are not guaranteed. The Company will only have the ability to provide distributions if it receives distributions from the Lead Sponsor. Even then, distributions are not required nor guaranteed. Notwithstanding, the Company anticipates providing Distributions on a quarterly basis, generally following the Company's receipt of distributions from the Lead Sponsor. The Company expects the Lead Sponsor to begin making distributions to the Company beginning with the first full calendar month of ownership, although timing may vary.

This Offering covers the private sale by the Company of up to Three Thousand (3,000) Units, which are being offered only to Accredited Investors as defined in Rule 501(a) under the Securities Act. See

² The Company is not required to meet the full raise in order to proceed. The Company is entitled to use funds the moment they are received. The Company may allow for additional Units through this Offering or a separate Offering.

³ This net proceeds refers to the Company's net proceeds after commission and finder's fees. The Company's expenses shall also be deducted from this amount.

“Investor Suitability Requirements.” The Company reserves the right in its sole and absolute discretion to reject any Prospective Investor’s admission into the Company and purchase of the Units. The Offering may close at any time, even if the total maximum raise has not been met, in the Manager’s sole discretion. The Offering timeline may be extended at the Manager’s sole discretion, and the maximum raise may be increased or decreased at the Manager’s sole discretion as well. In the event of an increased raise, neither Prospective Investors nor actual Members shall have any priority or preemptive rights to purchase the additional Membership Units.

The Company was created to acquire securities in Venture on 16th LLC, likely Class C or D Units. Thus, the Company is making a passive investment.

Generally, the Lead Sponsor, Venture on 16th LLC, plans to buy, operate, and ultimately sell the multifamily property located at 6315 North 16th Street, Phoenix, Arizona 85016. The property consists of 86 rental units and was built in 1969. It is currently approximately 92% occupied with an average rent of \$1,577. The Lead Sponsor intends to implement more efficient management practices, improve collections, reduce expenses, and seek to increase rents toward market levels as leases roll over, and it expects to hold the Project for approximately three years before a potential sale, subject to market conditions. Please be sure to read the [Lead Sponsor’s Disclosure Document](#) for more information regarding what the Company is ultimately investing in.

III. RISK FACTORS

The purchase of the Membership Units involves a high degree of risk to the Prospective Investor including certain risks relating to regulatory, operating, tax, and investment matters. Prospective Investors for Membership Interests in the Company should give careful consideration to the following risk factors contained herein. An investment in the Company for a Membership Interest involves risk and is suitable only for persons of financial means who have no need for liquidity in investments and who can afford the possible loss of their entire investment. Prospective Investors should consult with their own professional advisor(s) to carefully consider the following risk factors, which are not exhaustive by any means, the Operating Agreement, any and all Supporting Documents, and the Company. **YOU MAY NEVER SEE ANY RETURN ON YOUR INVESTMENT. YOU MAY LOSE ALL OF YOUR INVESTMENT.**

Because the Company is investing in the Lead Sponsor, who is also doing a capital raise, the Company incorporates all risks stated in the [Lead Sponsor’s PPM](#) into this Memorandum. Further, many of the Risk Factors disclosed below may not be risks that directly affect the Company but instead are risks that directly affect the Lead Sponsor, which indirectly affects the Company, therefore indirectly affecting the Company Members. The Company discloses them here in an abundance of caution. The Company again directs Prospective Investors to review the Lead Sponsor’s PPM.

YOU ARE ADMONISHED TO READ THE [LEAD SPONSOR’S PPM](#) AND SUPPORTING DOCUMENTS IN FULL.

A. Real Estate Risks

1. Risks of Real Estate in General.

The risks and benefits of investment in real estate depend upon many factors over which the Company has little or no control, including, without limitation, (i) changes in the economic conditions in the country in general and in the area in which the Project is located; such changes could give rise to a decrease

in local demand, an increase in local supply of land, an increase in unemployment, a change in the characteristics of the area in which the Project is located, or a restrictive governmental regulation, (ii) various uninsurable risks, (iii) increases in the costs in excess of the budgeted costs, and (iv) the continuing advance of certain provisions of federal tax laws. There may be additional factors or risks that the Company cannot even anticipate due to the novelty of the risk, the novelty of the harm, the infinite variables that can occur to create unforeseen risks, and numerous other factors.

2. Competition.

The Company expects that the Project will encounter competition from others in the area, and a certain number of competitors are likely better capitalized and more established in the market. The investment in competing assets may have been materially lower than the Company's anticipated costs, thus permitting the owners to charge lower rates than those anticipated to be sought in connection with the Project. The Company cannot guarantee that the Project will "win" against competitors nor does the Company represent that it has competitive advantages over any actual or potential competitors.

B. Market Risks

1. Economic Uncertainties.

The success of the Lead Sponsor and the Project will depend upon numerous factors, which are beyond the control of the Manager or the Company and cannot be predicted accurately. Such factors include general and local economic conditions, national and global economic conditions, increased competition, inability to prevail in competition, the solvency and reliability of financial institutions, a decline in pension funds or other retirement accounts, increased construction costs, changes in demand, general market conditions, population, demographics, and limitations that may be imposed by government regulation.

2. Extenuating Circumstances and Force Majeure-Type Events.

Global and or local conditions including but not limited to war, riots, earthquakes, hurricanes, lightning, floods, famines, natural hazards, energy blackouts, new legislation, strikes, lockouts, pandemics, terrorist attacks, grounding of air travel, embargos, threats, and other acts of God, acts of Nature, labor issues, supply issues, or any other issues that affect the economy, supply chain, and similar items. These conditions present a situation in which materials, labor, permitting, and other items required for the success of the Lead Sponsor's plans for the Project may be delayed or impossible to procure for a time. These may cause delays in returns and depressions in the value of the Property or the Project.

3. Pandemics and Public Health Events.

Public health events, including pandemics and disease outbreaks, may adversely affect economic activity and the operations of the Property. These events can result in reduced demand, changes in tenant behavior, limitations on business activity, supply and labor disruptions, delays, and increased operating costs. Any of the foregoing may adversely affect the Property's performance and the Company's ability to make Distributions.

4. Climate Change May Affect Lead Sponsor's Plans.

Climate change and global warming are changing the way business is conducted. Further, these issues may cause legislative or regulatory changes that neither the Company nor the Lead Sponsor can readily predict. Some potential changes might include carbon emission offset requirements and green building and operational standards, among other things. Additionally, climate change could affect the usability, desirability, or other aspects of the Property and or its location. All of these and other unforeseeable changes due to climate change and global warming may alter projections and increase costs, increase timelines, lower the feasibility of plans, and result in other undesirable outcomes.

5. Inability To Accurately Predict Market Price.

Economic markets can change dramatically due to numerous variables. No one, including the Company, can accurately predict what an economic market may or may not do. Investing is risky and unpredictable. Market conditions may reduce anticipated returns. Operational costs may be higher than anticipated. Further, there could arise a scenario where the Lead Sponsor cannot rent or sell the Property on favorable terms or on the anticipated timeline, which would adversely affect the Company's investment.

C. Operating Risks.

1. The Company is a Newly Formed Company with No Operating History.

The Company was created for the purposes of this Offering. The Company has no financial records or audited financial records for Prospective Investors to review. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business and operation in a competitive industry.

2. The Manager is a Newly Formed Entity with No Operating History.

The Manager is a newly formed entity with no operating history or financial statements to review or audit. Although the Manager has no operating history, its officers and directors possess relevant experience. The Company cannot, however, assure that it will be profitable or that the Manager will be able to perform its duties successfully.

3. The Lead Sponsor is a Newly Formed Entity with Limited Operating History.

The Lead Sponsor is a newly formed entity and has limited operating history. As a result, Prospective Investors may have limited information about the Lead Sponsor's historical operations. The Lead Sponsor's proposed operations are subject to the business risks associated with new enterprises, including the problems, expenses, difficulties, complications, and delays frequently encountered in connection with establishing and operating a business in a competitive industry. The Lead Sponsor may not have audited financial statements available for review. Although the Lead Sponsor is managed by entities affiliated with Neighborhood Ventures, which has operated since 2017, there can be no assurance that the Lead Sponsor will operate profitably or that the Project will be successful.

4. Reliance on Outside Decisions.

The main purpose of this Offering is to invest in the Lead Sponsor's offering and security. Thus, the Company's Manager will likely have little to no control over the success of the Company's investment. By investing in this Offering, Members are relying on the Company Manager's reliance on the Lead Sponsor's decisions. The Company Manager cannot predict the future nor guarantee that the Lead Sponsor's projections will be realized. The success of the Project depends, to a large extent, upon the management decisions made by the operator of that asset. Along with this, Prospective Investors must understand that they are indirectly investing in a given asset. Thus, Prospective Investors will likely not have access to or the ability to directly communicate with the asset operators.

D. Special Risks of the Company Form and Membership Units.

1. Limited Transferability.

The Units have not been registered under the Securities Act of 1933, as amended (the "Act"), or under the securities laws of any state, and there is no anticipation as of the date of the Memorandum to engage in such registration. The Units are being offered and sold in reliance upon exemptions from registration thereunder, including the exemptions from federal registration contained in Section 4(2) of

the Act and/or Regulation D, Rule 506(c) promulgated thereunder. As a consequence of the restrictions on subsequent transfer imposed by these exemptions, the Units may not be subsequently sold, assigned, conveyed, pledged, hypothecated, or otherwise transferred by the holder thereof, whether or not for consideration, except in compliance with the Act and applicable state securities laws. There will be no public market for the Units following termination of this Offering and it is not expected that a public market for the Units will ever develop. Members must expect that their only benefit or profit in owning Units, if there is any benefit or profit at all, will come from the anticipated, but not guaranteed, returns through Membership Distributions discussed herein. Prospective Investors should not purchase Units with the hope, plan, aim, or goal of selling the Units. The Act will typically preclude transfer for a minimum of 12 months. After the required holdback period, Members must still receive the Company's approval for any transfers. In obtaining such approval, if even possible, the Company will likely incur legal and administrative costs, which the selling Member will be responsible for. As a result, a scenario could arise where a Member is lawfully able to transfer its securities, and has a willing buyer for its securities, but the costs of actually selling the securities make such a transfer unfeasible or even exceed the purchase price or profit amount of the transfer.

2. Restriction on Transferability of Units.

The Company, the Manager, the Operating Agreement, and this Offering place restrictions on the transfer or assignment of Membership Units. Any Member who desires to transfer a Unit in the Company in accordance with the terms of the Operating Agreement, if allowed at all, will nevertheless be prohibited from transferring said Unit except in compliance with all applicable federal and state securities laws and upon approval by the Manager and receipt of any other approvals required as prescribed in the Operating Agreement. The Units have no public market. The Units are offered and sold in accordance with one or more exemptions from registration under the Securities Act and without qualification or registration under the securities laws of any state. Consequently, the Units that Prospective Investors would be purchasing may not be sold, transferred, or hypothecated without registration under the Securities Act and applicable state laws or without an exemption from such registration or qualification. The Units that you will receive will bear a legend restricting their transfer. The Company is not required to remove the legend on these securities. Accordingly, Investors in the Company should be prepared to remain Members until the termination of the Company. If a Member seeks to sell their interest, that Member must ensure that such a sale complies with SEC Rule 144(a) regarding selling restricted transfers. A Member seeking such a transfer will be responsible for any costs incurred by the Company permitting such transfer. Again, for the sake of clarity, the Company is not required to permit any transfer of this sort, and nothing in the Offer or this specific clause shall be construed as otherwise.

3. Reliance on Security Registration Exemptions.

Because purchasing Membership Units is likely considered a security, the Company must rely on exemptions so that the Company is not required to register its offering. The Company is specifically relying on SEC Regulation D Rule 506(c) as its exemption from requiring it to register its securities. Furthermore, because the Company seeks to take its monies to invest in other securities, it is likely that the Company falls under the Investment Adviser Act of 1940 and the Investment Company Act of 1940. The Company will not offer its interests for sale publicly, and the Company will not have more than 100 investors, which may allow it to qualify for other exemptions from these or other regulations. Regardless, should the exemptions that the Company intends to rely on for registration exemption not be applicable or allowable for the Company, the Company may be required to register, which is costly and time and resource-consuming.

4. Lack of Liquidity.

There is no present market for Membership Units, and no such market is anticipated. Further, there

can be no assurance that a market for Membership Units will develop or, if such a market develops, that it will continue or have favorable conditions. Additionally, there are restrictions on the transfer of Membership Units in the event that a market develops for the Company's Units. Accordingly, an investment in Membership Units will not be liquid and there can be no assurance that the Units offered hereby can be resold at or near their purchase price and, in fact, purchasers of the Units will likely be unable to resell them for an indeterminate period of time and will likely never be able to sell them at all. A Member will likely incur costs if the law allows for the transfer and the Company approves the transfer.

5. Management Decisions.

The Manager is vested with the exclusive authority as to the management and conduct of the business and affairs of the Company. The success of the Company depends, to a large extent, upon the management decisions made by the Manager. Prospective Investors must complete their own due diligence and satisfy themselves with the risk and the Manager's fitness for management before pursuing this investment.

6. No Business Appraisal of the Units.

The Offering price per Unit was unilaterally and arbitrarily determined by the Manager based upon acquisition costs, estimated operating expenses, estimated fees to be paid, and estimated Offering expenses. The Offering price does not constitute a guarantee of future return, future value, or minimum future value. The Company reserves the right to change the terms or price of the Offering, even after investments are received.

7. Offering Price is not a Scientific Valuation.

The Offering Price of the Units the Company offers was determined by the Management based on a number of factors, including our estimates of business potential and earnings prospects, the consideration of the above factors in relation to market valuations of comparable companies, and the current condition of the market and economy as a whole. The Company has not and will not obtain an independent valuation from, and has not otherwise consulted with, any investment banks or financial consultants in determining the Offering Price. Accordingly, the Offering Price of the Units should not be considered a determination of the actual value of the Units.

8. Investments Made By Others Are Not Endorsements.

Members shall not take comfort in investments by others or take such investments as a sign that a Member's judgment to take risks is shared by others. Any investments made, by any party whatsoever, shall not be construed as endorsements or any other form of encouragement to induce parties to invest in the Company.

9. The Company May Not Satisfy the Requirements of Certain Types of Investment Funds.

The Company makes no guarantee that this investment, the Company, the Company's business plan, nor similar items will fit any specific or special requirements for money that is invested from, as an example: retirement accounts, IRAs, 401ks, and other similar types of investment money that have restrictions or requirements on the investment. Prospective Investors must speak with their account administrator to determine the suitability of an investment in the Company.

10. No Right to Manage.

Investor Class Members are not permitted to take any part in the management or control of the business or affairs of the Company, solely by way of their Membership, except as specifically provided for in the Operating Agreement. Class B is the only class with the authority to appoint a manager of the Company to supervise the day-to-day operations of the Company. The Operating Agreement vests exclusive control and management of the Company in the Manager. The Operating Agreement allows for a non-

Member to manage the Company. At this time, the Company anticipates that the Manager shall be the sole Class B Member of the Company. Investor Class Members have no right to participate in the management of the Company except for those matters which are specifically reserved by applicable law or in the Operating Agreement to require a vote of the Members. Accordingly, the Company will be completely dependent on the Manager and its affiliates to manage the business of the Company.

11. Class B Maintains the Majority of the Company's Vote.

At all times, Class B possesses a minimum of 67% of the Company's vote. Even more, in accordance with the Operating Agreement, Class B has exclusive voting authority on many issues such as the selection of Management. Thus, it is likely that Class B's collective vote will overrule all of the Investor Class's vote, even if all Investor Class Units vote unanimously on an issue. Prospective Investors should understand that they likely will not possess the power to compel the Company or Management to change its decisions in most cases.

12. Manager is Not Exclusive.

The Manager may perform similar duties for other entities, even if such entities are in competition with the Company. The Manager's power and authority are subject to the limitations set forth in the Operating Agreement. The Manager shall serve as Manager until resignation. Its successor is appointed as provided in the Operating Agreement. The Manager will likely have a relationship and be affiliated, in the general sense, with the Company, Sponsor, or other Members. The Manager may also procure contracts with third parties that are beneficial to the Company. These third parties also may not be contracted at arm's length.

13. Limited Liability Companies Lack Strict Formalities.

Limited Liability Companies (LLCs) have a very flexible form of management. Save for requirements in an LLC's operating agreement, most LLCs are not legally required to have a board of directors, board of advisors, annual meetings, or other business formalities that are often legally required for c corporations and other entity forms. While the Company will make strong efforts to work in the best interests of Members as well as keep Members informed, Prospective Investors must understand that the amount of required disclosures, formalities, and transparency is of a less legally heightened nature in LLCs when compared to those requirements of c corporations or other entity forms. Prospective Investors should not expect the same level of disclosure, formalities, or information-sharing as other entity-types may have. The Manager may have other funds, syndications, and/or sub-funds.

14. Loss of Key Personnel Will Be Detrimental to the Company and the Company's Assets.

The Company's success is highly dependent upon the continued services of key personnel and executives. We believe that the Company's future success depends, in large part, upon the ability of the Manager and its affiliates to hire and retain or contract with highly skilled managerial and operational personnel. Similarly, the success of the companies that the Company invests in will be highly dependent on that Company's key personnel.

15. Payment of Fees to Managers and Executives.

The Company will incur various Management and Executive fees, which are considered expenses and will be paid before Distributions. These fees will reduce the amount of distributable cash available to Members. No Member has the right to reduce these fees, even if their payment negatively impacts the Company's financial condition. Additionally, the Company may pay fees to executives of entities in which the Company invests. In such cases, there is a possibility of theoretically duplicative fees. However, the Company Manager has negotiated terms with the Lead Sponsor to ensure that such fees do not dilute Member returns compared to a direct investment in the Lead Sponsor's offering.

16. Limitation of Manager's Liability.

The Manager, its affiliates, its officers, owners, directors, employees, and agents will not be liable to any Member, and the Company will indemnify the foregoing against any and all liabilities or damages, including attorney fees incurred by them by virtue of the performance by any of them of the duties of the Managers acting as Managers in connection with the Company's business, so long as such person acted within the scope of its, his, or her authority, in good faith on behalf of the Company, and in reliance on some form of reasonably sound business judgment, but only if such course of conduct does not constitute gross negligence, fraud, and/or willful or intentional misconduct. Under the terms of the Operating Agreement, the Manager, its affiliates, and its officers, owners, directors, employees, and agents will not be liable for any loss or damage to the Company's assets caused by any occurrence beyond the control of the Manager. A Member may have a more limited right of action against the Manager than would be available absent indemnification provisions contained in the Operating Agreement. This indemnification provision means that if a Member sues the Manager, the Company and the funds raised shall pay for the Manager's defense in accordance with these terms, potentially even if the Manager ultimately loses the lawsuit.

To the fullest extent allowable by law, nothing prohibits the Manager from performing similar services for other entities. The Manager's services are not exclusive to the Company. To be clear, it is likely that the Manager and/or entities and/or individuals that are closely related to the Manager may perform similar tasks for other funds.

17. Anonymity of Members.

All Members are permitted to view Exhibit 1, the Capital Contributions record, pursuant to the terms of the Company's governing documents. Note, Exhibit 1 will likely be similar but is not the same as the tax Capital Account. Upon admission to Membership in the Company, Members shall be assigned a Membership Identification Number. The Company will make its best efforts to disclose this number only to the respective Member unless required to do so by a valid government order. Thus, Membership Identification Numbers shall generally be confidential unless a particular Member divulges its own Membership Identification Number to someone. Incidental, accidental, or inadvertent disclosure by the Company and/or its agents shall not be a breach of this Agreement nor create any liability against the Company and/or its agents. Exhibit 1 will keep track of the capital contributions and unit count of all Members, but will provide that information based upon Membership Identification Numbers and no other identifying information. All Members, upon the terms of the governing documents, shall have access to Exhibit 1. But, other than the Manager, it is foreseeable that no Members will know who the other Members of the Company are. Prospective Investor acknowledges this Membership anonymity. The Company or its agents shall use their best efforts to keep this information anonymous, but shall not be liable for any inadvertent lapse. This shall not be read as an absolute duty by the Manager or Sponsor to keep Members anonymous, and inadvertent disclosure or intentional disclosure, if the Manager deems it necessary, shall not subject the Manager or any entities in a similar organizer or management role to liability. **Understand, you likely will not know the government identity of other Members of the Company.**

For the sake of clarity, keeping Members anonymous pursuant to this clause shall be read as a right of the Company and the Company's Manager, but shall absolutely not be read as a requirement. Anonymity is a potential goal of the Company but not a requirement, and the Company shall not be in breach of any duties or agreements should the identity of any, a few, or all Members be revealed to other Members or third parties.

18. Securities Law Compliance.

This Offering has not been registered under the Securities Act of 1933, as amended (the "Act") or any applicable state securities laws. There is no assurance that the Offering presently qualifies or will continue to qualify under such exceptive provisions due to, among other things, the adequacy of disclosure, the manner of distribution of the Offering, the existence of similar offerings conducted by the Company, or the retroactive change of any securities laws or regulations. If suits for rescission are brought against the Company under the Act or laws, both the capital and assets of the Company could be adversely affected. Further expenditure of the Company's time and capital in defending an action by investors, the Securities and Exchange Commission, or state regulators, even if the Company is ultimately exonerated, adversely affects the Company's ability to provide a return.

19. Many of the Company Members' Risks Are To A Second Power.

As noted in previous risk factors, Investor Class Members face risks specific to the Company. Additionally, the Company itself is exposed to many of the same risks in relation to the entities it invests in. This effectively compounds the Investor Class Members' exposure, as they are subject to these risks both directly through the Company and indirectly through the Company's investments in securities from the Lead Sponsor.

