PRIVATE PLACEMENT MEMORANDUM

Fundrise Opportunistic Credit Fund II, LLC

Sponsored by
Rise Companies Corp.

Up to $500,000,000 in Common Units

Fundrise Opportunistic Credit Fund II, LLC (the "Fund", the "Company", "us", "we", "our" and other similar terms) is a newly organized Delaware limited liability company that was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments. The Company's investment objective is to seek current income from which to pay attractive, consistent cash distributions while preserving capital. The Company will pursue its investment strategy primarily by seeking to invest substantially all of its assets: to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans) and to acquire other investments through Real Estate Investment Vehicles. "Real Estate Investment Vehicles" are income generating properties and other real estate that generates current payments, and may also be used to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through co-investment arrangements, joint ventures, and majority-owned subsidiaries with rights to receive preferred economic returns). The Company intends to elect to be taxed as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

We are externally managed by Fundrise Advisors, LLC (our "Manager"), which is an investment adviser registered with the Securities and Exchange Commission (the "SEC"), and a wholly-owned subsidiary of Rise Companies Corp., our sponsor, the parent company of Fundrise, LLC, our affiliate. Registration with the SEC does not imply a certain level of skill or training. Fundrise, LLC owns and operates an online investment platform *www.fundrise.com* (the "Fundrise Platform") that allows investors to hold interests in real estate opportunities that may have been historically difficult to access for some investors. Through the use of the Fundrise Platform, investors can browse and screen real estate investments, view details of an investment and sign legal documents online.

We are offering up to $500,000,000 in our common units, only to "accredited investors" at $10.00 per unit in a private placement (the "offering") pursuant to Section 506(c) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"). We may increase the offering size or change the per unit purchase price at any time if we so elect. The minimum investment in our common units for initial purchases is $50,000. However, in certain instances, we may revise the minimum purchase requirements in the future or elect to waive the minimum purchase requirement. The per unit purchase price for our common units in this offering is an amount that was arbitrarily determined by our Manager and will be adjusted from time to time as determined by the Manager in its sole discretion. We do not intend to list our common units for trading on a stock exchange or other trading market. The term of the Fund will expire on the fifth anniversary of the date of this PPM, subject to two one-year extensions at the discretion of our Manager. Unitholders should be prepared to hold their units for the duration of the term of the Fund. If our Manager determines that it is in the best interests of the unitholders to wind down the Fund prior to its stated term, the Fund may sell its assets to other companies managed by our Manager or its affiliates, subject to such transaction(s) being reviewed and approved by the Independent Representative and based on a third-party appraisal.

Our common units have not been and will not be registered under the Securities Act, or any state securities laws or the laws of any foreign jurisdiction. Our common units will be offered and sold pursuant to this private placement memorandum (the "PPM") under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated under the Securities Act and other exemptions of similar import in the laws of the states and other jurisdictions where the offering will be made. Each prospective investor will be required to represent, among other things, that it is (1) an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act and (2) purchasing our common units for its own account for investment purposes only and not for resale or distribution.

Because Rule 506(c) of Regulation D requires verification of an investor's status as an "accredited investor," we will either engage an independent third-party verification provider to perform such verifications or undertake to perform such verification

ourselves. We or such independent third-party verification provider may contact you directly, and you must promptly work with the verification provider to complete the verification process. If we use third-party verification, the cost of such verification will be paid by each investor.

We intend to distribute our units primarily through the Fundrise Platform.

Investing in our common units is speculative and involves substantial risks. You should purchase these securities only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page 13 to read about the more significant risks you should consider before buying our common units. These risks include the following:

- Global economic, political and market conditions and economic uncertainty may adversely affect our business, results of operations and financial condition.

- We depend on our Manager to select our investments and conduct our operations. We will pay fees and expenses to our Manager and its affiliates that were not determined on an arm's length basis, and therefore we do not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties. These fees increase your risk of loss.

- We have no operating history. The prior performance of our sponsor and our sponsor's other programs may not predict our future results. Therefore, there is no assurance that we will achieve our investment objective.