E. Risks Specific to this Investment.

1. Lead Sponsor Maintains a Majority Vote, and the Company's Manager Will Have No Control Over the Main Project.

As mentioned before, the Company is purchasing securities in the Lead Sponsor. The Company and, by extension, the Company's Members will have limited or no voting rights with respect to the management or operation of the Project and will not control the Lead Sponsor's decisions. As a result, the Company's Members will have no meaningful ability to influence how the Project is operated, financed, or ultimately disposed of, and they must rely on the Lead Sponsor and its management to carry out the Project's business plan.

2. The Company Will Be Subject to Similar Voting and Management Limitations In Its Investments.

Just as Investor Class Members will have limited voting authority and control in the Company, the Company will likely be similarly situated in relation to the assets that it purchases. This heightens the Investor Class Members' lack of control: they will have limited authority in the Company, and the Company will have limited authority in the companies that it becomes a member of.

3. The Offering is a Security That Will be Used to Purchase Another Security.

The Company's primary purpose is to raise capital to pool money together to invest in Venture on 16th LLC. The Company will not have title or ownership to the underlying real property. The Company will be an investor in Venture on 16th LLC similar to how a Member is an investor in this Company. Members will likely have no meaningful control in the Company and will absolutely not have any meaningful control over the Lead Sponsor. Members of the Company are not members of the Lead Sponsor. Members are not direct investors in the Lead Sponsor and thus may not be privy to communications from the Lead Sponsor nor have the ability to communicate with the Lead Sponsor.

4. Risks of Sale of Assets to Affiliates of the Lead Sponsor.

Neighborhood Management, LLC, which manages Opportunistic Fund II LLC (the manager of the Lead Sponsor), is also the manager and a member of NV REIT LLC, a related party. NV REIT LLC owns all the voting interests in NV REIT Partnership LLC. The Lead Sponsor may sell the Project to NV REIT LLC or exchange the Project to NV REIT Partnership LLC. Although the Lead Sponsor states that any

such sale or exchange must be at fair market value, paid in cash, and subject to specified consent thresholds, any transaction with an affiliate creates potential conflicts of interest and may affect the value, timing, and terms of disposition of the Project. The Company will have limited or no ability to influence these decisions.

5. This Company Incurs Expenses and Costs.

The Company will incur expenses and costs. Additionally, the Company will pay Executive Fees to Company Executives. While the Company has negotiated special terms with the Lead Sponsor to help mitigate the Company's costs, the Company, and thus indirectly Company Members, will pay for the 2% Due Diligence Fee. Thus, it is anticipated that the Company will actually invest approximately 98% of the funds raised.

6. Risk of Contribution of the Project to an Affiliate of the Lead Sponsor and Receipt of NV REIT Partnership Interests.

The Lead Sponsor may contribute the Project to NV REIT Partnership LLC in exchange for Class A interests in NV REIT Partnership LLC. The Lead Sponsor may hold such interests or distribute them. Any investor who receives Class A interests in NV REIT Partnership LLC will be deemed to have agreed to the NV REIT Partnership LLC limited liability company agreement. Because NV REIT Partnership LLC is affiliated with NV REIT LLC and related to Neighborhood Management, LLC, such a contribution may present conflicts of interest and could affect the Lead Sponsor's assets and financial position. The Company will have limited or no ability to influence these decisions, and if the Company receives such interests, the Company and its Members may be subject to additional terms and risks under documents separate from this Offering.

7. Extended Hold and Interest Rate Risk.

The Lead Sponsor currently expects to hold the Project for approximately three years before a potential sale. Market conditions at the time of exit may be unfavorable, which could delay or prevent a sale on the anticipated timeline or on terms acceptable to the Lead Sponsor. An extended hold period could reduce returns, delay distributions, and increase operating and financing costs. In addition, an elevated interest rate environment may increase borrowing costs and reduce net cash flow available for distributions. If the Lead Sponsor's financing includes a loan that converts to a variable interest rate after a fixed period, and the Project is held beyond that period, increases in interest rates could materially increase debt service obligations and adversely affect the Project's cash flow, valuation, and the Company's investment.

8. Risks of Multifamily Operations.

The Project is a multifamily property, and its performance will depend on maintaining occupancy and collections and controlling operating expenses. Multifamily operations involve risks, including tenant turnover, delinquencies, vacancies, required concessions, unexpected maintenance and repair costs, casualty and insurance costs, property tax increases, and compliance with housing, health, safety, and other regulations. Any of these factors could reduce cash flow and the value of the Project and adversely affect the Company's investment.

9. Property Improvements and Business Plan May Not Be Implemented.

The Lead Sponsor intends to implement operational improvements, improve collections, reduce expenses, and seek to increase rents toward market levels as leases roll over. The Lead Sponsor's ability to execute this plan may be limited by market conditions, tenant demand, competition, regulatory requirements, contractor and labor availability, permitting, supply costs, and other factors. Costs may be higher, and timing may be longer than expected, and desired results may not be achieved, which

could adversely affect cash flow, distributions, and the value of the Project and the Company's investment.

F. Tax Risks.

No representation or warranty of any kind is made by the Managers, the Company, or counsel to the Managers or the Company with respect to any tax consequences relating to the Company, or the allocation of taxable income or loss set forth in this Memorandum or the Operating Agreement, and each Investor should seek its own tax advice concerning the purchase of an Interest.

1. Suitability of the Investment to the Investor.

It is hoped that the Company will produce taxable income to its Investors. However, it is not guaranteed that the Company will have any income or revenue at all. Because of the 1986 Reform Act, in the event taxable loss is produced by the Company in any year, depending on the Investor's financial position and other investments, such losses may not be used by the Investor to avoid tax exposure. Investors should consult with a tax professional in this instance.

2. Federal Income Tax Risks.

a) Necessity of Obtaining Professional Advice

THERE IS NO GENERAL EXPLANATION OF THE FEDERAL INCOME TAX ASPECTS OF INVESTMENT IN THE COMPANY CONTAINED IN THIS MEMORANDUM, AND ACCORDINGLY, EACH INVESTOR IS URGED TO CONSULT SUCH INVESTOR'S OWN TAX, INVESTMENT, AND LEGAL ADVISORS WITH RESPECT TO SUCH MATTERS AND WITH RESPECT TO THE ADVISABILITY OF INVESTING IN THE COMPANY. The income tax consequences of an investment in the Company are complex, subject to varying interpretations, and may vary significantly between Investors depending upon numerous personal factors and variables such as sources of income, investment portfolios, and other tax considerations. A Prospective Investor should consider the tax effects of becoming a Member with its professional advisors. Each Prospective Investor should, at its own expense, retain, consult with, and rely on its own advisors with respect to the tax effects of its investment in the Company. In addition to considering the federal income tax consequences, each Investor should also consider, with its own advisors, the state and local tax consequences of an investment in the Company. No representations are made as to any federal, state, or local tax consequences resulting from an investment in the Company, and no assurances are given that any deduction or other federal income tax benefits will be available to Members in the Company in the current or future years. No information contained in this Offering or any Supporting Documents shall be deemed as tax advice. The Company has retained its own legal, tax, and other business professionals in preparation of these documents and this Offering. Professionals retained by the Company solely represent the interests of the Company and not necessarily the interests of any individual Members or Prospective Investors. All Prospective Investors and Members should consult with their own, independent professionals, should there be any legal, investment, business, tax, or other concerns.

b) Company Tax Status.

Although the Managers believe that the Company will be treated as a partnership for federal income tax purposes, such treatment cannot be assured. If the Company were to be classified as an association taxable as a corporation, the tax status of the Company and the Members would be adversely affected, and any tax benefits expected from an investment in the Company may be lost.

c) Tax Law Changes.

The existence and amount of particular credits and deductions, if any, claimed by the Company may

depend upon various determinations and allocations, characterizations of payments, and other matters which are subject to potential controversy on factual as well as legal grounds. Changes in the Code and official interpretations thereof after the date of this Memorandum may eliminate or reduce any perceived tax benefits from an investment in the Units. There can be no assurance that regulations having an adverse effect on the Members will not be issued in the future and enforced by the courts. Any modification or change in the Code or the regulations promulgated thereunder, or any judicial decision, could be applied retroactively to any investment in the Company. Given this uncertainty, Investors are urged to consider ongoing developments in this area and consult their advisors concerning the effects of such developments on an investment in the Company in light of their own personal tax situations.

d) Distributions.

It is possible for a Member to have income reported on its federal income tax return although no cash (or cash in an amount less than is reported as income) is distributed to it. It is also possible for a Member to have a loss reported on its federal income tax return, even though cash is distributed to it (which will be treated as a reduction of its tax basis for its interests). If a major capital transaction should occur with respect to the Company, a Member will be deemed, for tax purposes, to have received a distribution of money in the amount of its Unit of any debt of the Company that is assumed or canceled. The tax upon income allocated to the Members could exceed cash flow and net sale proceeds distributed to Members and, to the extent of the excess, the payment of such taxes will be out-of-pocket expenses to Members.

e) Risk of Audit.

Information returns filed by the Company are subject to audit by the IRS. An audit of the Company's returns may lead to adjustments of a Member's return with respect to items other than those relating to the Member's investment in the Company, the costs of which would be borne by the affected Members.

The Manager, or a Manager-designated "Partnership Representative" of the Company, may, under certain circumstances, represent and bind all of the Members on certain tax-related issues. Any adjustment made to the Company's or a Member's return could result in the affected Members being subject to an imposition of interest, additional taxes, and/or penalties. If the designated Partnership Representative is an entity, due to IRS requirements, an individual person must also be simultaneously designated to act on behalf of that entity. Prospective Investors and Members agree that such Members, signing in a representative capacity, shall not be personally or individually liable for any documents signed with Manager authority.

f) Withholding.

Certain tax regulations or other laws may require the Company and/or Manager to withhold distributions or other proceeds from some Members due to their unique circumstances, while not requiring withholding from other Members. The Manager will comply with all legal withholding requirements. Members are admonished that the Manager's adherence to legal, tax, and other requirements may result in that Member ending up in a less-favorable scenario than differently situated Members. Particularly, Members that are foreign investors may be subject to withholding. Even more, a scenario could arise where certain tax regulations subject the Company's money to withholding, creating less money for the Company's operation and/or Distribution.

g) No Tax Ruling.

The Company will not seek a ruling from the Internal Revenue Service (the "IRS") as to any aspects of the Offering and will rely on the opinion of the Managers and their legal and accounting counsel with respect to its classification as a limited liability company for Federal income tax purposes.

THESE STATED RISKS ARE NOT EXHAUSTIVE. THE COMPANY CANNOT ACCURATELY PREDICT EVERY SINGLE RISK OR POTENTIAL RISK.

This information is provided for evaluation purposes only. Prospective Investors must consult their own, independent professionals for an evaluation of the merits, tax implications, legal implications, financial implications, individual suitability, risks, and other outcomes and/or consequences inherent in this investment.

IV. CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. These forward-looking statements are not historical facts but are rather based on current expectations, estimates, and projections about our industry, our beliefs, and certain assumptions. The Company uses words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include those described in “Risk Factors” and elsewhere in this Memorandum. You should not place undue reliance on these forward-looking statements, which reflect our management's view only on the date of this Memorandum. The Company undertakes no obligation to update these statements or to release publicly the result of any revision to the forward-looking statements that we may make to reflect events or circumstances after the date of this Memorandum or to reflect the occurrence of unanticipated events.

V. USE OF PROCEEDS

The net proceeds to the Company from the sale of all of the Units offered hereby, after deducting estimated expenses of this Offering in the amount of \$40,000, are estimated to be approximately \$2,960,000. The Company generally anticipates investing 98% of the proceeds, after deducting a 2% due diligence fee. This is a general estimate, and the exact amount may vary, but specifically, the Company informs Members and Prospective Investors that due to fees and other expenses, the Company will not invest 100% of the amount raised. The following represents the Company's best estimate of how the proceeds of this Offering will be expended. The Company reserves the right to redirect any portion of the funds among the items referred to below, which the Company management considers to be in the best interests of the Company. The Company expects to use the net proceeds of this Offering over a period of approximately 36 months. The proceeds will be used to pay for the costs of this offering, set aside reasonable reserves, and then to purchase securities in the Lead Sponsor, Venture on 16th LLC, which is managed by Opportunistic Fund II LLC, which is managed by Neighborhood Management, LLC, which in turn is managed by Neighborhood Ventures Inc., whose principals and executives are John Kobierowski and Jamison Manwaring.

A. Financial Projections

Venture on 16th LLC prepared financial projections based on its strategy and assessment of market conditions, as well as certain other assumptions set forth before the projections. The Company has reviewed them and believes that the projections are reasonable, but cannot assure that the projected results will be realized. Prospective Investors should review the embedded [Lead Sponsor PPM](#) for

further details. Any and all Company proceeds will stem from distributions provided to the Company from the Lead Sponsor, if any.

VI. DETERMINATION OF OFFERING PRICE

The offering price of the Units that the Company offers was determined by the Management based on a number of factors, including our estimates of business potential and earnings prospects, the estimated value of our tangible assets and intellectual property, the consideration of the above factors in relation to market valuations of comparable companies, and the current condition of the market and economy as a whole. The Company has not obtained an independent valuation from and has not otherwise consulted with, any investment banks or financial consultants in determining the offering price. Accordingly, the offering price of the Units should not be considered a determination of the actual value of the Units by any type of scientific or widely accepted method.

VII. DESCRIPTION OF BUSINESS

A. General Company Profile

The Company is a newly formed Wyoming limited liability company. The Company consists of two (2) Membership Classes: Class A and Class B. Class A is the only Class offered through this Offering and is referred to as the Investor Class. Class B shall have the majority of voting rights and management for the Company.

B. Investment Plan

The Company will use the funds raised in this Offering to pay for the expenses of the Offering, collect the 2% due diligence fee, cover the Company's operational costs, which should be minimal, and primarily to purchase securities in the Offering from the Lead Sponsor, Venture on 16th LLC.

C. Principal Executive Office

The Company's principal executive office is located at 30 North Gould Street, Suite R, Sheridan, Wyoming 82801.

VIII. MATERIAL PROCEEDINGS

No pending litigation or proceeding involving a Sponsor, officer, Company Executive, or other agent of the Company currently exists as to which indemnification is being sought. The Company is not aware of any threatened litigation that may result in claims for indemnification by any Sponsor, officer, Company Executive, or other agent of the Company.

IX. MANAGEMENT'S PLAN OF OPERATION

Management's Plan of Operations and other parts of this Memorandum contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in this Memorandum. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors", as well as those discussed elsewhere in this Memorandum.

A. Management's Plan of Operation

The Manager will invest in the real estate syndication led by Lead Sponsor, Venture on 16th LLC. When the Company receives distributions from its investment, the Manager will set aside reasonable reserves for anticipated expenses, then distribute the excess funds, if advisable, in accordance with the terms of this Offering and the Company Operating Agreement.

These are the Company's anticipated operational plans at this time. These plans are subject to change and neither the Company nor its Management is necessarily required to provide an ongoing or updated operational plan. It is again further noted that this Company's overall plan is to invest in the Lead Sponsor. Thus, if there is a meaningful change in the operational plans, it is likely that it would come from the Lead Sponsor.

X. MANAGEMENT

A. Company Executive Team

HSK Capital on 16th Investor LLC's principal Company Executives as of the date of this Memorandum are as follows:

NAME	POSITION
Hussein Girnary	Company Executive
Kimberly Workman	Company Executive

B. Company Manager

The Company will be managed by HSK Capital on 16th Management LLC. Investors are hereby informed that Management was not necessarily selected or contracted at arm's length. Management is an interested party, even if not directly. The individuals and/or entities that make up the Manager are not prohibited from becoming Members of the Company as well.

C. Company Executive Biographies

1. Hussein Girnary

Hussein Girnary has been a real estate investor and coach since 2019, serving as a general partner on multiple syndications while managing a diverse real estate portfolio. He applies a systems thinking approach to maximize long-term value for all stakeholders across his real estate ventures.

2. Kimberly Workman

Kimberly Workman, MD, combines her precision as an orthopedic surgeon with proven expertise in multifamily real estate investment. Her and her husband's portfolio includes mid-size apartment complexes, small multifamily properties, and a short-term rental. She finds satisfaction in value-add transformations, particularly in improving C-class properties while enhancing resident quality of life. As a General Partner, she manages tax operations for a large-scale motel-to-multifamily conversion project, ensuring seamless reporting for investors.

With hands-on experience in underwriting, acquisitions, and property and asset management, Dr. Workman brings both operational excellence and strategic vision to her investments. Her background in healthcare leadership strengthens her ability to build strong partnerships and manage complex projects effectively. As both a General Partner and Limited Partner in multiple syndications, she

understands investment opportunities from both operator and investor perspectives, prioritizing aligned interests in every project.

D. Compensation and Fees to Company Executives

The Manager shall be reimbursed for any direct funds or expenses advanced by it prior to or after the formation of the Company and/or this Offering to the extent that such expenses are incurred or paid directly on behalf of the Company. This includes but is not limited to software necessary for efficient management, monies paid to third parties that provide benefits to the Company, any hard costs to the Manager incurred on the Company's behalf, and other expenses incurred in efforts to increase efficiency, the likelihood of success, or to bring other positive benefits to Members and the Company. The funds received through this Offering shall be used to reimburse the costs that the Manager incurs while performing its duties. While the following discusses fees paid to Company Executives, portions of these fees may be paid to other individuals or entities that are not officially Company Executives but have nonetheless assisted Company Executives in some way.

1. Due Diligence Fee

Company Executives may charge a Due Diligence Fee of up to two percent (2%) of the total raised in this Offering. Prospective Investors are advised to read the Lead Sponsor's documents to view the fees that the Lead Sponsor takes.

E. Anticipated Expenses

Additional expenses, fees, and costs, which shall also be paid from monies procured in this Offering and shall not work as a set off against the Due Diligence Fee listed above, include, but are not limited to:

1. Twenty Thousand Dollars (\$20,000) for legal fees.
2. Ten Thousand Dollars (\$10,000) for accounting fees.
3. Ten Thousand Dollars (\$10,000) for administrative costs.

The preceding list shall be viewed as an estimate and not as a limit to expenses that the Company may incur or pay. The Manager shall have discretion to incur additional expenses for the good of the Company and its Members.

F. Conflicts of Interest

The Company is subject to various substantial existing and/or potential conflicts of interest arising out of its relationship with the Manager and/or its Affiliates and/or Control Groups. These conflicts may involve:

1. Allocation of Manager's Activities

The Manager and its affiliates are not required to devote themselves exclusively to the affairs of the Company. Further, the Manager and its affiliates may own real estate in the same market as the Property. The Manager and its affiliates may have a conflict of interest in the ownership of these other properties and in allocating management, services, and functions between this Company and their other present and future interests. The Manager and its affiliates are not managing the Company on an exclusive basis and nothing in this Memorandum nor any agreements with the Company prevents the Manager from managing, owning, operating, or performing a similar function for a similar project, even if that project competes with this Project. The Manager and its affiliates believe that they have sufficient time and staff to be fully capable of discharging their responsibilities to the Company and to any other present or future activities.

The Manager and/or its affiliates serve and may serve in such capacity in other limited partnerships, limited liability companies, corporations, or entities that will compete with the activities of the Company. The Manager and/or their affiliates may have conflicts of interest in allocating management, time, services, and functions between other limited partnerships, limited liability companies, or ventures, and the Company, as well as any future entities. The Manager believes that, together with its affiliates and any employees or agents that may be retained in the future, it has sufficient staff to fully discharge its responsibilities to the Company and any current and/or future responsibilities the Manager may have.

The Operating Agreement provides that no contract, action, or transaction is void or voidable with respect to the Company because it is between or affects the Company and one or more of its Members, Managers, or officers or because it is between or affects the Company and any other person in which one or more of its Members, managers, or officers are Members, Managers, directors, trustees, or officers or have financial or personal interest, or because one or more interested Members, managers, or officers participate in or vote at the meeting that authorizes the contracts, action, or transaction, provided certain circumstances apply.

The Manager was not chosen through an arm's length agreement. Sponsors have affiliation and ownership with the Manager.

G. Selling Agent

Units are being offered directly through the Company. At the time of this Memorandum's creation, it is not anticipated that commissions of any kind will be paid to selling agents or brokers. However, if, at the Manager's discretion, lack of ability to sell or market conditions make the use of selling agents or brokers attractive in order to obtain the best position for the Company, the Manager may use its business judgment and employ the use of such agents or brokers. If such agents or brokers are used, the commissions paid to them will decrease the amount of monies raised that actually flows to the Company.

XI. EXECUTIVE COMPENSATION

The Company Executives are compensated from funds received through this Offering by their participation in the fees listed above. As part of their compensation, Company Executives shall collectively maintain control of and possess a majority of the equity interest in the Class B Units of the Company. Class B Units shall possess the majority of control and voting rights in the Company and shall also be able to participate in Company Distributions (See Plan of Distribution). Additionally, depending on their involvement, Company Executives may be compensated through portions of the 2% Due Diligence Fee. The specific compensation, if any, that each Company Executive receives from these Fees is not yet settled and will vary depending on a Company Executive's participation in objectives, as well as whether the Company needs the services of third parties to perform some of its duties.

XII. LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS

A. Standard of Care of Managers.

Wyoming's law provides that managers of a limited liability company shall perform their duties as managers in good faith, in a manner they reasonably believe to be in or not opposed to the best interests of the Company, and with the care that an ordinarily prudent person in a similar position would use under similar circumstances. This is in addition to the several duties and obligations of and limitations

on the Managers as set forth in the Operating Agreement. To impose liability on a manager, however, it must be shown by clear and convincing evidence that the standard of care was not met by the Manager. It should be noted that the cost of litigation against any Manager for enforcement of the standard of care may be prohibitively high and that any judgment obtained may not be collectible since the Managers are not bonded and any judgment exceeding their net worth may not be collectible. Additionally, the Manager of the Company is entitled to indemnification by the Company. Thus, if any Member pursues a lawsuit against the Manager, the costs and resources expended in defending such lawsuits will be borne by the Company and have an adverse effect on all Members. An investment decision should be based on the judgment of an Investor as to the investment factors described in this Memorandum rather than reliance upon the value of the right to bring legal actions against or to control the activities of the Managers.

Notwithstanding the standard obligations of care, the Manager has broad discretionary power under the terms of the Operating Agreement and under applicable state law to manage the affairs of the Company with the assistance, if desirable, of consultants or others retained for the account of the Company or Managers. Generally, actions taken by the Manager are not subject to vote or review by the Members, except to the very limited extent provided in the Operating Agreement.

B. Indemnification.

The Operating Agreement provides that the Company may, to the fullest extent not prohibited by the Company's Operating Agreement or any provisions of applicable law, indemnify the Managers and/or Project Manager against any and all costs and expenses (including amounts paid in settlement and other disbursements) actually and reasonably incurred by or imposed upon such person in connection with any action, suit, investigation, or proceeding (or any claim or other matter therein), whether civil, criminal, administrative or otherwise in nature, including any settlements thereof or any appeal therein, with respect to which Managers are named or otherwise become or are threatened to be made a party by reason of being, or at any time having been, a Manager of the Company or, at the direction or request of the Company, a manager, director, trustee, officer, employee, or agent of or fiduciary for any other limited liability company, corporation, partnership, trust, venture, or other entity or enterprise.

Because there are provisions in the Operating Agreement for indemnification of the Manager, Members may have a more limited right of action than they would have absent such provision in the Operating Agreement. Insofar as indemnification for liabilities arising out of the Securities Act of 1933, as amended, may not be provided to directors, officers, and controlling persons pursuant to the foregoing, or otherwise, such indemnification may be contrary to public policy, and if so, will likely be unenforceable.

C. SEC Position on Indemnification

The Company does not anticipate obtaining directors and officers liability insurance with respect to possible director and officer liabilities arising out of certain matters, including matters arising under the Securities Act. However, nothing prevents the Company from doing so. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Company pursuant to provisions of the Company's governing documents, or otherwise, the Company has been advised that, in the opinion of the United States Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

XIII. DESCRIPTION OF SECURITIES

The Company's authorized Units consist of Classes A and B. Class B Units are not offered through this Offering.

A. Investor Class: Class A

Class A is the Investor Class. The Investor Class shall have no authority or voting power to appoint Management unless required by law or exclusively stated in the Company's governing documents. The power to appoint Management is vested exclusively and solely in Class B Units. An investment in Class A requires a minimum investment of fifty thousand dollars (\$50,000), equivalent to the purchase of 50 Units.

B. Management Class: Class B

Class B is the sole Management Class of Units. Class B Units are not offered through this Offering. Class B shall possess the majority of voting rights, management authority, and control of the Company. Class B's sole Member is HSK Capital on 16th Management LLC.

XIV. PLAN OF DISTRIBUTION

The Units are being offered only to Accredited Investors as defined in Rule 501(a) under the Securities Act. See "Investor Suitability Requirements." The Company reserves the right in its sole and absolute discretion to reject any prospective investor in the Units.

Those persons desiring to invest in the Units will become parties to the HSK Capital on 16th Investor LLC Operating Agreement, which will contain representations, warranties, covenants, and conditions customary for private placement investments as well as items that are unique specifically to the Company. See "Investor Suitability Requirements."

A. Distributions to Members.

This Memorandum contains estimates which have been prepared on the basis of assumptions and hypotheses favorable to Investors solely for the purpose of illustration and which have not been passed on by counsel or other professional advisors to the Company. (See "Risk Factors.") These are Forward-Looking Statements and are based upon the Company's plans and goals with its current information. These statements are NOT guarantees of any sort. Further, these statements are primarily based upon information provided by the Lead Sponsor.

No representation or warranty of any kind is or can be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from, these estimates or the assumptions underlying them. Each Investor should consult their own tax counsel, accountants, and other advisors as to the tax matters and economic benefits set forth herein. No part of this Memorandum or the attachments hereto is or should be interpreted as legal, tax, or investment advice. A scenario could arise in which Members receive no distributions and their initial contributions are spent and unreturnable as well.

The Distributions to Investor Class Membership Units and Management Class Membership Units shall be in accordance with the Agreement and other Supporting Documents. For reference, a summary is provided below.

1. Return of Capital

When the Company distributes available cash, distributions will first be made one hundred percent (100%) to Class A Members until Class A Members have received an amount equal to their invested capital.

2. Preferred Return Distribution

After the return of invested capital, and subject to available cash flow, distributions will be made one hundred percent (100%) to Class A Members until Class A Members have received an eight percent (8%) cumulative, compounded Preferred Return on their invested capital.

3. Distributions After Preferred Returns

After Class A Members have received the return of invested capital and the Preferred Return described above, remaining distributions will be made eighty percent (80%) to Class A Members and twenty percent (20%) to Class B Members until Class A Members have achieved a fifteen percent (15%) internal rate of return on their invested capital.

4. Distributions Upon Class A Reaching a 15% IRR

After Class A Members have achieved a fifteen percent (15%) internal rate of return on their invested capital, distributions will be made one hundred percent (100%) to Class B Members until Class B Members have received twenty percent (20%) of cumulative profits, including the Preferred Return, less amounts previously distributed to Class B Members.

5. Distributions After Class B Members Receive a 20% Cumulative Profit

After Class B Members have received twenty percent (20%) of cumulative profits, including the Preferred Return, less amounts previously distributed to Class B Members, distributions will be made eighty percent (80%) to Class A Members and twenty percent (20%) to Class B Members.

For the sake of clarity, the Company again does not guarantee any results. The above Distribution plan is made on the assumption that the Company has funds to distribute and that the Company's assets perform as intended—none of this can be guaranteed.

THIS DISTRIBUTION SCHEDULE IS ON THE ASSUMPTION THAT THE COMPANY IS PROFITABLE AND POSSESSES MONIES TO DISTRIBUTE TO MEMBERS. THIS DISTRIBUTION SCHEDULE SHALL NOT BE CONSTRUED AS A GUARANTEE OF ANY DISTRIBUTIONS NOR ANY AMOUNT OF DISTRIBUTIONS. A SCENARIO COULD ARISE IN WHICH THERE ARE NO DISTRIBUTIONS MADE BY THE COMPANY. THIS IS NOT A GUARANTEE OF ANY KIND WHATSOEVER. THE COMPANY IS NOT REQUIRED TO MAKE DISTRIBUTIONS, AND THE COMPANY MAY HAVE NO PROFITS TO DISTRIBUTE. MANAGERS ARE NOT REQUIRED TO MAKE DISTRIBUTIONS EVEN IF THE COMPANY IS PROFITABLE AND POSSESSES THE FUNDS TO DO SO. UNLESS STATED OTHERWISE, ALL DISTRIBUTIONS WILL BE MADE IN U.S. DOLLARS. THE COMPANY SHALL NOT BE RESPONSIBLE FOR ANY TRANSACTION FEES, EXCHANGE RATE FLUCTUATIONS, OR RELATED COSTS. ANY EXPENSES INCURRED BY THE COMPANY IN REMITTING FUNDS INTERNATIONALLY SHALL BE THE RESPONSIBILITY OF THE INVESTOR.

6. Limitations on Cash Distributions.

The Manager is authorized to retain funds necessary to cover the Company's reasonable business needs, which may include reserves against possible losses and expenditures as may be necessary. Additionally, allocations of taxable income, gains, and losses from operations, and net cash flow, etc.,

are included. To the extent advantageous to the Members and permitted by applicable law and regulations, the Company and Manager intend to seek the most favorable tax treatment for all expenditures of the Company. The Managers will cause the Company's tax returns to be prepared and filed on such basis as utilized in preparing the financial projections; provided, however, that such methods are, in the opinion of the Managers, in accordance with generally accepted accounting principles and/or current Internal Revenue Service Rules and Regulations and, if conflicting, whichever the Managers deem applicable.

a) **Delayed Distributions**

It is anticipated that the first Distribution will not occur until the Lead Sponsor closes on the Property. Management has discretion in giving Distributions and may delay this even further if in the best interests of the Company.

In the event of a transfer of a Unit permitted by the Operating Agreement, such transferee, when admitted to the Company as a Member, shall be allocated income, gains, losses, deductions, credits, and cash distributions in accordance with the rights of that Membership Unit.

XV. RESTRICTIONS ON TRANSFER UNDER SECURITIES LAWS

The Units offered hereby are subject to certain restrictions on transfer as provided by federal and applicable state securities laws. The Units will be issued by the Company without registration under the Securities Act and without qualification or registration under applicable state securities laws pursuant to exemptions from the registration or qualification requirements of the Securities Act and of applicable state securities laws. Accordingly, the Units must be held indefinitely by any investor in the Units unless (a) the Units subsequently are registered or qualified under the Securities Act and applicable state securities laws or (b) exemptions from registration or qualification requirements under the Securities Act and under applicable state securities laws are available in connection with any proposed transfer of the Units. If a Prospective Investor invests in the Units, it will not be permitted to sell or otherwise transfer all or any portion of the Units, or any interest in all or any portion of the Units, without registration or qualification under the Securities Act and applicable state securities laws, unless it first demonstrates to the satisfaction of the Company that specific exemptions from such registration or qualification requirements are available with respect to the proposed transfer and provides to the Company an opinion of legal counsel satisfactory to the Company that the proposed transfer may be made without violation of the Securities Act and applicable state securities laws and will not affect the exemptions relied on by the Company in connection with the original issuance and sale to such investors of the Units. See "Investor Suitability Requirements." **Each Member is required to acknowledge that its purchase is being made for investment, for its own record and beneficial account, and without any view to the distribution thereof.**

A. No Registration and Limited Transfer

The Units will be recorded electronically and held at the principal executive office of the Company. Membership Units will only be transferable at such office, or another place acceptable to the Company Manager, by the registered holder of the Units (or duly authorized attorney thereof) on surrender of any and all evidence of ownership of the Units, along with the transferring member's execution of transfer documents in a form and substance satisfactory to the Company Manager. No transfer may be registered unless the Company is satisfied that such transfer will not result in a violation of any applicable federal or state securities law. See "Restrictions on Transfer." The transferring holder of the Units must pay all costs of transfer. The Company is the transfer agent and registrar for the Units.

XVI. INVESTOR SUITABILITY REQUIREMENTS

This Offering is made to Accredited Investors only. An investment in the Units will involve significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk of a complete loss of their investment. This Offering is made in reliance on exemptions from the registration requirements of the Securities Act and from the registration and qualification requirements of applicable state securities laws and regulations.

The suitability standards discussed below represent minimum suitability standards for prospective investors in the Units. The satisfaction of such standards by a Prospective Investor does not necessarily mean that the Units are a suitable investment for such Prospective Investor. **Prospective Investors are encouraged and advised to consult with their own professional advisors to determine whether an investment in the Company is appropriate for them.**

The Company reserves the right to approve or disapprove any Prospective Investor. No Prospective Investor shall be admitted to the Company until that Prospective Investor has satisfied the Company and the Manager of its qualification to invest; until the required funds for the investment have been transferred and cleared; until the Prospective Investor executes all required documents, including but not limited to the Subscription Agreement, to the HSK Capital on 16th Investor LLC Operating Agreement; and until the completion of any other such requirements made by the Company or its Management.

Each Prospective Investor will be required to represent that (s)he is acquiring the Units being purchased by him or her for investment and for his or her own account, and not with a view to resale or distribution. Resale of the Units is subject to extensive restrictions.

Prospective Investors electing to purchase Units hereunder will be required to execute and deliver a subscription agreement in which Prospective Investor will make certain acknowledgments, representations, and warranties to, and make certain covenants and agreements with the Company. The following are some, but not all, of such acknowledgments, representations, warranties, covenants, and agreements:

- That the Units will be issued by the Company without registration under the Securities Act, and without registration or qualification under applicable state securities laws under exemptions from the registration requirements of the Securities Act, and from the registration and qualification requirements of applicable state securities laws;
- That Prospective Investor must hold the Units indefinitely unless the Units subsequently are registered or qualified under the Securities Act and under applicable state securities laws, or unless exemptions from the registration requirements of the Securities Act and from the registration or qualification requirements of applicable state securities laws are available in connection with any proposed transfer of the Units by Prospective Investor;
- That the Units will be subject to certain restrictions on transfer;
- That no public market currently exists for the Units, and that such a public market will likely never exist;

- That the Units are a speculative investment involving a high degree of risk of loss by Prospective Investor, and that Prospective Investor could lose the entire amount of investment in the Units; and
- That Prospective Investor can bear the economic risk of the investment in the Units and at the present time can afford a complete loss of that investment.

A. Specific Suitability Requirements

If you elect to purchase Units hereunder, you also will be required to represent, warrant, and certify to the Company in writing that you are an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act (and as set forth below). In addition, you will have to represent, warrant, and certify to the Company the basis for your qualification as an “accredited investor”.

B. Accredited Investor Status

To be an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act, you must fall within one of the following categories at the time of acquiring the Units:

1. Any director, executive officer, or other “knowledgeable party” of the Company as defined by the SEC;
2. Any natural person whose individual net worth, or joint net worth with that person’s spouse, or spousal equivalent, at the time of purchase of the Units, exceeds \$1,000,000 (excluding any positive equity value of the person’s primary residence);
3. Any natural person who had an individual income in excess of \$200,000 in each of the 2 most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
4. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D;
5. Any entity in which all of the equity owners are “accredited investors”;
6. Any bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
7. Any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;
8. Any insurance company as defined in section 2(a)(13) of the Securities Act;
9. Any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act;
10. Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;
11. Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
12. Any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are “accredited investors.”

13. A corporation, partnership, limited liability company, or business trust, not formed for the purpose of acquiring the Interest, or an organization described in Section 501(c)(3) of the Code, in each case with total assets in excess of \$5,000,000.
14. An entity in which all of the equity owners, or a living trust or other revocable trust in which all of the grantors and trustees, qualify under a clause above or this clause.

As used above, the term “net worth” means the excess of total assets over total liabilities. In computing net worth above, the value of any real property (excluding the individual’s residence) must be valued at cost, including the cost of improvements, or at recently appraised value by an institutional lender making a secured loan, net of encumbrances. In determining income, an investor should add to such investor’s adjusted gross income amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

In addition to all of the foregoing, to satisfy the conditions for exemption from the registration requirements under the securities laws of certain jurisdictions, investors who are residents of such jurisdictions may be required to satisfy additional suitability requirements.

C. Ineligible Parties

1. Specially Designated & Blocked Persons

Investors and Members of the Company cannot be an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a “Person”) with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a “U.S. Person”), is prohibited from transacting business of the type contemplated by this potential purchase of securities, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC “Specially Designated Nationals and Blocked Persons”) or otherwise.

2. Parties Prohibited by OFAC

Neither Prospective Investor nor any Person who owns a direct interest in Prospective Investor (collectively, an “Investor Party”) is now nor shall be at any time a Person with whom a U.S. Person, including a United States Financial Institution as defined in 31 U.S.C. 5312, as periodically amended (“Financial Institution”), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

3. Use of Lawful Money Only

Neither Prospective Investor nor any Investor Party, nor any Person providing funds to Prospective Investor (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering

Laws (as defined herein); or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this Agreement, the term “Anti-Money Laundering Laws” shall mean laws, regulations, and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations, and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the “Patriot Act”), the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1, et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701, et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957. Prospective Investor is in compliance with any and all applicable provisions of the Patriot Act.

XVII. ERISA CONSIDERATIONS

The Company does not intend to have 25% or more of the capital commitments made by “benefit plan investors,” including employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), IRA’s or other “plans” subject to Section 4975 of the code, or entities that hold the plan assets of such plans. Thus, in reliance on the less than 25% “benefit plan investors” exception under the applicable ERISA regulations, the Company does not intend any of its assets to be treated as “plan assets” under ERISA. However, if necessary, to avoid the Company’s assets being treated as “plan assets” under ERISA, the Company will have the right to take advantage of another plan assets exception, such as the “venture capital operating company” or the “real estate operating company” exceptions, or to take whatever other action it deems necessary to avoid its assets being treated as “plan assets” under ERISA.

XVIII. ADDITIONAL INFORMATION

Prospective Investors and their professional advisors are invited to review all materials made available by the Company relating to the Company, the Company’s products and plan of operation, its management and financial condition, this Offering, and any other matter relating to this Offering. Statements contained in this Private Placement Memorandum as to the contents of the Operating Agreement, Supporting Documents, or other documents, are not necessarily complete and each such statement is deemed to be qualified and amplified in all respects by the provisions of such agreements and documents, copies of which are either attached hereto or are available upon reasonable notice for examination by offerees, or their duly authorized representatives, at the office of the Manager, HSK Capital on 16th Management LLC, at 30 North Gould Street, Suite R, Sheridan, Wyoming 82801.

XIX. CERTAIN LEGAL MATTERS

Polymath Legal PC serves as legal counsel to the Company. The Company’s Members have not been represented in connection with this Offering by Polymath Legal PC. Polymath Legal PC does not represent the Members or their respective interests. Prospective Investors seeking legal advice should retain their own legal counsel.

In preparation of this Memorandum, counsel has relied on the representations and statements of the Company's officers as to facts regarding the Company, its directors, officers, Executives, Members, and their respective affiliates. Counsel expresses no opinion regarding any factual matter set forth in this Memorandum. Prospective Investors should consult their advisors regarding an investment in the Company and conduct any due diligence that they deem appropriate to verify the accuracy of the representations and information set forth in this Memorandum.

XX. GLOSSARY

Agreement	The Operating Agreement of HSK Capital on 16th Investor LLC.
Capital Contributions (Exhibit 1)	The official Company record of the number of Membership Units, Class of Units, Acquisition date of Units, and owner of Units. Members will be assigned a Member Identification Number at the beginning of Membership. All Members are entitled to view the Capital Contributions ledger in accordance with the Agreement. However, the only identifiable information in the Capital Contributions ledger shall be the Membership Identification Number. If Members keep this number confidential, which is suggested, other than the Manager and/or its Agent, Members will not be able to identify who other Members are.
Class A Member(s)	The holder(s) of Class A Membership Units.
Class B Member(s)	The holder(s) of Class B Membership Units. HSK Capital on 16th Management LLC shall be the sole Class B Member. Class B Units are not offered through this Offering.
The Company	This limited liability company: HSK Capital on 16th Investor LLC, a Wyoming limited liability company, located at 30 North Gould Street, Suite R, Sheridan, Wyoming 82801.
Executive Fees	The 2% Due Diligence Fee. This Fee compensates members of the management team and other parties that help with the acquisition, the Project, or other parts of this Offering's objectives. This Fee may come directly from funds received from this Offering.
Investor	One who purchases and owns Class A Membership Units.
Investor Class	Class A in HSK Capital on 16th Investor LLC. The Investor Class is the only class of Membership offered through this Offering.
Lead Sponsor	The Lead Sponsor is Venture on 16th LLC. Venture on 16th LLC is a newly formed entity managed by Opportunistic Fund II LLC, which is managed by Neighborhood Management, LLC, which in turn is managed by Neighborhood Ventures Inc., whose principals and executives are John Kobierowski and Jamison Manwaring. Venture on 16th LLC is the entity in which the Company is purchasing securities. Review the Lead Sponsor's embedded PPM and supporting documentation to learn about the Lead Sponsor and its plans.
Manager or Management	This Company's Manager or Managing Member: HSK Capital on 16th Management LLC.
Management Class	The holder(s) of Class B Membership Units. HSK Capital on 16th Management LLC shall be the sole Class B Member. Class B Units are not offered through this Offering.
Memorandum	This Private Placement Memorandum, inclusive of all documents and exhibits that are attached to it.

Member	An individual or entity that owns Units in the Company. Any warnings to Prospective Investors equally apply to Members.
Membership Unit or Unit	The interest of a Class A or B Member representing a capital contribution, regardless of form, and the rights to receive profits or other compensation by way of income, and the return of contributions as set forth in the Operating Agreement, and the rights, powers, and privileges appurtenant thereto.
Offering	This Private Placement Memorandum and the opportunity to become a Member of the Company and participate in the Offer.
Prospective Investor	Those individuals and/or entities that show interest in investing in Investor Class Units of HSK Capital on 16th Investor LLC, who also possess the requisite qualification to consummate such purchases. Any admonishments to Prospective Investors equally apply to Prospective Investors that have purchased and are now Members of the Company.
Preferred Return	A percentage equal to the preferred return stated for the Investor Class. Preferred Returns shall be the preferential return percentage stated multiplied by the Capital Contributions of such Member for the period of time from the time close of this Offering or the date the Contribution is made as provided by the governing documents.
Supporting Documents	The Memorandum, Operating Agreement, exhibits, the Subscription Booklet, and any other documents that the Company, Manager, or their agents furnish to Prospective Investors for that Prospective Investor to evaluate this Offering. Specifically, the Venture on 16th LLC private placement memorandum , operating/partnership agreement, offering memorandum, and any similar documents for Venture on 16th LLC's offering are incorporated. YOU MUST READ ALL SUPPORTING DOCUMENTS.
Other words used in this Memorandum that are not defined in the glossary shall have their normal meaning within the general business vocabulary and shall be construed in the context in which they are presented.	