- Our Manager's executive officers, and key real estate and debt finance professionals are also officers, directors, managers and/or key professionals of our sponsor and its affiliates. As a result, they face conflicts of interest, including time constraints, allocation of investment opportunities and significant conflicts created by our Manager's compensation arrangements with us and other affiliates of our sponsor.

- Our sponsor has sponsored and may in the future sponsor other companies that compete with us, and our sponsor does not have an exclusive management arrangement with us; however, our sponsor has adopted a policy for allocating investments between different companies that it sponsors with similar investment strategies.

- If we internalize our management functions, your interest in us could be diluted and we could incur other significant costs associated with being self-managed.

- We may change our investment guidelines without unitholder consent, which could result in investments that are different from those described in this PPM.

- While our goal is to pay distributions from our cash flow from operations, we may use other sources to fund distributions, including offering proceeds, borrowings or sales of assets. We have not established a limit on the amount of proceeds we may use to fund distributions. If we pay distributions from sources other than our cash flow from operations, we will have less funds available for investments and your overall return may be reduced. In any event, we intend to make annual distributions as required to comply with REIT distribution requirements and avoid U.S. federal income and excise taxes on retained income.

- Our sponsor's internal accountants and asset management team calculates our net asset value ("NAV") using valuation methodologies that involve subjective judgments and estimates. As a result, our NAV may not accurately reflect the actual prices at which our commercial real estate assets and investments, including related liabilities, could be liquidated on any given day. Our Manager may adjust NAV in its sole discretion.

- Our operating agreement does not require our Manager to seek unitholder approval to liquidate our assets by a specified date, nor does our operating agreement require our Manager to list our units for trading by a specified date. No public market currently exists for our units. Until our units are listed, if ever, you may not sell your units. If you are able to sell your units, you may have to sell them at a substantial loss.

- If we fail to qualify as a REIT for U.S. federal income tax purposes and no relief provisions apply, we would be subject to entity-level U.S. federal corporate income tax and, as a result, our cash available for distribution to our unitholders and the value of our units could materially decrease.

- Real estate investments are subject to general downturns in the industry as well as downturns in specific geographic areas and downturns caused by public health crises, pandemics and endemics, such as the novel coronavirus (COVID-19). We cannot predict what the occupancy level will be in a particular building or that any tenant or mortgage or other real estate-related loan borrower will remain solvent. We also cannot predict the future value of our properties. Accordingly, we cannot guarantee that you will receive cash distributions or appreciation of your investment.

- Our investments in commercial and residential real estate loans, commercial and residential real estate and other select real estate-related assets are subject to risks relating to the volatility in the value of the underlying real estate, default on underlying income streams, fluctuations in interest rates, and other risks associated with debt, and real estate investments generally. These investments are only suitable for sophisticated investors with a high-risk investment profile.

- We expect our property portfolio to include commercial and residential real estate properties. As a result, we will be subject to risks inherent in investments in such types of property. Because a number of our investments may be in the residential sector, the potential effects on our revenue and profits resulting from a downturn or slowdown in the residential sector could be more pronounced than if we more fully diversified our investments.

- Our operating agreement, subject to certain exceptions, provides that generally no person may own, or be deemed to own, more than 9.8% in value or in number of our common units, whichever is more restrictive. The ownership limits could have the effect of discouraging a takeover or other transaction in which unitholders might receive a premium for their common units over the then prevailing market price or which holders might believe to be otherwise in their best interests. Furthermore, we may reject any investor's subscription in whole or in part if we determine that such subscription would violate such ownership limits.

The SEC does not pass upon the merits of or give its approval to any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any private placement memorandum or other solicitation materials. These securities are offered pursuant to an exemption from registration with the SEC; however, the SEC has not made an independent determination that the securities offered are exempt from registration.

The use of projections or forecasts in this offering is prohibited. No one is permitted to make any oral or written predictions about the cash benefits or tax consequences you will receive from your investment in our common units.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN DECISIONS WHETHER THIS OFFERING MEETS THEIR INVESTMENT OBJECTIVE AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

NO STATE ADMINISTRATOR HAS REVIEWED THIS DISCLOSURE. THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION. INVESTORS MAY BE REQUIRED TO HOLD THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. OTHER IMPORTANT RISK FACTORS ARE EXPLAINED IN DETAIL IN THIS DOCUMENT. THE NATURE OF THE OFFERING'S RISK REQUIRES THAT INVESTORS MEET MINIMUM ASSET/INCOME CONDITIONS.