XXI. HSK CAPITAL ON 16TH INVESTOR LLC PPM EXHIBITS

Exhibits
A- Operating Agreement
Operating Agreement Exhibits
B- Offering Memorandum
C- Lead Sponsor Venture on 16th LLC's Offering Documents
The Lead Sponsor's Offering Documents are available by clicking this link. Please contact the Manager immediately if there are any issues with the link.

///EXHIBITS TO FOLLOW///

EXHIBIT A

HSK Capital on 16th Investor LLC Operating Agreement

**Operating Agreement
Of
HSK Capital on 16th Investor LLC
A Wyoming Limited Liability Company**

This Operating Agreement is made and entered into effective as of the date the Articles of Organization of HSK Capital on 16th Investor LLC (the "Company") were filed with the Wyoming Secretary of State by the promoters, pursuant to and in accordance with the Wyoming Limited Liability Company Act, codified as W.S. 17-29-101, as amended.

RECITALS

- A. WHEREAS the parties hereto, wishing to form and become members of the Company, under and pursuant to the laws of the State of Wyoming, have caused the Articles of Organization to be executed and filed with the Wyoming Secretary of State; and
- B. WHEREAS the parties agree that their respective rights, powers, duties, and obligations as members of the Company, as well as the management, operations, and activities of the Company, shall be governed by this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions contained herein, the parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

Section 1.1 Certain Definitions. Capitalized terms used in this Agreement without other definition shall, unless expressly stated otherwise, have the meanings specified in this Section 1:

Act	The Wyoming Limited Liability Company Act, codified as W.S. 17-29-101, as amended, in effect in the State of Wyoming or any corresponding provision or provisions of any succeeding or successor law; provided, however, that in the event that any amendment to the Act, or any succeeding or successor law, is applicable to the Company only if the Company has elected to be governed by the Act as so amended or by such succeeding or successor law, as the case may be, the term "Act" shall refer to the Act as so amended or to such succeeding or successor law only after the appropriate election by the Company, if made, has become effective.
Agreement	This Operating Agreement, as originally executed and as amended, modified, or supplemented from time to time. Words such as "herein," "hereinafter," "hereof," "hereto," "hereby," and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.
Assignee	Any transferee of a Member's Interest who has not been admitted as a Member of the Company in accordance with Section 9.4.
Bankruptcy	With respect to a Member: (i) such Member makes an assignment for the benefit of creditors; (ii) such Member files a voluntary petition in bankruptcy; (iii) such Member is adjudged as bankrupt or insolvent, or has entered against him or it an order for relief, in any bankruptcy or insolvency proceeding; (iv) such Member files a petition or answer seeking for himself or itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation; (v) such Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him

	or it in any proceeding of a nature described in this subsection 1.1.5; (vi) such Member seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of his or its properties; or (vii) 120 days after the commencement of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without the Member's consent or acquiescence of a trustee, receiver, or liquidator of the Member or of all or any substantial part of his or its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.
Capital Account	An account ledger established and maintained in accordance with, and intended to comply with, Income Tax Regulations Section 1.704-1(b) for each Member pursuant to Section 5.2 hereof. In order to preserve the anonymity of each Member, each Member shall be assigned a confidential Membership Identification Number once admitted as a Member. This number shall be the only identifying information in the Capital Account. Thus, assuming that all Members keep this number confidential, other than the Manager, no Member will know the identity of the rest of the Company Members.
Capital Contribution	The contributions made by the Members to the Company pursuant to Sections 6.1 or 6.4 hereof and, in the case of all the Members, the aggregate of all such Capital Contributions. This may be different from the Capital Account.
Class A Membership Interest	An Interest which is held by a respective Class A Member, identified as such in Exhibit 2. This is an Investor Class. The Investor Class has very limited voting and control of the Company.
Class B Membership Interest	An Interest that is held by a Class B Member, identified as such in Exhibit 2. HSK Capital on 16th Management LLC is the Class B Member. Class B possesses the majority of voting and control in the Company.
Code	The United States Internal Revenue Code of 1986, as amended, or any corresponding provision or provisions of any succeeding law and, to the extent applicable, the Income Tax Regulations.
Company	HSK Capital on 16th Investor LLC, a Wyoming limited liability company.
Distribution Schedule	The Company's distribution policies as set forth in the attached Exhibit 2.
Exhibit 1	The Capital Contributions and Membership Units, which give a record of the amount of capital a Member invested as well as that Member's number and Class of Units.
Exhibit 2	The Company's distribution policy and an explanation of how distributions shall be dispersed if distributions are declared by the Manager.
Interest	The entire ownership interest of a Member in the Company at any particular time, including, without limitation, the right of such Member to participate in the Company's income or losses, Distributions, and any and all rights and benefits to which a Member may be entitled pursuant to this Agreement and under the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and the Act.
Investor Class	Class A.
Manager or Management	An individual or entity who is elected as a Manager of the Company pursuant to Section 4.7 of this Agreement. The initial Manager is HSK Capital on 16th Management LLC.
Member	One who is admitted to the Company as a Member in accordance with the Act and this Agreement.

Membership Unit	Ownership interest issued to the Member based upon capital contributions. Membership Units are used to determine pro rata distribution amounts within Classes.
Preferred Return	A percentage equal to the Preferred Return stated for the specific Investor Class. Preferred Returns shall be the Preferred Return percentage stated multiplied by the Capital Contributions of such Member for the period of time from the time close of this Offering or the date the Contribution is made as provided by the governing documents.

Section 1.2 Forms of Pronouns; Number; Construction. Unless the context otherwise requires, as used in this Agreement, the singular number includes the plural, and the plural number may include the singular. The use of any gender shall be applicable to all genders. Unless otherwise specified, references to Articles, Sections, or subsections are to the Articles, Sections, and subsections in this Agreement. Unless the context otherwise requires, the term "including" shall mean "including, without limitation."

ARTICLE 2 ORGANIZATION

Section 2.1 Formation. The Members shall form the Company as a limited liability company under and pursuant to the provisions of the Act. The Members hereby agree that the Company shall be governed by the terms and conditions of this Agreement.

Section 2.2 Name, Office, and Registered Agent. The name of the Company shall be HSK Capital on 16th Investor LLC. All business of the Company shall be conducted under such name and title. The registered agent is Registered Agents Inc., located at 30 North Gould Street, Suite R, Sheridan, Wyoming 82801.

Section 2.3 Mailing Address. The Company may have such offices and places of business as the Manager may from time to time designate. The initial mailing address for the Company shall be 30 North Gould Street, Suite R, Sheridan, Wyoming 82801. The name and address of the Company's registered agent shall be as set forth in the Company's Articles of Organization until such time as the registered office is changed by the Manager in accordance with the Act.

Section 2.4 Purpose of the Company. The Company is organized for the following objects and purposes:

TO PURCHASE SECURITIES IN VENTURE ON 16TH LLC AND ANY ANCILLARY ACTIONS RELATED TO OR IN FURTHERANCE OF THAT PURPOSE.

It is understood that the foregoing statement of purposes shall not serve as a limitation on the powers or abilities of this Company, which shall be permitted to engage in any and all lawful business activities as shall be permitted under the laws of the State of Wyoming and any other State the Manager deems in the best interest of the Company.

Section 2.5 Filings. The Manager has caused the execution and delivery of such documents and performance of such acts consistent with the terms of this Agreement as may be necessary to comply with the requirements of law for the formation, qualification, and operation of a limited liability company under the laws of each jurisdiction in which the Company shall conduct business.

Section 2.6 Effective Date; Term. This Agreement shall be effective as of the date on which Articles

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of Organization of the Company were filed with the Wyoming Secretary of State, which is January 28, 2026. The term of the Company commenced, and the Company commenced its business, on the date set forth above and shall continue in perpetuity, unless sooner terminated pursuant to the provisions hereof. The existence of the Company as a separate legal entity shall continue until the cancellation of the Company's Articles of Organization.

ARTICLE 3

MEMBERS; LIMITED LIABILITY OF MEMBERS; CERTIFICATES; CLASSES

Section 3.1 Members. Each of the parties to this Agreement, and each Person admitted as a Member of the Company pursuant to the Act and Section 9.4 of this Agreement, shall be Members of the Company until they cease to be Members in accordance with the provisions of the Act, the Articles of Organization, or this Agreement. Upon the admission of any new Member, Exhibit 1 attached hereto shall be amended accordingly.

Section 3.2 Limited Liability. Except as expressly set forth in this Agreement or required by law, no Member shall be personally liable for any debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, solely by reason of being a Member of the Company.

Section 3.3 Certificates Evidencing Interests. The Company may issue to every Member of the Company a certificate signed by any Manager of the Company specifying the Interest of such Member, whose signature may be a facsimile or other means as the Manager deems necessary and appropriate. If a certificate for registered interests is worn out or lost, it may be renewed on production of the worn-out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a resolution of the Manager. Neither the Manager nor the Company shall be required to give such certificates, but shall at all times be required to keep an accurate record and ledger of all membership interests on file. Further, it is initially anticipated that the Company will provide so-called "book" certificates, meaning that the Company will keep an electronic record of Membership Units and may provide proof of such to a Member if requested, but the Company does not anticipate issuing physical certificates, nor generally issuing electronic certificates either. A Member may view their Membership status and Membership units in the Portal.

Section 3.4 Classes of Members.

3.4.1 The Company shall have two (2) Classes of Members: Class A and Class B Members. Each such Class of Members shall have the rights, powers, duties, obligations, preferences, and privileges set forth in this Agreement. The Member numbers of the Members shall be set forth in Exhibit 1 attached hereto and incorporated herein by reference, as amended from time to time. A person may simultaneously hold more than one class of membership. The Company Manager shall endeavor to keep the list of Member numbers that correspond to Member names confidential, but shall not be held to a duty to keep it confidential.

3.4.2 All Classes of Members shall be entitled to share in the distribution of distributable funds, as determined by Managers, according to this Agreement and in proportion to their respective Membership Units within their Class, as set forth on the Member's Subscription Agreement attached hereto and incorporated herein by reference, subject to the Distribution Schedule contained in Exhibit 2, and shall be entitled to a preferred return of their positive Capital Account balances upon dissolution and liquidation of the Company.

Section 3.5 Voting Rights.

3.5.1 Except as may otherwise be provided in this Agreement or the Act or the Articles of Organization, each of the Investor Class Members hereby waives its right to vote on any matters other than as set forth in Section 3.5. Whenever any provision of this Agreement refers to a majority for
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voting purposes, it refers only to a majority of those Units that are entitled to vote. Investor Class Members are only entitled to vote on the matters that are explicitly stated in this Agreement or required by law.

3.5.2 The affirmative vote of a Majority of the Class B Membership Units shall be required to: (a) replace a Manager or appoint a new Manager; (b) change the authorized number of Managers; (c) approve indemnification of any Manager, Member, or officer of the Company as authorized by Article 12 of this Agreement; and (d) take any action not subject to the class vote requirements of Section 3.5.3 below.

3.5.3 Subject to the Act and the Articles of Organization, the affirmative vote of Members holding not less than a majority of the voting authority in the Company and voting at a duly held meeting at which a quorum of each class is present (which Members voting affirmatively shall constitute at least a majority of the required quorum) shall be required to: (a) alter the Distribution Schedule provided for in Exhibit 2; (b) agree to continue the business of the Company after a Dissolution Event specified in Section 11.1; (c) approve any loan to any Manager or any guarantee of a Manager's obligations; and (d) authorize or approve a fundamental change in the business of the Company, provided, however, the Manager shall have sole discretion to sell real property.

3.5.4. Subject to the Act and the Articles of Organization, the affirmative vote of Members holding not less than a majority of the voting authority of the Company as a whole, voting at a duly held meeting at which a quorum of each class is present, shall be required to remove the Manager for cause pursuant to Section 4.6.3. below.

3.5.5 Unless a record date for voting purposes has been fixed as provided in Section 3.11 of this Agreement, only Persons whose names are listed as Members on the records of the Company at the close of business on the business day immediately preceding the day on which notice of the meeting is given or, if such notice is waived, at the close of business on the business day immediately preceding the day on which the meeting of Members is held (except that the record date for Members entitled to give consent to action without a meeting shall be determined in accordance with Section 3.11) shall be entitled to receive notice of and to vote at such meeting, and such day shall be the record date for such meeting. Any Member entitled to vote on any matter may cast part of the votes in favor of the proposal and refrain from exercising the remaining votes or vote against the proposal (other than for election or removal of a Manager), but if the Member fails to specify the Interests for which such Member is voting affirmatively, it will be conclusively presumed that the Member's approving vote is with respect to all votes such Member is entitled to cast. Such vote may be a voice vote or by ballot; provided, however, that all votes for election or removal of a Manager must be by ballot upon demand made by a Member at any meeting at which such election or removal is to be considered and before the voting begins.

3.5.6 Without limiting the preceding provisions of this Section 3.5, no Person shall be entitled to exercise any voting rights as a Member until such Person (i) shall have been admitted as a Member pursuant to Section 9.4, and (ii) shall have paid the Capital Contribution of such Person in accordance with Section 6.1.

3.5.7 The Investor Class as a whole shall have votes constituting a total of thirty-three percent (33%) of the total voting interest. Class B Membership as a whole shall have votes constituting a total of sixty-seven percent (67%) of the total voting interest. Notwithstanding the above, the Investor Class shall only be entitled to vote on those matters explicitly stated in this Agreement. Investor Class understands that its voting power is very limited.

Section 3.6 Place of Meetings. All meetings of the Members shall be held at any place within or
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without the State of Wyoming that may be designated by the Managers. In the absence of such designation, Members' meetings shall be held at the principal executive office of the Company.

Section 3.7 Meetings of Members. Meetings of the Members for the purpose of taking any action permitted to be taken by the Members may be called by any Manager, or by Members entitled to cast not less than seventy-five percent (75%) of the votes at the meeting. Upon request in writing that a meeting of Members be called for any proper purpose, the Manager forthwith shall cause notice to be given to the Members entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, not less than ten (10) nor more than sixty (60) days after receipt of the request. Except in special cases where other express provision is made by statute, written notice of such meetings shall be given to each Member entitled to vote not less than ten (10) nor more than sixty (60) days before the meeting. Such notices shall state:

3.7.1 The place, date, and hour of the meeting; and

3.7.2 Those matters which the Managers, at the time of the mailing of the notice, intend to present for action by the Members.

Section 3.8 Quorum. The presence at any meeting in person or by proxy of Members holding not less than a majority of the voting authority of the Class or Classes entitled to vote at such meeting shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the votes required to constitute a quorum. Members attending meetings through conference or video call shall be entitled to vote and shall be counted as part of the quorum. A quorum shall mean a total aggregate voting power of more than 50% through actual presence, proxy, or otherwise.

Section 3.9 Waiver of Notice. The actions of any meeting of Members, however called and noticed, and wherever held, shall be as valid as if taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice, consent or approval need not specify either the business to be transacted or the purpose of any regular or special meetings of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in subsections 3.5.2 – 3.5.4, inclusive, of this Agreement, the waiver of notice, consent, or approval shall state the general nature of such proposal. All such waivers, consents, or approvals shall be filed with the Company's records and made a part of the minutes of the meeting. Attendance of a Member at a meeting shall also constitute a waiver of notice of and presence at such meeting, except when the Member objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice but not so included, if such objection is expressly made at the meeting.

Section 3.10 Action by Members Without a Meeting. Managers may be elected or removed without a meeting by a consent in writing, setting forth the action so taken, signed by Members having not less than the minimum number of votes that would be necessary to elect or remove Managers in accordance with Section 4.6; in addition, a Manager may be elected at any time to fill a vacancy by a written consent signed by Class B Members having not less than the minimum number of votes that would be necessary to elect Managers in accordance with Section 4.6. Notice of such election shall be promptly given to non-consenting Members.

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Any other action which, under any provision of the Act or the Articles of Organization or this Agreement, may be taken at a meeting of the Members, may be taken without a meeting, and without notice except as hereinafter set forth, if a consent in writing, setting forth the action so taken, is signed by Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. All such consents shall be filed with the secretary of the Company and shall be maintained in the Company's records. Unless the consents of all Members entitled to vote have been solicited in writing, then (i) notice of any proposed Member approval of any of the matters set forth in subsections 3.5.2 – 3.5.4, inclusive, without a meeting by less than unanimous written consent shall be given to those Members entitled to vote who have not consented in writing at least ten (10) days before the consummation of the action authorized by such approval, and (ii) prompt notice shall be given of the taking of any other action approved by Members without a meeting by less than unanimous written consent to those Members entitled to vote who have not consented in writing.

Any Member giving a written consent, the Member's proxyholders, or a personal representative of the Member or their respective proxyholders, may revoke the consent by a writing received by the secretary prior to the time that written consents of the number of votes required to authorize the proposed action have been filed with the secretary, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary or, if there shall be no person then holding such office, upon its receipt by any other officer or Manager of the Company.

Section 3.11 Record Date. The Manager or, if there be no Manager then in office, the Members may fix a time in the future as a record date for the determination of the Members entitled to notice of and to vote at any meeting of Members or entitled to give consent to action by the Company in writing without a meeting, to receive any report, to receive any dividend or distribution, or any allotment of rights, or to exercise rights with respect to any change, conversion or exchange of interests. The record date so fixed shall be not more than sixty (60) days nor less than ten (10) days prior to the date of any meeting, nor more than sixty (60) days prior to any other event for the purposes of which it is fixed. When a record date is so fixed, only Members of record at the close of business on that date are entitled to notice of and to vote at any such meeting, to give consent without a meeting, to receive any report, to receive a dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any interests on the books of the Company after the record date, except as otherwise provided by statute or in the Articles of Organization or this Agreement.

If the Manager or the Members, as the case may be, do not so fix a record date, then (i) the record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day immediately preceding the day on which notice is given or, if notice is waived, at the close of business on the business day immediately preceding the day on which the meeting is held, and (ii) the record date for determining Members entitled to give consent to the Company action in writing without a meeting shall be the day on which the first written consent is given.

Section 3.12 Members May Participate in Other Activities. Each Member of the Company, either individually or with others, shall have the right to participate in other business ventures of every kind, whether or not such other business ventures compete with the Company. No Member, acting in the capacity of a Member, shall be obligated to offer to the Company or to the other Members any opportunity to participate in any such other business venture. Based upon the foregoing, the Members acknowledge and agree that the Company may acquire property rights from its Members and/or affiliate entities, such Members and/or affiliate entities, to the extent they are licensed brokers, shall be entitled to receive commissions as are customary. Neither the Company nor the other Members shall have any right to any income or profit derived from any such other business venture of a Member

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or affiliate entity. Furthermore, Members acknowledge that the Manager may serve in a managerial capacity or be a Member of companies or an affiliate of companies that may be viewed as competitors of the Company. Such activity shall not be a violation of the Manager's duties to the Company.

Section 3.13 Members Are Not Agents. Pursuant to Section 4.1 of this Agreement, the management of the Company is vested in the Manager. The Members shall have no power to participate in the management of the Company except as expressly authorized by the Act, this Agreement, or the Articles of Organization. No Member, acting solely in the capacity of a Member, is an agent of the Company nor does any Member, unless expressly and duly authorized in writing to do so by the Manager, have any power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

Section 3.14 Transactions of Members with the Company. Subject to any limitations set forth in this Agreement and with the prior approval of the Manager, a Member may lend money to and transact other business with the Company. Subject to other applicable law, such Member has the same rights and obligations with respect thereto as a Person who is not a Member.

ARTICLE 4 MANAGEMENT OF THE COMPANY

Section 4.1 Management and Operations. Subject to the provisions of the Act and any limitations in the Articles of Organization and this Agreement as to the action required to be authorized or approved by the Members, the business and affairs of the Company shall be managed, and all its powers shall be exercised by or under the direction of one or more Managers.

4.1.1 Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Manager shall have the following powers: (a) to conduct, manage, and control the business and affairs of the Company and to make such rules and regulations therefore not inconsistent with law or with the Articles of Organization or with this Agreement, as the Manager shall deem to be in the best interests of the Company; (b) to appoint and remove at pleasure the officers, agents, and employees of the Company, prescribe their duties and fix their compensation; (c) to borrow money and incur indebtedness for the purposes of the Company and to cause to be executed and delivered therefore, in the Company's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities therefore; (d) to designate an executive and/or other committees to serve at the pleasure of the Manager, and to prescribe the manner in which proceedings of such committees shall be conducted; (e) to buy or sell real property and/or personal property of the Company's subsidiaries, arrange financing and enter into contracts; and (f) to make all other arrangements and do all things which are necessary or convenient to the conduct, promotion, or attainment of the business, purposes, or activities of the Company.

Section 4.2 Duties and Conflicts. (a) The Manager shall devote such time to the Company's business as it, in its sole discretion, may deem to be necessary or desirable in connection with his responsibilities and duties hereunder. (b) The Manager shall not be liable to the Company or any Member for action or inaction taken in good faith for a purpose that was reasonably believed to be in the best interests of the Company; for losses due to such action or inaction; or for the negligence, dishonesty, or bad faith of any employee, broker, or other agent of the Company, provided that such employee, broker, or agent was selected, engaged, or retained with reasonable care. The Manager may consult with counsel and accountants on matters relating to the Company and shall be fully protected and justified in acting in accordance with the advice of counsel or accountants, provided that such counsel or accountants shall have been selected with reasonable care.

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Notwithstanding any of the foregoing to the contrary, the provisions of this Section 4.2 shall not be construed so as to relieve (or attempt to relieve) any person of any liability incurred (a) as a result of recklessness or intentional wrongdoing, or (b) to the extent that such liability may not be waived, modified, or limited under applicable law.

Section 4.3 Agency Authority of Manager. If more than one Manager holds office, then any of them shall be authorized to sign checks, contracts, and obligations on behalf of the Company. Any Manager, acting alone, is authorized to endorse checks, drafts, and other evidences of indebtedness made payable to the order of the Company, but only for the purpose of deposit into the Company's accounts. If the Manager has a manager, the Manager's manager shall have authority to sign checks acting in a Manager's capacity of the Company.

Section 4.4 Limited Liability. Except as expressly set forth in this Agreement or required by law, no Manager shall be personally liable for any debt, obligation, or liability of the Company, whether arising in contract, tort, or otherwise, solely by reason of being a Manager of the Company.

Section 4.5 Number and Qualifications of Managers. The authorized number of Managers that shall constitute the Managers shall be not less than one (1) nor more than three (3). Subject to the provisions of the Act and any limitations in the Articles of Organization, the authorized number of Managers may be changed from time to time upon the affirmative vote of Members holding not less than a majority of Voting authority in the Company. The exact number of Managers shall be fixed from time to time, within the limits specified in this Section 4.5, by the Managers then in office. The number of Managers comprising the Managers shall initially be one (1). A Manager may, but need not, be a Member of the Company.

Section 4.6 Vacancies; Resignations.

4.6.1 A vacancy shall be deemed to exist in case of the death, Bankruptcy, mental incompetence, resignation, or removal of any Manager, if the authorized number of Managers be increased, or if the Members fail, at any meeting of the Members at which any Manager or Managers are to be elected, to elect the full authorized number of Managers to be voted for at that meeting.

4.6.2 Unless the Members shall have elected a Manager to fill a vacancy, vacancies (except for a vacancy created by the removal of a Manager) may be filled by a majority of the Managers then in office, whether or not less than a quorum, or by a sole remaining Manager, and each Manager so elected shall hold office until such Manager's successor is elected by the required vote at a meeting of the Members, or by written consent of Members holding not less than a majority of the total Voting authority in the Company. A vacancy created by the removal of a Manager may only be filled by the vote of Members holding not less than a majority of the Voting authority in the Company represented and voting at a duly held meeting at which a quorum is present (which Members voting affirmatively also constitute at least a majority of the required quorum), or by the written consent of Members holding not less than a majority of the total Voting authority in the Company pursuant to Section 3.10 of this Agreement.

4.6.3 The Class B Member, by vote or written consent, may elect a Manager at any time to fill any vacancy or vacancies not filled by the other Managers. The Class B Member has sole authority to appoint the Manager. The Investor Class does not have Manager appointment authority.

4.6.4 Any Manager may resign effective upon giving ten (10) days' written notice to the Members of the Company unless the notice specifies a later time for the effectiveness of such resignation. A majority of the other Managers then in office, or failing such action the Members, shall have power to elect a successor to take office when the resignation is to become effective.

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Section 4.7 Initial Manager. The name of the initial Manager, to hold office from and after the date of this Agreement, is HSK Capital on 16th Management LLC, which may be an affiliate and/or manager of other ventures that may be deemed as competition to the Company.

Section 4.8 Managers May Engage in Other Activities. Each Manager of the Company, either individually or with others, shall have the right to participate in other business ventures of every kind, whether or not such other business ventures compete with the Company. No Manager, acting in the capacity of a Manager, shall be obligated to offer to the Company or to the other Manager any opportunity to participate in any such other business venture. Neither the Company nor the other Manager shall have any right to any income or profit derived from any such other business venture of a Manager. The Manager does not work in an exclusive capacity, nor right of first refusal or right of opportunity capacity. The Manager's failure to bring additional opportunities to the Company first shall not be a breach of the Manager's duties.

Section 4.9 Transactions of Managers with the Company. Subject to any limitations set forth in this Agreement and with the prior approval of a majority of disinterested Managers, or where there is only one Manager, a majority of the Voting authority in the Company, a Manager may lend money to and transact other business with the Company. Subject to other applicable laws, such Manager has the same rights and obligations with respect thereto as a Person who is not a Member or Manager.

Section 4.10 Compensation of Manager. The Manager is allowed to be compensated but is not required to be compensated. The Manager shall be reimbursed for all expenses in advance on behalf of the Company.

ARTICLE 5 INTERESTS

Section 5.1 Interests. The Membership Units of each Member in the Company shall be as set forth on a given Member's Subscription Agreement acceptance form, and the Company shall also keep a record of electronic or "book" membership unit certificates in the Company's records.

Section 5.2 Capital Accounts. A Capital Account shall be maintained for each Member on the books of the Company. Each Member's Capital Account shall be credited with the amount of any capital contribution made by such Member pursuant to Sections 6.1 and 6.4 and shall be adjusted appropriately to take into account all items of income, gain, loss, or deduction allocated to each Member and all distributions to each Member pursuant to Article 6 hereof. A single Capital Account shall be maintained for each Member (regardless of the class of Interests owned by such Member and regardless of the time or manner in which such Interests were acquired) in accordance with the capital accounting rules of Section 704(b) of the Code and the regulations thereunder (including without limitation Section 1.704-1(b)(2)(iv) of the Income Tax Regulations). In general, under such rules, a Member's Capital Account shall be:

(a) increased by (i) the amount of money contributed by the Member to the Company (including the amount of any Company liabilities that are assumed by such Member other than in connection with distribution of Company property), (ii) the fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that under Section 752 of the Code the Company is considered to assume or take subject to), and (iii) allocations to the Member of the Company income and gain (or item thereof), including income and gain exempt from tax; and (b) decreased by (i) the amount of money distributed to the Member by the Company (including the amount of such Member's individual liabilities that are assumed by the Company other than in connection with contribution of property to the Company), (ii) the fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that

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under Section 752 of the Code such Member is considered to assume or take subject to), (iii) allocations to the Member of expenditures of the Company not deductible in computing its taxable income and not properly chargeable to its capital account, and (iv) allocations to the Member of the Company loss and deduction (or item thereof). (c) Where Section 704-1 of the Code applies to Company property or where Company property is revalued pursuant to paragraph (b)(2)(iv)(t) of Section 1.704-1 of the Income Tax Regulations, each Member's Capital Account shall be adjusted in accordance with paragraph (b)(2)(iv)(g) of Section 1.704-1 of the Income Tax Regulations as to allocations to the Members of depreciation, depletion, amortization and gain or loss, as computed for book purposes with respect to such property. (d) When Company property is distributed in kind (whether in connection with liquidation and dissolution or otherwise), the Capital Accounts of the Members shall first be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in such property (that has not been reflected in the Capital Account previously) would be allocated among the Members if there were a taxable disposition of such property for the fair market value of such property (taking into account Section 7701(g) of the Code) on the date of distribution. (e) The Manager shall direct the Company's accountants to make all necessary adjustments in each Member's Capital Account as required by the capital accounting rules of Section 704(b) of the Code and the regulations thereunder.

Section 5.3 Return of Capital. No Member shall be liable for the return of the capital contributions (or any portion thereof) of any other Member, it being expressly understood that any such return shall be made solely from the assets of the Company. No Member shall be entitled to withdraw any part of such Member's capital contributions or Capital Account, to receive interest on such Member's capital contributions or Capital Account, or to receive any distributions from the Company, except as expressly provided for in this Agreement or under the Act as then in effect. No Member shall have the right to the return of any capital contributions except for scenarios explicitly stated herein.

Section 5.4 Liability. Except as otherwise provided by the Act or this Agreement, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company and no Member shall be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member of the Company. Except as otherwise expressly required by law, a Member, in his capacity as such, shall have no liability in excess of (i) his share of any assets and undistributed profits of the Company, (ii) his obligations to make other payments expressly provided for in this Agreement (excluding the obligation to make capital contributions to the Company hereunder which shall be an obligation strictly among and enforceable by the Members, and no third party shall be a third-party beneficiary thereof), and (iii) the amount of any distributions wrongfully distributed to him.

ARTICLE 6 CAPITAL CONTRIBUTIONS AND LOANS

Section 6.1 Initial Capital Contributions. Each Member shall make the initial capital contributions to the Company (each, an "Initial Capital Contribution"), in accordance with the amounts set forth in the given Member's Subscription Agreement hereto. Upon the making of such contributions, such amounts shall be credited to the Members' respective Capital Accounts. Each Member understands and assumes the risk of investing in the Company and shall be without recourse, including against the Company's assets, should he lose his investment. The Manager shall have discretion as to the date at which the subscriptions for Investor Class Interests shall be closed.

Section 6.2 Non-Member Loans to the Company. The Company may obtain such further funds as it requires for its operations from sources and on terms that are acceptable to the Manager, subject to the restrictions herein contained. Neither the Manager nor any Member shall have any personal liability as a result of any such borrowing unless any of the Members shall agree in writing to be

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personally liable.

Section 6.3 Member Loans to the Company. In the event that the Company shall require funds in order to carry out the purposes of the Company and such funds shall not be available from either prior capital contributions of the Members or the proceeds of a third-party loan to the Company, then with the consent of the Manager and subject to the restrictions hereof, any Member may, but shall not be required to, loan to the Company such required funds. In the event such a loan is made, the same shall not be considered an increase in the Member's Capital Account or an increase in such Member's share of the profits. Each such loan shall be without recourse and shall be upon such terms as shall be agreed to by the lending Member and shall be evidenced by a promissory note duly executed by the Manager on behalf of the Company and delivered to the lending Member.

Section 6.4 Additional Capital Contributions.

6.4.1 No Member shall be obligated to contribute additional capital to the Company and no Member shall be permitted or authorized to make any additional Capital Contribution without the prior approval of the Majority of the Membership and Manager.

Additional Capital Contributions may be necessary to accomplish the purposes and objectives of the Company. Capital Contributions may be made by the Members when determined necessary, from time to time, in the amounts and within the time determined by the Manager. Such additional Capital Contributions shall be payable in proportion to each Member's Capital Interest. If the current Members are unable or unwilling to meet the demand for Additional Capital Contributions, the Members acknowledge that new members may be added at the time additional capital is required. The Members acknowledge that their Membership Interests may change (including being diluted) from time to time as a result of adding Members to obtain additional Capital Contributions. However, this section is not for the benefit of any creditors of the Company. No creditor of the Company may obtain any right under this paragraph to make any claim that a Member is obligated to contribute capital to the Company for the purpose of satisfying the Company's creditors.

6.4.2 A Member or Members making Additional Capital Contributions shall receive a Capital Account credit for each such additional Capital Contribution at the time and in the amount that such contribution is made and Exhibit 1 and the Member's book certificate in the Company record book shall be adjusted accordingly.

ARTICLE 7

ALLOCATION OF PROFITS AND LOSSES; TAX AND ACCOUNTING MATTERS

Section 7.1 Allocations. Each Member's distributive share of income, gain, loss, deduction, or credit (or items thereof) of the Company as shown on the annual federal income tax return prepared by the Company's accountants or as finally determined by the United States Internal Revenue Service or the courts, and as modified by the capital accounting rules of Section 704(b) of the Code and the Income Tax Regulations thereunder, as applicable, shall be determined as follows:

7.1.1 Allocations. Except as otherwise provided in this Section 7.1: items of income, gain, loss, deduction, or credit (or items thereof) shall be allocated among the Members in proportion to their Membership Units as set forth in Exhibit 1, subject to the Distribution Schedule contained in Exhibit 2, except that items of loss or deduction allocated to any Member pursuant to this Section 7.1 with respect to any taxable year shall not exceed the maximum amount of such items that can be so allocated without causing such Member to have a deficit balance in his or its Capital Account at the end of such year, computed in accordance with the rules of paragraph (b)(2)(ii)(d) of Section 1.704-1 of the Income Tax Regulations. Any such items of loss or deduction in excess of the limitation set forth in the preceding sentence shall be allocated as follows and in the following order of priority: (1)

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first, to those Members who would not be subject to such limitation, in proportion to their Membership Units, subject to the Distribution Schedule contained in Exhibit 1; and (2) second, any remaining amount to the Members in the manner required by the Code and Income Tax Regulations. Subject to the provisions of subsections 7.1.2 – 7.1.11, inclusive, of this Agreement, the items specified in this Section 7.1 shall be allocated to the Members as necessary to eliminate any deficit Capital Account balances and thereafter to bring the relationship among the Members' positive Capital Account balances in accord with their pro rata interests.

7.1.2 Allocations with Respect to Property. Solely for tax purposes, in determining each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization, and gain or loss with respect to any contributed property, or with respect to revalued property where the Company's property is revalued pursuant to paragraph (b)(2)(iv)(f) of Section 1.704-1 of the Income Tax Regulations, shall be allocated to the Members in the manner (as to revaluations, in the same manner as) provided in Section 704(c) of the Code. The allocation shall take into account, to the full extent required or permitted by the Code, the difference between the adjusted basis of the property to the Member contributing it (or, with respect to property which has been revalued, the adjusted basis of the property to the Company) and the fair market value of the property determined by the Members at the time of its contribution or revaluation, as the case may be.

7.1.3 Minimum Gain Chargeback. Notwithstanding anything to the contrary in this Section 7.1, if there is a net decrease in Company Minimum Gain or Company Nonrecourse Debt Minimum Gain (as such terms are defined in Sections 1.704-2(b) and 1.704-2(i)(2) of the Income Tax Regulations, but substituting the term "Company" for the term "Partnership" as the context requires) during a Company taxable year, then each Member shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in the manner provided in Section 1.704-2 of the Income Tax Regulations. This provision is intended to be a "minimum gain chargeback" within the meaning of Sections 1.704-2(f) and 1.704-2(i)(4) of the Income Tax Regulations and shall be interpreted and implemented as therein provided.

7.1.4 Qualified Income Offset. Subject to the provisions of subsection 7.1.3, but otherwise notwithstanding anything to the contrary in this Section 7.1, if any Member's Capital Account has a deficit balance in excess of such Member's obligation to restore his or its Capital Account balance, computed in accordance with the rules of paragraph (b)(2)(ii)(d) of Section 1.704-1 of the Income Tax Regulations, then sufficient amounts of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be allocated to such Member in an amount and manner sufficient to eliminate such deficit as quickly as possible. This provision is intended to be a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d) of the Income Tax Regulations and shall be interpreted and implemented as therein provided.

7.1.5 Depreciation Recapture. Subject to the provisions of Section 1.704-1 of the Code and subsections 7.1.2 – 7.1.4, inclusive, of this Agreement, gain recognized (or deemed recognized under the provisions hereof) upon the sale or other disposition of Company property, which is subject to depreciation recapture, shall be allocated to the Member who was entitled to deduct such depreciation.

7.1.6 Loans. If and to the extent any Member is deemed to recognize income as a result of any loans pursuant to the rules of Sections 1272, 1273, 1274, 7872, or 482 of the Code, or any similar provision now or hereafter in effect, any corresponding resulting deduction of the Company shall be allocated to the Member who is charged with the income. Subject to the provisions of Section 1.704-1 of the Code and subsections 7.1.2 – 7.1.4, inclusive, of this Agreement, if and to the extent the Company is deemed to recognize income as a result of any loans pursuant to the rules of Sections 1272, 1273, 1274, 7872, or 482 of the Code, or any similar provision now or hereafter in effect, such income shall

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be allocated to the Member who is entitled to any corresponding resulting deduction.

7.1.7 Tax Credits. Tax credits shall generally be allocated according to Section 1.704-1(b)(4)(ii) of the Income Tax Regulations or as otherwise provided by law. Investment tax credits with respect to any property shall be allocated to the Members pro rata in accordance with the manner in which Company profits are allocated to the Members under subsection 7.1.1 hereof, as of the time such property is placed in service. Recapture of any investment tax credit required by Section 47 of the Code shall be allocated to the Members in the same proportion in which such investment tax credit was allocated.

7.1.8 Change of Pro Rata Interests. Except as provided in subsections 7.1.6 and 7.1.7 hereof or as otherwise required by law, if the proportionate interests of the Members of the Company are changed during any taxable year, all items to be allocated to the Members for such entire taxable year shall be prorated on the basis of the portion of such taxable year which precedes each such change and the portion of such taxable year on and after each such change according to the number of days in each such portion, and the items so allocated for each such portion shall be allocated to the Members in the manner in which such items are allocated as provided in Section 7.1.1 during each such portion of the taxable year in question.

7.1.9 Effect of Special Allocations on Subsequent Allocations. Any special allocation of income or gain pursuant to subsections 7.1.3 or 7.1.4 hereof shall be taken into account in computing subsequent allocations of income and gain pursuant to this Section 7.1 so that the net amount of all such allocations to each Member shall, to the extent possible, be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this Section 7.1 if such special allocations of income or gain under subsection 7.1.3 or 7.1.4 hereof had not occurred.

7.1.10 Nonrecourse and Recourse Debt. Items of deduction and loss attributable to Member nonrecourse debt within the meaning of Section 1.7042(b)(4) of the Income Tax Regulations shall be allocated to the Members bearing the economic risk of loss with respect to such debt in accordance with Section 1704-2(i)(I) of the Income Tax Regulations. Items of deduction and loss attributable to recourse liabilities of the Company, within the meaning of Section 1.752-2 of the Income Tax Regulations, shall be allocated among the Members in accordance with the ratio in which the Members share the economic risk of loss for such liabilities.

7.1.11 State and Local Items. Items of income, gain, loss, deduction, credit, and tax preference for state and local income tax purposes shall be allocated to and among the Members in a manner consistent with the allocation of such items for federal income tax purposes in accordance with the foregoing provisions of this Section 7.1.

Section 7.2 Accounting Matters. The Manager shall cause to be maintained complete books and records accurately reflecting the accounts, business, and transactions of the Company on a calendar-year basis and using such cash, accrual, or hybrid method of accounting as in the judgment of the Manager is most appropriate; provided, however, that books and records with respect to the Company's Capital Accounts and allocations of income, gain, loss, deduction, or credit (or item thereof) shall be kept under U.S. federal income tax accounting principles as applied to partnerships.

Section 7.3 Fiscal Year. The Company's fiscal year shall begin on January 1st and end on December 31st. The Manager may at any time elect a different fiscal year if permitted by the Code and applicable regulations of the United States Treasury.

Section 7.4 Tax Status and Returns.

7.4.1 The Company shall file as a partnership for Federal income tax purposes. Any provision hereof to the contrary notwithstanding, solely for United States federal income tax purposes, each of the
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Members hereby recognizes that the Company may be subject to the provisions of Subchapter K of Chapter 1 of Subtitle A of the Code; provided, however, the filing of U.S. Partnership Returns of Income shall not be construed to extend the purposes of the Company or expand the obligations or liabilities of the Members.

7.4.2 The Manager shall prepare or cause to be prepared all tax returns and statements, if any, that must be filed on behalf of the Company with any taxing authority and shall make timely filing thereof. Within one hundred twenty (120) days after the end of each calendar year, the Manager shall prepare or cause to be prepared and delivered to each Member a report setting forth in reasonable detail the information with respect to the Company during such calendar year reasonably required to enable each Member to prepare his or its federal, state, and local income tax returns in accordance with applicable law then prevailing. The Manager shall use good faith to abide by this timeline, but Members understand that due to the numerosity of accounting items, the complexity of the Company's bookkeeping, and numerous other variables that neither the Company nor the Manager can predict or control, this information may be delivered on a schedule that is delayed from above. If the Manager reasonably believes that it will not be able to complete tax preparations in the time stated, the Manager will notify Members within ninety (90) days after the end of the calendar year. The Manager shall not be in breach of its duty if such delays occurred due to reasonable causes.

7.4.3 Unless otherwise provided by the Code or the Income Tax Regulations thereunder, the Manager or one of its individual representatives shall be the "Partnership Representative" for U.S. federal income tax purposes. The Manager shall make all decisions for the Company relating to tax matters including, without limitation, whether to make any tax elections (including the election under Section 754 of the Code), the positions to be taken on the Company's tax returns, and the settlement, and further contest or litigation of any audit matters raised by the Internal Revenue Service or any other taxing authority. Hussein Hamzaali Girnary shall serve as the initial Partnership Representative.

ARTICLE 8 DISTRIBUTIONS

Section 8.1 Distributions.

8.1.1 Subject to the reasonably anticipated business needs and opportunities of the Company, taking into account all debts, liabilities, and obligations of the Company then due, working capital, and other amounts which the Manager deems necessary for the Company's business or to place into reserves for customary and usual claims with respect to such business, and subject also to any restrictions under applicable law (including, without limitation, any obligation to withhold and remit any amounts to any governmental authority), the Manager may resolve to distribute the distributable cash, as determined by the Company Manager's sole discretion, of the Company to the Members on a quarterly basis in proportion to their Members' Membership Units as set forth in Exhibit 1, subject to the Distribution Schedule contained in Exhibit 2.

8.1.2. The Manager anticipates providing Distributions on a quarterly basis, generally following the Company's receipt of distributions from the Lead Sponsor. The Company expects the Lead Sponsor to begin making distributions to the Company beginning with the first full calendar month of ownership, although timing may vary. This is solely an estimate. Distributions may come sooner, may come later, and because there is risk involved, may never come.