THIS OFFERING IS MADE IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AS DESCRIBED ABOVE. THE COMPANY WILL NOT BE OBLIGATED TO REGISTER THE COMMON UNITS UNDER THE SECURITIES ACT IN THE FUTURE. THERE CURRENTLY IS NO PUBLIC OR OTHER MARKET FOR THE COMMON UNITS AND IT IS NOT EXPECTED THAT ANY SUCH MARKET WILL DEVELOP. ALL OF THE COMMON UNITS WILL BE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT AND THEREFORE MAY NOT BE TRANSFERRED BY A HOLDER THEREOF WITHIN THE UNITED STATES OR TO A "U.S. PERSON" UNLESS SUCH TRANSFER IS MADE PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, PURSUANT TO AN EXEMPTION THEREFROM (INCLUDING, IF APPLICABLE RULE 144), OR IN A TRANSACTION OUTSIDE THE UNITED STATES PURSUANT TO THE RESALE PROVISIONS OF REGULATION S. MOREOVER, THE OPERATING AGREEMENT OF THE COMPANY PROVIDES FOR CERTAIN RESTRICTIONS ON TRANSFERS OF COMMON UNITS.

	Per Unit	Total Maximum
Offering Price(1)	$ 10.00	$ 500,000,000(2)
Underwriting Discounts and Commissions(3)	$ —	$ —
Proceeds to Us from this Offering (Before Expenses)	$ 10.00	$ 500,000,000(2)

(1) We may adjust the price per unit from time to time in the Manager's sole discretion.

(2) This is a "best efforts" offering. See "How to Subscribe".

(3) Investors do not pay upfront selling commissions in connection with the purchase of our common units. We reimburse our Manager for organization and offering costs, which are expected to be approximately $70,000. Reimbursement payments are made in monthly installments, but the aggregate monthly amount reimbursed can never exceed 0.50% of the aggregate gross offering proceeds from this offering. If the sum of the total unreimbursed amount of such organization and offering costs, plus new costs incurred since the last reimbursement payment, exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject to the 0.50% limit), calculated on an accumulated basis, until our Manager has been reimbursed in full. As of October 1, 2025, approximately $20,000 in organizational and offering costs have been incurred by our Manager, and no costs have yet been reimbursed to our Manager. See "Management Compensation" for a description of additional fees and expenses that we will pay our Manager.

We will offer our common units in this offering on a "best efforts, no minimum" basis through the online Fundrise Platform. Neither Fundrise, LLC nor any other affiliated entity involved in the offer and sale of the units being offered hereby is a member firm of the Financial Industry Regulatory Authority, Inc., or FINRA, and no person associated with us will be deemed to be a broker solely by reason of his or her participation in the sale of our common units.

The date of this PPM is October 20, 2025.

IMPORTANT INFORMATION ABOUT THIS PRIVATE PLACEMENT MEMORANDUM

Please carefully read the information in this PPM and any accompanying PPM supplements or, with respect to our investments that are incorporated by reference under the heading "Investment Objective, Strategies and Policy – Our Projects", postings on the Fund's webpage, which can be found here: https://fundrise.com/offerings/29/view (a "Webpage Update"), which we refer to collectively as the PPM. You should rely only on the information contained in this PPM. We have not authorized anyone to provide you with different information. This PPM may only be used where it is legal to sell these securities. You should not assume that the information contained in this PPM is accurate as of any date later than the date hereof or such other dates as are stated herein or as of the respective dates of any documents or other information incorporated herein by reference.

Periodically, as we make material investments or have other material developments, we may provide a PPM supplement or Webpage Update that may add, update or change information contained in this PPM. Any statement that we make in this PPM will be modified or superseded by any inconsistent statement made by us in a subsequent PPM supplement or Webpage Update. You should read this PPM and the related exhibits and any PPM supplement or Webpage Update, together with additional information contained in other reports and information statements that we may periodically provide to you. See the section entitled "Additional Information" below for more details.