8.1.3. Without limiting the generality of subsection 8.1.1, if and to the extent that the Company is earning income which will result in the Members being subject to income tax on their distributive share of the Company's income, minimum distributions shall be made to the Members in such amounts and at such times (but no later than 45 days past the end of the second quarter preceding the given tax year, unless advisable from the Company accountant or CPA) as shall be sufficient to enable the

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Members to meet United States income tax liability arising or incurred as a result of their participation in the Company. For the purposes of such distributions, it shall be assumed that the Members are taxable at combined U.S. federal individual, state, and local rates of forty percent (40%). Any such distribution shall be made on a nondiscriminatory basis to all Members pro rata in accordance with their respective Membership Units, subject to the Distribution Schedule contained in Exhibit 2. It is specifically recognized that in making a forty percent (40%) assumption regarding tax distributions, some Members may receive a distribution that is in excess of their actual tax liabilities, and some Members may receive a distribution that is less.

Section 8.2 Form of Distributions.

8.2.1 No Member, regardless of the nature of the Member's Capital Contribution, has any right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to accept from the Company a distribution of any asset in kind. There may be no distributions ever made to Members at all.

8.2.2 Without limiting the generality of subsection 8.2.1, the Managers may, with the consent of the Member receiving the distribution, distribute specific property or assets of the Company to one or more Members.

Section 8.3 Restriction on Distributions.

8.3.1 No distribution shall be made if, after giving effect to the distribution: (a) The Company would not be able to pay its debts as they become due in the usual course of business; or (b) The Company's total assets would be less than the sum of its total liabilities plus, unless this Agreement provides otherwise, the amount that would be needed if the Company were to be dissolved at the time of the distribution, to satisfy the preferential rights of other Members, if any, upon dissolution that are superior to the rights of the Member receiving the distribution.

8.3.2 The Managers may base a determination that a distribution is not prohibited on any of the following: (a) financial statements prepared on the basis of generally accepted accounting principles; (b) A fair valuation; or (c) Any other method that is reasonable in the circumstances. The effect of a distribution is to be measured as of the date the distribution is authorized if the payment is to occur within one hundred twenty (120) days after the date of authorization, or the date payment is made if it is to occur more than one hundred twenty (120) days after the date of authorization.

Section 8.4 Return of Distributions. Members and Assignees who receive distributions made in violation of the Act or this Agreement shall return such distributions to the Company. Except for those distributions made in violation of the Act or this Agreement, no Member or Assignee shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company. The amount of any distribution returned to the Company by a Member or Assignee or paid by a Member or Assignee for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to the Member or Assignee.

Section 8.5 Withholding from Distributions. To the extent that the Company is required by law to withhold or to make tax or other payments on behalf of or with respect to any Member, the Company may withhold such amounts from any distribution and make such payments as so required. For purposes of this Agreement, any such payments or withholdings shall be treated as a distribution to the Member on behalf of whom the withholding or payment was made.

Section 8.6 754 Election. In the event of a distribution of property to a Member, the death of an individual Member, or a transfer of any interest in the Company permitted under the Act or this Agreement, the Company may, at the discretion of the Manager upon the written request of the

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transferor or transferee, file a timely election under Section 754 of the Code and the Income Tax Regulations thereunder to adjust the basis of the Company's assets under Section 734(b) or 743(b) of the Code and a corresponding election under the applicable provisions of state and local law, and the person making such request shall pay all costs incurred by the Company in connection therewith, including reasonable attorneys' and accountants' fees.

ARTICLE 9 TRANSFER OF COMPANY INTERESTS

Section 9.1 No Transfer. No Member, shareholder (direct or indirect) of a corporate Member, partner (whether general or limited) of a Member which is a partnership (general or limited), member of a Member which is a limited liability company or owner of all or any portion of any other entity which is a Member or which has a beneficial interest, either direct or indirect, in a Member, may sell, assign, transfer, give, hypothecate, or otherwise encumber (any such sale, assignment, transfer, gift, hypothecation or encumbrance being hereinafter referred to as a "Transfer"), directly or indirectly, or by operation of law or otherwise, any interest in the Company or in such corporation, partnership, or other entity (each an "Intermediary"), except as hereinafter set forth in this Article 9 or otherwise with the consent of the Manager. Any Transfer of any interest in the Company or an Intermediary in contravention of Article 9 shall be null and void. No Member, without the prior written consent of the Manager (other than the retiring or withdrawing Member), shall retire or withdraw from the Company, except as a result of such Member's death, disability, insanity, incompetency, or the final adjudication of such Member as a Bankrupt.

Section 9.2 Permitted Transfers. Any Member may, from time to time and in its sole discretion, transfer its Interest, in whole or in part, to (i) any affiliate of that Member so long as that Member owns 51% or more of that affiliate of Member, or (ii) a living or revocable trust for the benefit of the Member or such Member's Immediate Family (as hereinafter defined) (a "Family Trust") so long as the transferring Member is the sole trustee of such Family Trust. As used in this Article 9, the term "Immediate Family" shall mean any spouse, parents, children, including those adopted, siblings, and direct descendants and spouses of any of the foregoing, of an individual that is a Member or that controls a Member. Any transferee referred to in the clause above shall become a Member of the Company. In the event that (i) a Member Transfers its Interest, pursuant to this Section 9.2, to a limited liability company controlled by such Member or to a Family Trust, and (ii) at any time thereafter, such Member ceases to control the transferee limited liability company, or such Member ceases to be the sole trustee of the transferee Family Trust (each, a "Triggering Event"), the Company shall have the option to purchase all of such transferee's interest in the Company, except for distribution participation, for a sum total of one dollar.

Section 9.3 Succession by Operation of Law. In the event of the death or incapacity of an individual Member or in the event of the merger, consolidation, dissolution, or liquidation of any Member not an individual, all of such Member's rights hereunder, including such Member's Interest, shall, subject to the remaining provisions of this Article 9, pass to such Member's personal representative, heir or distribute, in the case of an individual Member, or to such Member's legal successor, in the case of any Member not an individual. Upon and contemporaneously with any such transfer of a Member's Interest by operation of law, the Company shall purchase from the transferee of such Interest, and the transferee shall sell to the Company for a purchase price of \$1 for each Unit of the Interest transferred, all rights and interests of the transferee in the Company, other than the right to its share of the Company's distributions and allocations, including such transferee's right, if any, to vote and participate in the management of the Company, except those rights that cannot be waived by an assignee of an economic interest in the Company pursuant to the Act. Essentially, with Succession by operation of law, the Successor Member shall only have profit participation and shall have none of the already limited voting and control rights in the Company, unless explicitly required through the

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same order requiring succession. This provision shall also apply to any transfers due to a Member's change in marital status by order of law or transfers due to community property.

Section 9.4 New Members.

9.4.1 The Manager is authorized to conduct additional offerings for the sale of additional Membership Units to current Members as well as the sale of Membership Units to New Members. New Members shall become Members on the closing date for a given offering, assuming they have met all additional requirements and were approved as Members in the Manager's sole discretion.

9.4.2 Notwithstanding Section 9.2 hereof, no person or entity, not then a Member, shall become a Member hereunder under any of the provisions hereof unless such person or entity shall expressly assume and agree to be bound by all of the terms and conditions of this Agreement. Each such person or entity shall also cause to be delivered to the Company, at his or its sole cost and expense, a favorable opinion of legal counsel reasonably acceptable to the Manager, to the effect that (a) the contemplated Transfer of such Company Interest to such person or entity does not violate any applicable securities law, (b) that such person or entity has the legal right, power, and capacity to own the Interest, and (c) that the contemplated Transfer will not cause a termination of the Company within the meaning of Section 708 of the Code or that such termination would not have material adverse tax consequences for the non-transferring Members. Such person shall also deliver such documentation to the Company necessary to evince such person's agreement to the terms of this Agreement and any other governing documents of the Company or documents that all other Members have executed in furtherance of the Company's endeavors. All reasonable costs and expenses incurred by the Company in connection with any Transfer of an Interest and, if applicable, the admission of a person or entity as a Member hereunder, shall be paid by the transferor. Upon compliance with all provisions hereof applicable to such person or entity becoming a Member, all other Members agree to execute and deliver such amendments hereto as are necessary to constitute such person or entity a Member of the Company.

Section 9.5 Rights of New Members. Notwithstanding anything to the contrary in this Agreement, (a) a transferee of a Member's Interest in the Company pursuant to a Transfer under this Article 9 (other than pursuant to Section 9.2 hereof) shall be admitted to the Company as a Member with respect to that Member's Interest only with the written consent of the Manager, it being understood that the giving or withholding of such consent shall be within the sole and absolute discretion of the Manager, (b) until and unless that transferee is admitted as a Member, the transferee shall be entitled to its share of the Company's distributions and allocations but shall not have any other rights or privileges of a Member, except as otherwise required by this Agreement or the Act, and (c) until and unless that transferee is admitted as a Member, the transferor shall not cease to be a Member of the Company and shall continue to be a Member until such time as the transferee is admitted as a Member under this Agreement.

Section 9.6. Charging Order. Pursuant to W.S. 17-29-503, a charging order is an exclusive remedy by which a person seeking to enforce a judgment against the Member, may satisfy the judgment. Other remedies, including foreclosures on the Member's Membership Interest and a court order for directions, accounts, and inquiries that the judgment debtor might have made, are not available to the judgment creditor attempting to satisfy a judgment against the Member. In the event a Membership Interest is subject to a charging order:

1. The Company shall not dissolve;
2. The assignee of any Member's interest (the "Creditor Assignee") shall only obtain an assignment of the membership interest, not the actual transfer of membership in the Company;
3. The Creditor Assignee shall have none of the rights of the Member and shall in no event have the right to interfere in the management or the administration of the affairs of the

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Company or to act as a Member of the Company. The Creditor Assignee shall have only the right to receive distributions, profits, and losses attributable to the Member's Membership Interest in the Company.

4. The Creditor Assignee shall receive the federal and all relevant state Forms K-1 and report all income and loss on his income tax returns each year in accordance with Rev. Rul. 77-137, 1977-1 C.B. 178.

5. The Manager may terminate a Member's Membership Interest, or any portion thereof, if the Member's Membership Interest, or any portion thereof, becomes subject to a charging order.

Section 9.7. Regulatory Removal. If a Member has misinformed the Company about its financial status or other items related to that Member's suitability for being a Member of the Company, or if the Member's status changes to where it is no longer eligible to be a Member of the Company, the Company has the unilateral right to purchase 100% of that Member's interest for a purchase price that is equivalent to the amount that the Member paid for its Membership Units, minus any distributions that have been provided to that Member.

ARTICLE 10 BOOKS AND RECORDS; RESERVES

Section 10.1 Records Inspection. On reasonable notice, a Member may inspect and copy during regular business hours, at a reasonable location specified by the Company, any record maintained by the Company regarding the Company's activities, financial condition, and other circumstances, to the extent the information is material to the Member's rights and duties under the Operating Agreement or this section.

Section 10.2. Types of Records Available for Inspection. The Company shall furnish to each Member: (a) On demand, any information concerning the Company's activities, financial condition, and other circumstances that the Company knows and is material to the proper exercise of the Member's rights and duties under the Operating Agreement or this section, except to the extent the Company can establish that it reasonably believes the Member already knows the information; (b) On demand, any other information concerning the Company's activities, financial condition, and other circumstances, except to the extent the demand or information demanded is unreasonable or otherwise improper under the circumstances.

Section 10.3 Time and Location for Inspection. During regular business hours and at a reasonable location specified by the Company, a Member may obtain from the Company and inspect and copy full information regarding the activities, financial condition, and other circumstances of the Company as is just and reasonable if: (a) The Member seeks the information for a purpose material to the Member's interest as a Member; (b) The Member makes a demand in a record received by the Company, describing with reasonable particularity the information sought and the purpose for seeking the information; and (c) The information sought is directly connected to the Member's purpose.

Section 10.4 Reserves. The Manager shall establish Reserves by deducting from income such amounts as it shall deem advisable.

Section 10.5 Filings. The Manager, at the Company's expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Manager, at the Company's expense, shall also cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to or restatements of the Articles of Organization and all reports required to be filed by the Company with those entities under the Act or other then-current applicable laws, rules, and regulations. If a Manager required by the Act to execute or file any document fails, after demand, to do so within a reasonable period of time or refuses to do

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so, any other Manager or Member may prepare, execute, and file that document with the Wyoming Secretary of State.

Section 10.6 Bank Accounts. The Manager shall maintain the funds of the Company in one or more separate bank accounts in the name of the Company and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

ARTICLE 11 TERMINATION

Section 11.1 Dissolution. Subject to the provisions of the Act or the Articles of Organization, the Company shall be dissolved, and its affairs wound up upon the first to occur of the following, each a Dissolution Event:

(a) At the time specified in the Articles of Organization or upon the expiration of the term specified in Section 2.6 of this Agreement; (b) Upon the sale of all or substantially all of the assets of the Company and the receipt of all consideration therefor; (c) The unanimous vote of the Members; or (d) The entry of a decree of judicial dissolution.

Section 11.2 Termination. In all cases of dissolution of the Company, the Members shall wind up the business of the Company and terminate the Company as promptly as practicable thereafter. The business of the Company shall be wound up and the Company terminated after each of the following shall be accomplished: (a) The Manager, by consulting with the Company's accountant(s), shall cause to be prepared a statement setting forth the assets and liabilities of the Company as of the date of dissolution, a copy of which statement shall be furnished to all of the Members. (b) The property and assets of the Company shall be liquidated by the Manager as promptly as possible, but in an orderly, businesslike, and commercially reasonable manner. (c) Any gain or loss realized by the Company upon the sale of its property and assets shall be allocated to the Members in the manner set forth in Article 7 hereof. (d) The proceeds of sale and all other assets of the Company shall be applied and distributed as follows and in the following order of priority: (i) To creditors of the Company including Members of the Company to the extent otherwise permitted by law in satisfaction of (1) the debts and liabilities of the Company whether by payment or the making of reasonable provisions for payment thereof and (2) the expenses of liquidation. (ii) To the setting up of any reserves which the Manager shall determine to be reasonably necessary for contingent, conditional, or unmatured liabilities or obligations of the Company or the Members arising out of or in connection with the Company. Such reserves may, at the discretion of the Manager, be paid over to a bank, selected by the Manager and authorized to conduct business as an escrow agent, to be held by such bank as escrow agent for the purposes of disbursing such reserves to satisfy the liabilities and obligations described above, and at the expiration of such period as the Manager may reasonably deem advisable, distributing any remaining balance as provided in clause (iii) below; provided, however, that, to the extent that it shall have been necessary, by reason of applicable law or regulation, to create any reserves prior to any distribution that would otherwise have been made under this subsection (d) and, by reason thereof, a distribution under clause (i) hereof has not been made, then any balance remaining shall first be distributed pursuant to clause (i) hereof. (iii) To all the Members in the proportion of their respective positive Capital Accounts, as those accounts are determined after all adjustments to such accounts for the taxable year of the Company during which the liquidation occurs as are required by this Agreement and Income Tax Regulations § 1.704-1(b), such adjustments to be made within the time specified in such Income Tax Regulations. (iv) To the Members in accordance with the Distribution Schedule contained in Exhibit 2. (v) To the Members in proportion to their Membership Units and Class as set forth in Exhibit 1. (e) The Manager is hereby irrevocably appointed as having power of attorney in the name, place, and stead of each of the Members, such appointment being coupled with an interest, to make, execute, sign, acknowledge, and file with respect to the Company all papers

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which shall be necessary or desirable to effect the dissolution and termination of the Company in accordance with the provisions of this Article and the Act. Without limiting the foregoing, the Manager shall, upon the completion of the winding up of the Company, file an appropriate certificate of cancellation of the Articles of Organization as required by the Act. Notwithstanding the foregoing, each Member, upon the request of the Manager, shall promptly execute, acknowledge, and deliver all such documents, certificates, and other instruments as the Manager shall reasonably request to effectuate the proper dissolution and termination of the Company, including the winding up of the business of the Company.

ARTICLE 12 INDEMNIFICATION AND INSURANCE

Section 12.1 Indemnification: Proceeding Other than by Company. The Company may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, except an action by or in the right of the Company, by reason of the fact that he or she is or was a Manager, Member, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a Manager, Member, shareholder, director, officer, partner, trustee, employee, or agent of any other Person, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding if he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and that, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that his or her conduct was not unlawful.

Section 12.2 Indemnification: Proceeding by Company. The Company may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was a Manager, Member, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a Manager, Member, shareholder, director, officer, partner, trustee, employee, or agent of any other person, joint venture, trust, or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him or her in connection with the defense or settlement of the action or suit if he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company. Indemnification may not be made for any claim, issue, or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Section 12.3 Mandatory Indemnification. To the extent that a Manager, Member, officer, employee, or agent of the Company has been successful on the merits or otherwise in defense of any action, suit, or proceeding described in Sections 12.1 and 12.2, or in defense of any claim, issue, or matter therein, he or she must be indemnified by the Company against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense.

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Section 12.4 Authorization of Indemnification. Any indemnification under Sections 12.1 and 12.2, unless ordered by a court or advanced pursuant to Section 12.5, may be made by the Company only as authorized in the specific case upon a determination that indemnification of the Manager, Member, officer, employee, or agent is proper in the circumstances. The determination must be made in a written opinion by independent legal counsel selected by the Manager.

Section 12.5 Mandatory Advancement of Expenses. The expenses of Managers, Members and officers incurred in defending a civil or criminal action, suit, or proceeding must be paid by the Company as they are incurred and in advance of the final disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the Manager, Member, or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Company. The provisions of this Section 12.5 do not affect any rights to advancement of expenses to which personnel of the Company other than Managers, Members, or officers may be entitled under any contract or otherwise.

Section 12.6 Effect and Continuation. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to Sections 12.1 – 12.5, inclusive, do not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Organization or this Agreement, or otherwise, for either an action in his or her official capacity or an action in another capacity while holding his or her office, except that indemnification, unless ordered by a court pursuant to Section 12.2 or for the advancement of expenses made pursuant to Section 12.5, may not be made to or on behalf of any Member, Manager, or officer if a final adjudication establishes that his or her acts or omissions involved intentional misconduct, fraud, or a knowing violation of the law and was material to the cause of action; and continues for a person who has ceased to be a Member, Manager, officer, employee, or agent and inures to the benefit of his or her heirs, executors, and administrators.

Section 12.7 Notice of Indemnification and Advancement. Any indemnification of, or advancement of expenses to, a Manager, Member, officer, employee, or agent of the Company in accordance with this Article 12, if arising out of a proceeding by or on behalf of the Company, shall be reported in writing to the Members.

Section 12.8 Repeal or Modification. Any repeal or modification of this Article 12 by the parties hereto shall not adversely affect any right of a Manager, Member, officer, employee, or agent of the Company existing hereunder at the time of such repeal or modification.

ARTICLE 13 INVESTMENT REPRESENTATIONS; PRIVATE OFFERING EXEMPTION

Each Member, by his or its execution of this Agreement, hereby represents and warrants to, and agrees with, the Manager, the other Members, and the Company as follows:

Section 13.1 Investment Intent. Such Member is acquiring the interest for investment purposes for its own account only and not with a view to or for sale in connection with any distribution of all or any part of the Interest.

Section 13.2 Economic Risk. Such Member is financially able to bear the economic risk of his or its investment in the Company, including the total loss thereof.

Section 13.3 No Registration of Units. Such Member acknowledges that the Interests have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or qualified under
CONFIDENTIAL

any state securities law or under the laws of any other jurisdiction, in reliance, in part, on such Member's representations, warranties, and agreements herein. The Company is relying on the Federal Exemption under Rule 506(c) of Regulation D promulgated by the Securities and Exchange Commission. This investment is for Accredited Investors only.

Section 13.4 No Obligation to Register. Such Member represents, warrants, and agrees that the Company and the Managers are under no obligation to register or qualify the Interests under the Securities Act or under any state securities law or under the laws of any other jurisdiction or to assist such Member in complying with any exemption from registration and qualification.

Section 13.5 No Disposition in Violation of Law. Without limiting the representations set forth above, and without limiting Article 9 of this Agreement, such Member will not make any disposition of all or any part of the Interests which will result in the violation by such Member or by the Company of the Securities Act or any other applicable securities laws. Without limiting the foregoing, each Member agrees not to make any disposition of all or any part of the Interests unless and until:

13.5.1 there is then in effect a registration statement under the Securities Act covering such proposed disposition, and such disposition is made in accordance with such registration statement and any applicable requirements of state securities laws; or

13.5.2 such Member has notified the Company of the proposed disposition and has furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Managers, such Member has furnished the Company with a written opinion of legal counsel, reasonably satisfactory to the Company, that such disposition will not require registration of any securities under the Securities Act or the consent of or a permit from appropriate authorities under any applicable state securities law or under the laws of any other jurisdiction.

Section 13.6 Financial Estimates and Projections. Members understand that all projections and financial or other materials that may have been furnished are not based on historical operating results, because no reliable results exist, and are based only upon estimates and assumptions which are subject to future conditions and events which are unpredictable, and which may not be relied upon in making an investment decision.

ARTICLE 14 DEFAULTS AND REMEDIES

Section 14.1 Defaults. If a Member materially defaults in the performance of his or its obligations under this Agreement, and such default is not cured within ten (10) business days after written notice of such default is given by a Manager to the defaulting Member for a default that can be cured by the payment of money, or within thirty (30) calendar days after written notice of such default is given by a Manager to the defaulting Member for any other default, then the non-defaulting Members shall have the rights and remedies described in Section 14.2 hereunder in respect of the default.

Section 14.2 Remedies. If a Member fails to perform his or its obligations under this Agreement, the Company and the non-defaulting Members shall have the right, in addition to all other rights and remedies provided herein, on behalf of himself or itself, the Company, or the Members, to bring the matter to arbitration pursuant to Section 15.8. The award of the arbitrator in such a proceeding may include, without limitation, an order for specific performance by the defaulting Member of his or its obligations under this Agreement, or an award for damages for payment of sums due to the Company or to a Member.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Entire Agreement. This Agreement, and the exhibits hereto, constitute the entire Agreement among the Members with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No party hereto shall be liable or bound to the other in any manner by any warranties, representations, or covenants with respect to the subject matter hereof except as specifically set forth herein. Exhibits 1 & 2, as well as the Company's Subscription Booklet, as may be amended, are expressly incorporated by reference. Members are not permitted to view another Member's Subscription Booklet and Subscription Agreement by virtue of that person being a Member. In other words, individual Subscription Booklets and Subscription Agreements shall not be considered records kept in the Company's ordinary course, and thus are not books and records subject to Member review, solely based upon the status of being a Member.

Section 15.2 Further Assurances. Each Member agrees to execute, acknowledge, deliver, file, record, and publish such further certificates, amendments to certificates, instruments, exhibits, and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement. Failure to execute any reasonably required documents may prevent an individual or entity from becoming a Member or may diminish the benefits in the Member's interest.

Section 15.3 Amendments.

15.3.1 This Agreement may be materially amended only by the affirmative vote, in a writing duly executed, of a Majority of the Members.

15.3.2 The Company Manager shall have unilateral authority to make the following amendments without any vote: correction of typographical errors; correction of scrivener's errors; clerical amendments; updates to exhibits; addition of exhibits or addendums; change in the location of principal place of business; change in the registered agent of the Company; withdrawal, substitution, and/or removal of Members in accordance with this Agreement; amendments to cure ambiguities; a change in the fiscal year or taxable year; a change the Manager determines to be necessary or appropriate to prevent the Company from falling under regulatory requirements that are more arduous than the current regulatory requirements; a change the Manager deems necessary or appropriate to satisfy guidelines, requirements, opinions, orders, rulings and similar requirements from a court or a government agency; a change that the Manager deems necessary to prevent the Company from being subject to the ERISA, or in the alternative, a change to comply with ERISA requirements; an amendment to make this Agreement conform to the Private Placement Memorandum that the Company has provided to Members; and other similar amendments. This authority shall be read and interpreted in a manner to give the Manager wide discretion.

15.3.3 The Articles of Organization may only be amended by the affirmative vote of all the Managers.

Section 15.4 No Waiver. No consent or waiver, express or implied, by the Company or a Member to or of any breach or default by any Member in the performance by such Member of his or its obligations under this Agreement shall constitute a consent to or waiver of any similar breach or default by that or any other Member. Failure by the Company or a Member to complain of any act or omission to act by any Member, or to declare such Member in default, irrespective of how long such failure continues, shall not constitute a waiver by the Company or such Member of his or its rights under this Agreement.

Section 15.5 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any
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rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

Section 15.6 Severability. If one or more provisions of this Agreement are held by a proper court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary and permitted by law, shall be severed from this document, and the balance of this Agreement shall be enforceable in accordance with its terms.

Section 15.7 Governing Law. This Agreement shall be governed by and construed under the substantive laws of the State of Wyoming. The prevailing party of a dispute that arises in relation to this Agreement shall be entitled to reasonable attorney fees and costs.

Section 15.8 Dispute Resolution. In the event of any dispute or disagreement between the parties hereto as to the interpretation of any provision of this Agreement (or the performance of obligations hereunder), the matter, upon written request of either party, shall be referred to representatives of the parties for decision. The representatives shall promptly meet in a good-faith effort to resolve the dispute. If the representatives do not agree upon a decision within thirty (30) calendar days after reference of the matter to them, any controversy, dispute, or claim arising out of or relating in any way to this Agreement or the transactions arising hereunder shall be settled exclusively by arbitration in Wyoming, unless a different location is agreed upon by the parties. Such arbitration shall be administered by JAMS in accordance with its then prevailing expedited rules, by one independent and impartial arbitrator selected in accordance with such rules. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 et seq. The fees and expenses of JAMS and the arbitrator shall be shared equally by the parties to the dispute and advanced by them from time to time as required; provided that at the conclusion of the arbitration, the arbitrator shall award costs and expenses (including the costs of the arbitration previously advanced and the reasonable fees and expenses of attorneys, accountants, and other experts) to the prevailing party. No pre-arbitration discovery shall be permitted, except that the arbitrator shall have the power in his sole discretion, on application by any party, to order pre-arbitration examination solely of those witnesses and documents that any other party intends to introduce in its case-in-chief at the arbitration hearing. The parties shall instruct the arbitrator to render his award within thirty (30) calendar days following the conclusion of the arbitration hearing. The arbitrator shall not be empowered to award to any party any damages of the type not permitted to be recovered under this Agreement in connection with any dispute between or among the parties arising out of or relating in any way to this Agreement or the transactions arising hereunder, and each party hereby irrevocably waives any right to recover such damages. Notwithstanding anything to the contrary provided in this Section 15.8 and without prejudice to the above procedures, either party may apply to any court of competent jurisdiction for temporary injunctive or other provisional judicial relief if such action is necessary to avoid irreparable damage or to preserve the status quo until such time as the arbitrator is selected and available to hear such party's request for temporary relief. The award rendered by the arbitrator shall be final and not subject to judicial review and judgment thereon may be entered in any court of competent jurisdiction. The decision of the arbitrator shall be in writing and shall set forth findings of fact and conclusions of law.

Section 15.9 Notices. Unless otherwise provided in this Agreement, any notice or other communication herein required or permitted to be given shall be in writing and shall be given by electronic communication, hand delivery, registered or certified mail, with proper postage prepaid, return receipt requested, or courier service regularly providing proof of delivery, addressed to the party hereto as provided as follows:

15.9.1 All communications intended for the Company shall be sent to its principal executive office to the attention of its President; and

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15.9.2 All communications intended for a Member shall be sent to the address of such Member set forth in Exhibit 1 to this Agreement, or such other address as such Member shall have provided to the Company for such purpose by notice served in accordance with this Section 15.9. All notices shall be sent as aforesaid or at any other address of which any of the foregoing shall have notified the others in any manner prescribed in this Section 15.9. For all purposes of this Agreement, a notice or communication will be deemed effective: (a) if delivered by hand or sent by courier, on the day it is delivered unless that day is not a day upon which commercial banks are open for business in the city specified (a "Local Business Day") in the address for notice provided by the recipient, or if delivered after the close of business on a Local Business Day, then on the next succeeding Local Business Day; (b) if sent by facsimile transmission or electronic mail, on the date transmitted, provided oral or written confirmation of receipt is obtained by the sender, unless the transmission and confirmation date is not a Local Business Day, in which case on the next succeeding Local Business Day; (c) if sent by registered or certified mail, on the tenth (10th) Local Business Day after the date of mailing.

Section 15.10 Titles and Subtitles. The titles of the sections and paragraphs of this Agreement are for convenience only and are not to be considered in construing this Agreement.

Section 15.11 Currency. Unless otherwise specified, all currency amounts in this Agreement refer to the lawful currency of the United States of America.

Section 15.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and facsimile signatures shall be deemed originals.

Section 15.13 Preparation of Agreement. This Agreement has been prepared by a law firm hired solely as counsel for the Company ONLY, and: i. The Members have been informed that a conflict of interest may exist among the Members' individual interests; and ii. The Members have been advised to seek the advice of independent counsel; and iii. The Members have been represented by independent counsel or have had the opportunity to seek such representation and have chosen not to on their own volition, at their own peril; and iv. The Company's counsel has not given any advice or made any specific representations to the Members with respect to the tax or legal consequences of this Agreement other than Members should seek their business, legal, and tax advice and should have answers to all and any questions before investing or becoming a Member; and vi. The Members have been represented by independent counsel or have had the opportunity to seek such representation with respect to the tax and legal consequences of this Agreement, and have received such independent counsel, or have chosen not to use such representation.

///SIGNATURES IN THE FOLLOWING PAGE///

IN WITNESS WHEREOF, the Company's Manager and Members hereby execute this Operating Agreement as of the 28th day of January in the year 2026.

A Member's signature on the Subscription Booklet shall be treated as if that Member signed this Operating Agreement.

EXECUTION BY THE EXECUTIVE TEAM

Hussein Girnary

Hussein Girnary (Feb 12, 2026 11:39:26 PST)

HSK Capital on 16th Management LLC,
Manager of HSK Capital on 16th Investor LLC

Kimberly Workman

Kimberly Workman (Feb 13, 2026 09:39:57 PST)

HSK Capital on 16th Management LLC,
Manager of HSK Capital on 16th Investor LLC

By its Managing Member: Moonrig Solutions, Inc.
Represented by: Hussein Hamzaali Girnary

By its Managing Member: SoLa Capital, LLC
Represented by: Kimberly Workman

///END OF DOCUMENT///

**HSK Capital on 16th Investor
LLC
Operating Agreement Exhibits**

A- Exhibit 1:
Capital Contributions

B- Exhibit 2:
Distribution Schedule

(Format of actual exhibits may vary slightly solely for administrative/clerical purposes)

///EXHIBITS ON FOLLOWING PAGES///

EXHIBIT 2

DISTRIBUTION SCHEDULE HSK CAPITAL ON 16TH INVESTOR LLC A WYOMING LIMITED LIABILITY COMPANY

Return of Capital

When the Company distributes available cash, distributions will first be made one hundred percent (100%) to Class A Members until Class A Members have received an amount equal to their invested capital.

Preferred Return Distribution

After the return of invested capital, and subject to available cash flow, distributions will be made one hundred percent (100%) to Class A Members until Class A Members have received an eight percent (8%) cumulative, compounded Preferred Return on their invested capital.

Distributions After Preferred Returns

After Class A Members have received the return of invested capital and the Preferred Return described above, remaining distributions will be made eighty percent (80%) to Class A Members and twenty percent (20%) to Class B Members until Class A Members have achieved a fifteen percent (15%) internal rate of return on their invested capital.

Distributions Upon Class A Reaching a 15% IRR

After Class A Members have achieved a fifteen percent (15%) internal rate of return on their invested capital, distributions will be made one hundred percent (100%) to Class B Members until Class B Members have received twenty percent (20%) of cumulative profits, including the Preferred Return, less amounts previously distributed to Class B Members.

Distributions After Class B Members Receive a 20% Cumulative Profit

After Class B Members have received twenty percent (20%) of cumulative profits, including the Preferred Return, less amounts previously distributed to Class B Members, distributions will be made eighty percent (80%) to Class A Members and twenty percent (20%) to Class B Members.

THIS DISTRIBUTION SCHEDULE IS ON THE ASSUMPTION THAT THE COMPANY IS PROFITABLE AND POSSESSES MONIES TO DISTRIBUTE TO MEMBERS. THIS DISTRIBUTION SCHEDULE SHALL NOT BE CONSTRUED AS A GUARANTEE OF ANY DISTRIBUTIONS NOR ANY AMOUNT OF DISTRIBUTIONS. A SCENARIO COULD ARISE IN WHICH THERE ARE NO DISTRIBUTIONS MADE BY THE COMPANY. THIS IS NOT A GUARANTEE OF ANY KIND WHATSOEVER. THE COMPANY IS NOT REQUIRED TO MAKE DISTRIBUTIONS, AND THE COMPANY MAY HAVE NO PROFITS TO DISTRIBUTE. MANAGERS ARE NOT REQUIRED TO MAKE DISTRIBUTIONS EVEN IF THE COMPANY IS PROFITABLE AND POSSESSES THE FUNDS TO DO SO. UNLESS STATED OTHERWISE, ALL DISTRIBUTIONS WILL BE MADE IN U.S. DOLLARS. THE COMPANY SHALL NOT BE RESPONSIBLE FOR ANY TRANSACTION FEES, EXCHANGE RATE FLUCTUATIONS, OR RELATED COSTS. ANY EXPENSES INCURRED BY THE COMPANY IN REMITTING FUNDS INTERNATIONALLY SHALL BE THE RESPONSIBILITY OF THE INVESTOR.

///END OF EXHIBIT 2///

EXHIBIT B

HSK Capital on 16th Investor LLC Offering Memorandum

Off-Market Deal. Prime
Biltmore Location. \$19.5M.
Phoenix Multifamily:

- Fully Renovated
- Distressed Purchase
- Immediate Cashflow



VENTURE
at 16th St.



Important Disclosures

This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities. Any such offer will be made only pursuant to definitive offering documents.

Forward-Looking Statements.

This presentation contains forward-looking statements, including projections, estimates, and assumptions regarding future performance. These statements are based on current expectations and assumptions that are subject to risks, uncertainties, and changes in circumstances. Actual results may differ materially.

Investment Risks.

An investment in the offering involves a high degree of risk, including but not limited to market risk, interest rate risk, operating risk, liquidity risk, and the risk of loss of principal. Past performance is not indicative of future results.

Illiquidity and Hold Period.

The investment is illiquid and should be considered a long-term commitment. Investors should be prepared to hold their investment for a minimum period of three (3) years, with no assurance of liquidity or exit timing.

Regulation D Offering.

The securities are being offered pursuant to Regulation D, Rule 506(c) under the Securities Act of 1933 and are available only to accredited investors. Verification of accredited investor status is required.

No Guarantees.

There can be no assurance that the investment objectives will be achieved or that investors will receive any distributions or returns.

Investment Summary

Property	Venture on 16th · 6315 N 16th St, Phoenix, AZ
Units	86 fully renovated apartments
Purchase Price	\$19.5M (26% discount to 2022 value)
Minimum Investment	\$50,000
Target Hold	3 years
Preferred Return	8% compounded
Projected Cash Distributions	5%+ annualized, paid quarterly
Projected AAR	20%+
Projected EM	1.62x+
Tax-Advantaged	K-1 passive losses via bonus depreciation

Meet The HSK Capital Team



Hussein Girnary
R&D, Medical Devices



Stacey Ishman
ENT Surgeon | Academic Career
Coach



Kimberly Workman
Orthopedic Surgery



**Matthew Messoline &
Cynthia Kao**
Family & Internal Medicine



Brian Kwan
Academic Hospital Medicine



Hadil F. Yousef
Dentistry



Mike Rone & Christina Tran
IT Project Management/Emergency
Medicine



Grace Lin & Tommy Swanson
Emergency Medicine/Neonatology



Cher Li
Ph.D. Economics



Rachelle Santos
Physician/Investor



The Sponsors

Meet The Sponsors

John Kobierowski is Co-founder, Managing Partner, and President of Real Estate at Neighborhood Ventures. He is also the CEO/President of ABI Multifamily and is the owner of The Grid. Works co-work space in Uptown Phoenix. He is a contributing member of the Forbes Real Estate Council.

John graduated from Arizona State University with a BS in Liberal Arts with a minor in Business focused on Engineer and Architecture. Over the course of his career, he has personally closed over 1,400 multifamily transactions, developed over 800 condominium units, and owned over 1,000 apartment units, homes, and condos.



Jamison Manwaring is Co-founder, Managing Partner, and CEO of Neighborhood Ventures. In 2020 he was selected as Phoenix Business Journal's 40 under 40. Before Neighborhood Ventures, he served as the Vice President of Investor Relations at LifeLock and assisted the company in its successful sale to Symantec in February of 2017.

Before LifeLock, Jamison was a technology analyst at Goldman Sachs where he participated in over a dozen software IPOs including Tableau, Alarm.com, and LifeLock. Jamison graduated from the University of Utah with a BS in Finance.

Why Neighborhood Ventures?



Founded

2018



Investors on Platform

15,000 +



Phoenix Specialists

21 offerings, 9 exits,
37% average
property-level IRR



Vertically Integrated

In-house property
and construction
management



Conservative Financing

Fixed-rate, long-term debt



Aligned Incentives

They invest
alongside you



Market Overview

Why Phoenix?

4.8 M+

Metro population is 4.8M+ (2025)

#1

Population growth is #1 in U.S. (2010–2020); +1.2% annually continuing

2.4 M

Job growth is 2.4M jobs; +1.5% YoY growth

Below Average

Unemployment is below national average

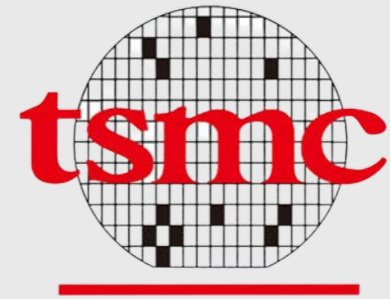
~\$416,000

The median home price is ~\$416,000

~\$1,000/mo

Rent vs. Buy Gap: ~\$1,000/mo cheaper to rent than own

Major Employers



High homeownership costs continue pushing households into the rental market — supporting sustained multifamily demand.

Biltmore-Camelback Submarket

Phoenix's Premier Infill Submarket



- **Submarket Vacancy:** <7% (vs. 12%+ metro-wide) — one of the most resilient submarkets in the metro.
- **Average Rent:** ~\$1,600–\$1,800/mo
- **Rent Growth Outlook:** Has had growth over the last few years vs. the broader market which has had rent declines due to increased new inventory. Expected to continue to climb, ahead of broader market.
- **Median Household Income:** \$80,000–\$117,000
- **New Supply Pipeline:** Limited — zoning constraints & high barriers to entry

Biltmore-Camelback Submarket



A highly desirable Phoenix infill location — home to top dining, shopping, and entertainment, with easy access to outdoor recreation and Camelback Mountain.



Property Overview

The Property — Venture on 16th



Address	6315 N 16th St, Phoenix, AZ 85016
Units	86
Occupancy	90%+ at acquisition
Condition	Fully renovated (interior + exterior)
Purchase Price	\$19.5M (\$227K/unit)

A modern, pet-friendly apartment community offering 2-, 3-, and 4-bedroom units with in-unit washer/dryer, resort-style pool, fitness center, and outdoor entertainment areas.

Location, Location, Location

**IRREPLACEABLE, DYNAMIC BILTMORE LOCATION
MINUTES FROM HIGH EMPLOYMENT CAMELBACK CORRIDOR**

UPTOWN PLAZA
M's FINE FOODS SHAKE SHACK
elly's BRUNCH & CAFE THE HENRY
FLOWER CHILD SUSHI VIBE

VENTURE
at 16th St.

ARIZONA BILTMORE
±650 Employees
±740 Rooms



MIDTOWN PHOENIX
±65,000 Employees | ±1,100 Businesses

Dignity Health U-HAUL
Banner Health Sparklight
ALLIEDUNIVERSAL CenturyLink
Advisor Group IBM CopperPoint

Dignity Health
±4,300 Employees

PHOENIX CHILDREN'S Hospital
±4,500 Employees

Banner University Medical Center
Phoenix
±4,000 Employees

THE SHOPS AT TOWN & COUNTRY

WHOLE FOODS RACK
Snooze ATHLETA
hopdoddy
The Container Store

Location

- Minutes from Biltmore Fashion Park, Town & Country, Uptown Plaza
- Easy access to SR-51 freeway
- Adjacent to Camelback Corridor business district
- Close to Midtown Phoenix and Central Phoenix healthcare centers

Lifestyle

- Dining: The Henry, Flower Child, Hopdoddy, Pizzeria Bianco
- Recreation: Arizona Biltmore, Wrigley Mansion, Royal Palms, Camelback Mt trails
- Shopping: Uptown Plaza, Biltmore Fashion Park, The Shops at Town & Country

SOUTHWEST AERIAL



SOUTHEAST AERIAL



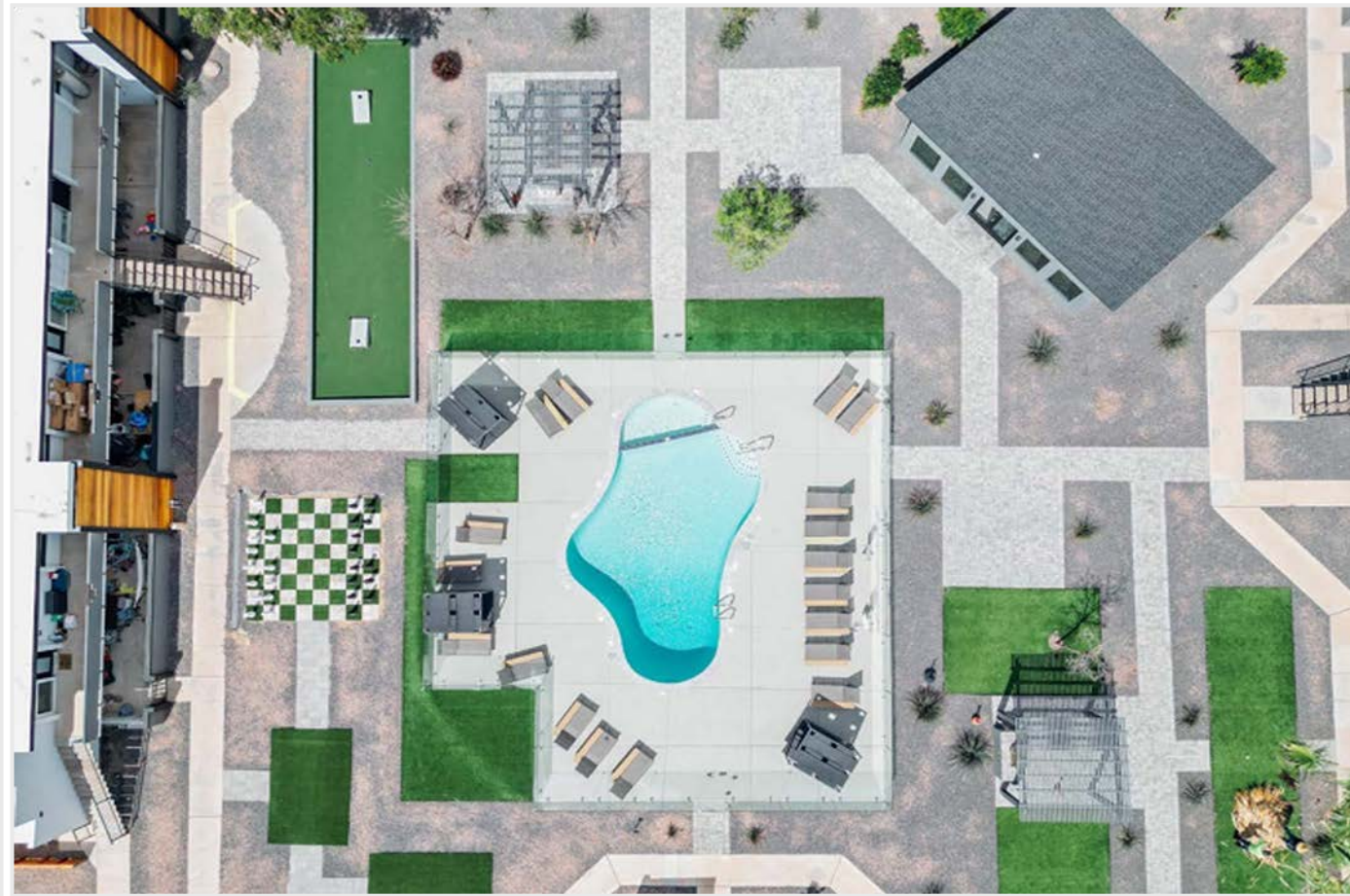
EAST AERIAL



NORTHEAST AERIAL



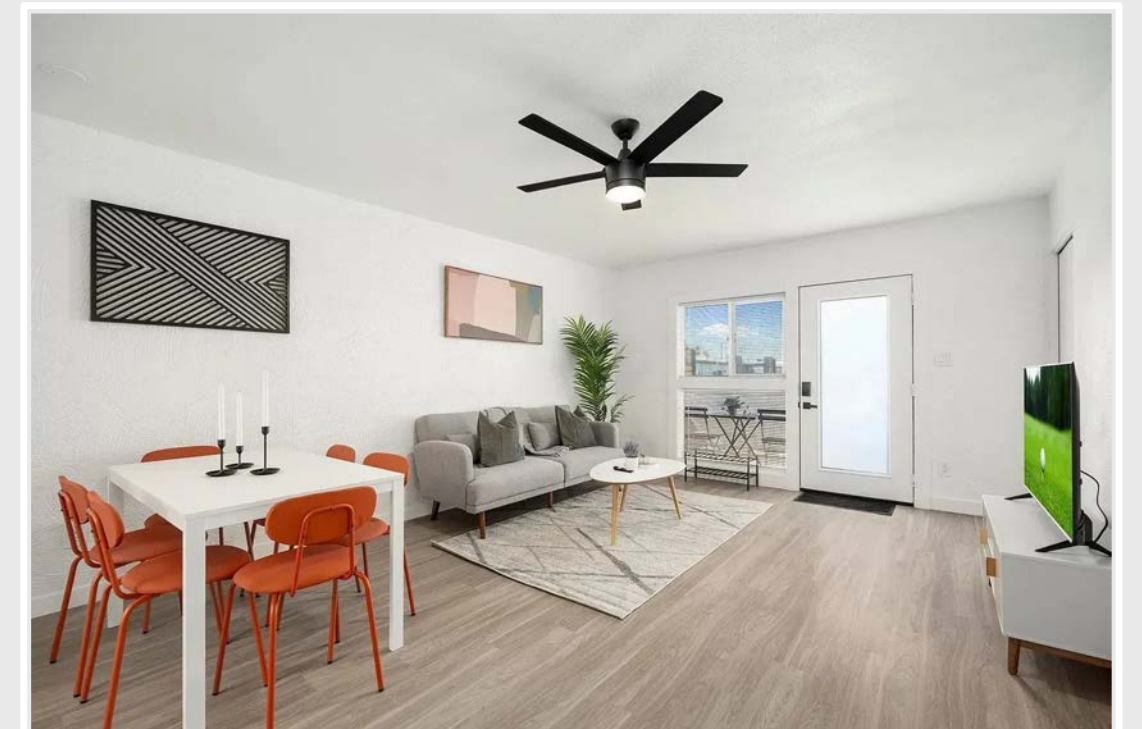
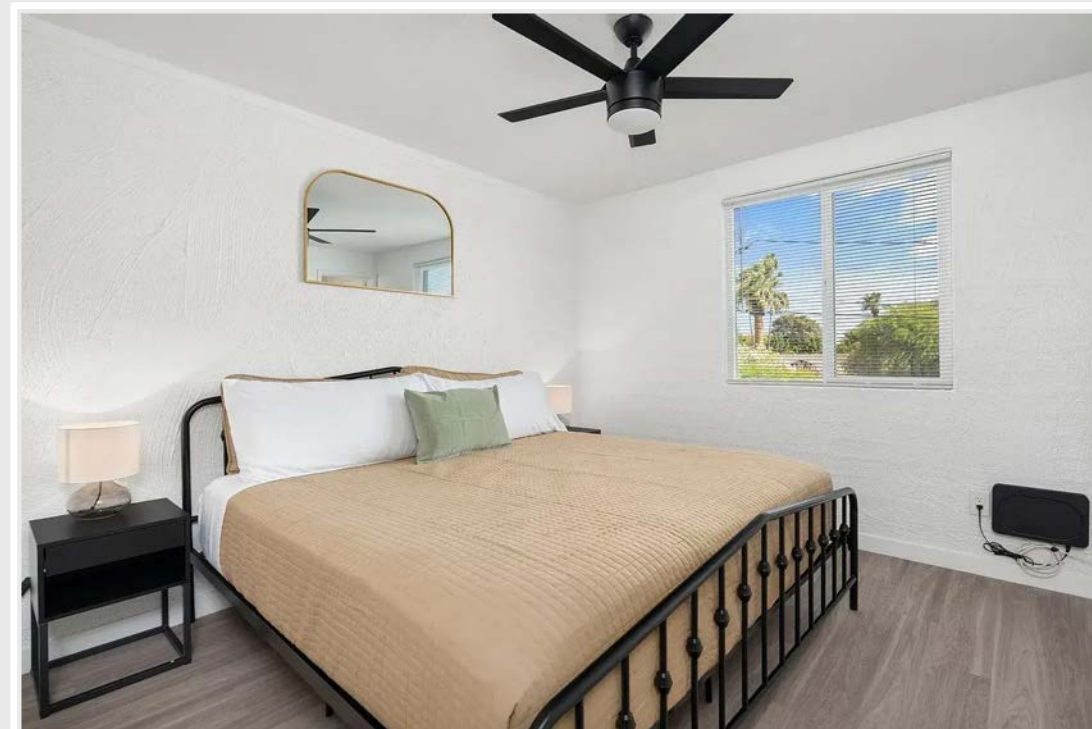
Exterior



Exterior



Interiors



Why The Discount?

Seller Distress ≠ Asset Distress

The Macro Context:

- Before rate hikes, many owners used floating-rate loans with aggressive LTVs
- Rising rates dramatically increased debt service costs
- \$2.2 trillion in multifamily debt matures before 2028
- Many owners selling at 20–30% discounts to meet obligations

This Property:

- Seller distress drove the discount - not asset quality
- Property is physically stabilized and performing
- We benefit from their capital structure challenges

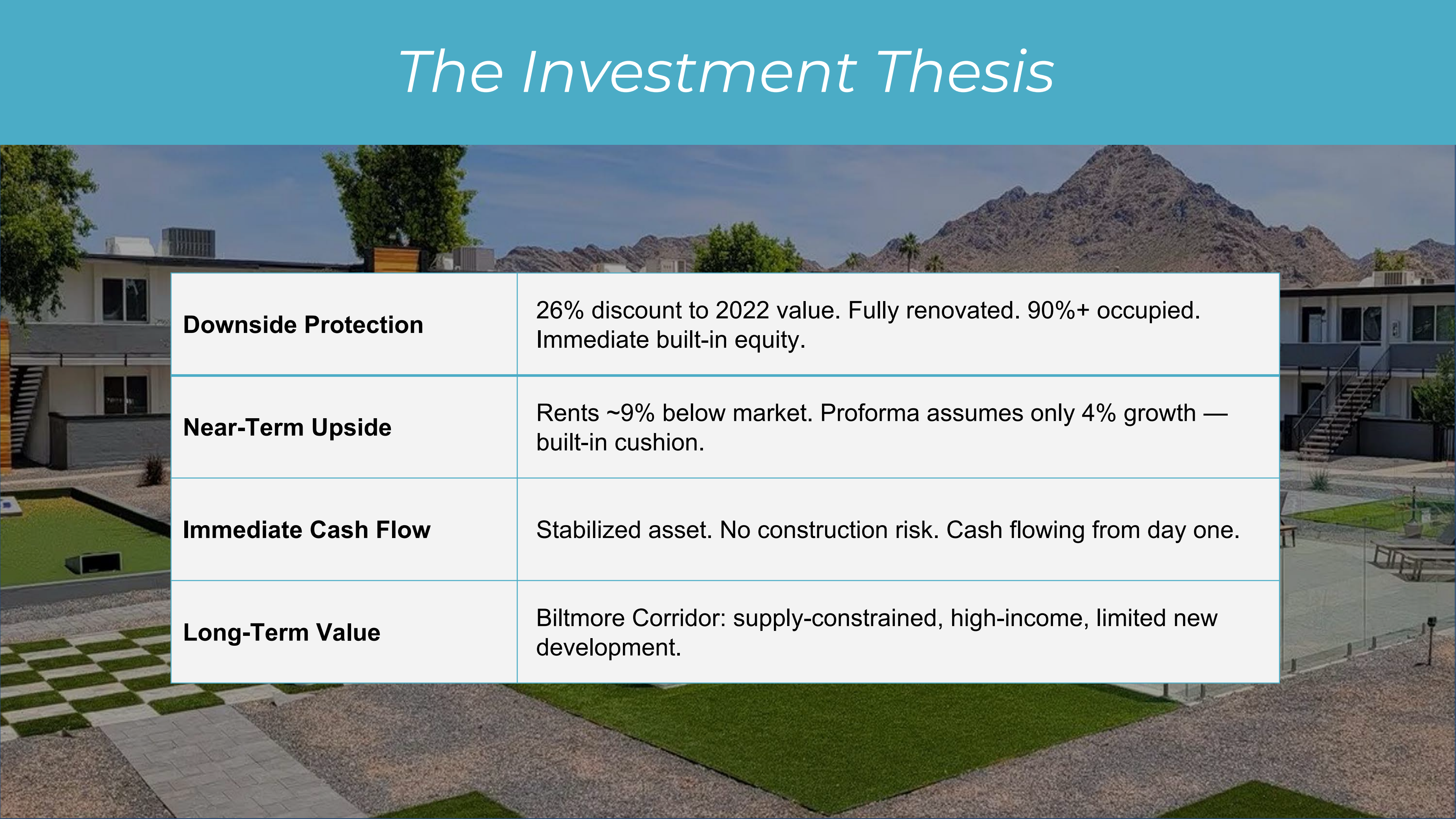
Why NV Got This Deal: Neighborhood Ventures is the most active operator in the Phoenix market. This deal came directly from the bank, off-market, through deep broker and lender relationships.

The Numbers: Sold in 2022 for \$26.6M → Owners invested ~\$3M in renovations → Loan balance: \$21.5M → **Our price: \$19.5M**

The Investment Window

\$2.2T in Debt Matures <2028	Supply Pressure is Easing	Vacancy is Stabilizing
Many owners over-leveraged with floating-rate loans	National completions down 30%+ from 2024 peak	National vacancy declined for first time in 3 years
Rising rates forced distressed sales at 20–30% discounts	New starts slowing sharply	Phoenix: NV properties seeing occupancy increases

The Investment Thesis



Downside Protection	26% discount to 2022 value. Fully renovated. 90%+ occupied. Immediate built-in equity.
Near-Term Upside	Rents ~9% below market. Proforma assumes only 4% growth — built-in cushion.
Immediate Cash Flow	Stabilized asset. No construction risk. Cash flowing from day one.
Long-Term Value	Biltmore Corridor: supply-constrained, high-income, limited new development.

Rents ~4% Below Proforma — Room to Grow

Current rents trail market by ~9%, but we're underwriting conservatively.

- Current rents trail **market** by approximately **9%**
- Proforma assumes only **4% rent growth** — not full market capture
- As leases renew, we can mark to market **without renovations or capital expenditure**

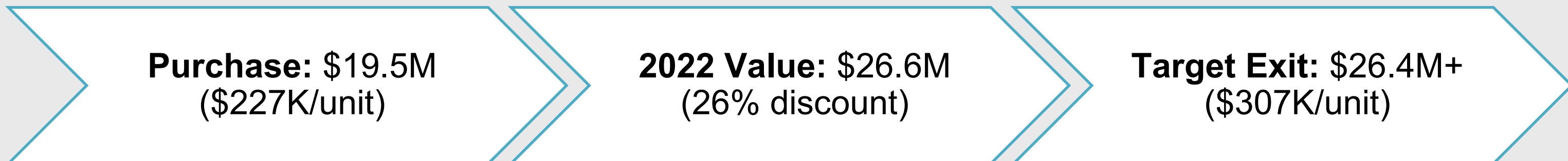
Unit Type	Current Rent	Proforma Rent	Gap to Proforma
2 bed / 2 bath	\$1,484	\$1,549	+4%
3 bed / 2 bath	\$1,800	\$1,849	+3%
3 bed / 3 bath	\$1,895	\$1,995	+5%
4 bed / 2 bath	\$2,238	\$2,299	+3%
Average	\$1,854	\$1,923	+4%

The Business Plan

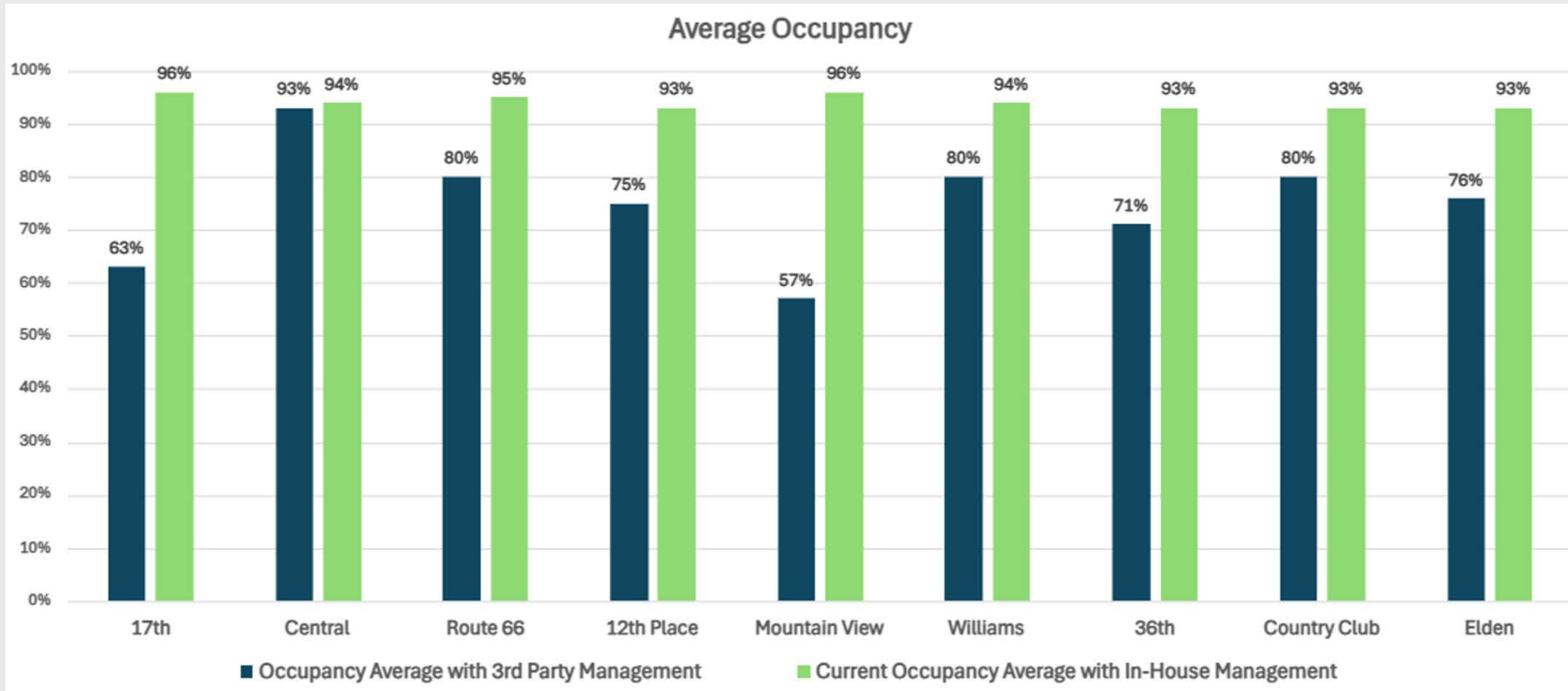
Operational Optimization, Not Speculation

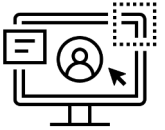
The 3-year timeline:

Year 1: Stabilize & Optimize	Year 2: Grow & Strengthen	Year 3: Position for Exit
In-house management	Continue rent normalization	Evaluate market conditions
Revenue systems	Reduce expenses (~20%)	Prepare for sale or refi
Mark-to-market rents	Build NOI momentum	Execute at favorable valuation
Maintain 90%+ occupancy		




Proof Point — In-House Management Works



 **94%**
Average Occupancy with In-House Management

 **6 Months**
Average Time to get a property over 90%

 **75%**
Average Occupancy with 3rd-Party Management

Risks & How We're Addressing Them

Risk	Mitigation
Market Rent Growth	Conservative underwriting; proforma assumes 5% below market rents
Lease-Up Risk	90%+ occupied at acquisition; proven in-house management
Recession Risk	Stress-tested underwriting; cash reserves; working-class tenant base
Financing Environment	Low fixed-rate debt secured; conservative exit assumptions
Extended Hold	Flexible timeline; cash flow supports distributions during extended hold

HSK Capital Fund

- **Exclusive equity access** — Neighborhood Ventures typically requires a \$500K minimum; our fund lowers the barrier to \$50K
- **Enhanced terms** — we negotiate favorable profit sharing and secure a seat at the table on behalf of LPs
- **Deep due diligence** — every sponsor and deal is rigorously vetted before we commit capital
- **Strong sponsor relationships** — ongoing collaboration and regular meetings keep us engaged on property performance
- **LPs-first mindset** — our goal is outstanding risk-adjusted returns, built on win-win partnerships with sponsors
- **White-glove service** — quarterly reports, responsive communication, and personal support throughout

HSK Profit Sharing & Fees

1. 2% One Time Due Diligence Fee

- Covers sourcing, diligence, asset management, reporting, & investor communications

2. 80% of Profits to Investors

- Investors are paid first — full return of capital and an 8% preferred return before any profit sharing
- HSK participates meaningfully in profit sharing only after investors achieve strong returns of 15% IRR (downside protection)

See the PPM for full details.

Investment Summary

Deal Structure		Projected Returns	
Property	Venture on 16th, Phoenix AZ	Preferred Return	8% annually, compounded
Units	86 fully renovated apartments	Projected IRR	18%+
Purchase Price	\$19.5M	Projected AAR	20%+
Minimum Investment	\$50,000	Projected Equity Multiple	1.62x+
Target Hold	3 years	Projected Cash Distributions	5%+ annually
Structure	Regulation D, Rule 506(c)	Target Exit Value	\$26.4M+

Note: Projections based on base case assumptions. Actual results may vary. See offering documents for full details.

\$100K Investment Example

	Year 0	Year 1	Year 2	Year 3
Cashflow	-\$100,000	\$5000.00	\$5000.00	\$152,172.58
Net Profit	-\$100,000	-\$95,000.00	-\$90,000.00	\$62,172.58

Note: Projections based on base case assumptions. Actual results may vary. See offering documents for full details.

Tax Benefits & Depreciation

An often-overlooked advantage for investors in high income tax brackets:

- **Cost segregation study** accelerates depreciation into early years.
- **100% bonus depreciation.**
- **Passive losses** will be passed through to investors via the **K-1**. These can offset passive income from other investments.
- Real estate offers **tax-advantaged returns** not available in stocks or bonds.

These benefits can meaningfully improve your after-tax returns. We recommend consulting your tax advisor.

How to Invest?

1. **Place a soft commit to reserve a spot**
2. **Create an Investor Account:** Register and log in through the Palmtree Investor Portal.
3. **Review the Offering Materials:** Visit the offering page and review all available documents.
4. **Verify Accredited Investor Status:** Complete verification in compliance with Regulation D, Rule 506(c).
5. **Place Your Investment:** Select your investment amount in the Palmtree Investor Portal.
6. **Complete the Subscription Agreement:** Electronically sign the subscription documents.
7. **Fund Your Investment:** Wire capital according to provided instructions.

Timeline

Jan
25

Soft commit live

Feb 3

Webinar

Feb
27

Funding Deadline

March
10

Closing

Jun
30

First Distribution

Thank You

We appreciate your time tonight.

Questions?

We'd be honored to have you partner with us.

If you are ready to reserve your spot, scan the QR code below.