The PPM and all supplements and reports that we distribute in connection with this offering and your investment in the Company can be read on the Fundrise Platform website, *www.fundrise.com*. The contents of the Fundrise Platform website (other than the PPM, the appendices and exhibits thereto, and the Webpage Updates) are not incorporated by reference in or otherwise a part of this PPM.

TABLE OF CONTENTS

IMPORTANT INFORMATION ABOUT THIS PRIVATE PLACEMENT MEMORANDUM	v
STATE LAW EXEMPTION AND PURCHASE RESTRICTIONS	vii
QUESTIONS AND ANSWERS ABOUT THIS OFFERING	1
OFFERING SUMMARY	8
RISK FACTORS	15
STATEMENTS REGARDING FORWARD-LOOKING INFORMATION	52
ESTIMATED USE OF PROCEEDS	54
MANAGEMENT	55
MANAGEMENT COMPENSATION	62
PRINCIPAL UNITHOLDERS	66
CONFLICTS OF INTEREST	67
INVESTMENT OBJECTIVE, STRATEGIES AND POLICY	73
PLAN OF OPERATION	81
DESCRIPTION OF OUR COMMON UNITS	85
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS	94
ERISA CONSIDERATIONS	116
PLAN OF DISTRIBUTION	119
HOW TO SUBSCRIBE	121
APPENDIX A: FORM OF SUBSCRIPTION AGREEMENT	A
APPENDIX B: OPERATING AGREEMENT	B

STATE LAW EXEMPTION AND PURCHASE RESTRICTIONS

Our common units will be offered and sold only to "accredited investors" (as defined in Regulation D).

To determine whether a potential investor is an "accredited investor", the investor must be a natural person:

1. who has an individual net worth, or joint net worth with the person's spouse, that exceeds $1,000,000 at the time of the purchase, excluding the value of the primary residence of such person;

2. who has earned income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year;

3. who has certain professional certifications, designations or credentials or other credentials issued by an accredited educational institution, as designated by the SEC; *or*

4. who, with respect to investments in a private fund, are "knowledgeable employees" of the fund, as defined in the Investment Company Act of 1940 (the "Investment Company Act").

The list above is non-exhaustive; prospective investors should review Rule 501 of Regulation D for more details on whether they are an "accredited investor." If the investor is not a natural person, different standards apply. See Rule 501 of Regulation D for more details.

Because Rule 506(c) of Regulation D requires verification of an investor's status as an "accredited investor," we will either engage an independent third-party verification provider to perform such verifications or undertake to perform such verification ourselves. We or such independent third-party verification provider may contact you directly, and you must promptly work with the verification provider to complete the verification process. If we use third-party verification, the cost of such verification will be paid by each investor.

QUESTIONS AND ANSWERS ABOUT THIS OFFERING

The following questions and answers about this offering highlight material information regarding us and this offering that is not otherwise addressed in the "Offering Summary" section of this PPM. You should read this PPM, including the section entitled "Risk Factors," before deciding to purchase our common units.

Q: What is Fundrise Opportunistic Credit Fund II , LLC?

A: Fundrise Opportunistic Credit Fund II, LLC is a recently organized Delaware limited liability company that was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments.

Q: Who chooses which investments you make?

A: We are externally managed by our Manager, an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training. Our Manager makes all of our investment decisions.

Q: Who is Rise Companies Corp.?

A: Rise Companies Corp., our sponsor and the parent company of our Manager, is also the parent company of Fundrise, LLC, our affiliate. Fundrise, LLC owns and operates the Fundrise Platform.

Q: What is the Fundrise Platform?

A: The Fundrise Platform is an online investment platform for commercial real estate. Fundrise gives investors the ability to:

- browse investment offerings based on investment preferences including location, asset type, risk and return profile;
- transact entirely online, including digital legal documentation, funds transfer, and ownership recordation;
- manage and track investments easily through an online portfolio; and
- receive automated distributions and/or interest payments, and regular financial reporting.

Q: What competitive advantages do you achieve through your relationship with your sponsor?

A: Our Manager utilizes the personnel and resources of our sponsor to select our investments and manage our day-to-day operations. Our sponsor's corporate, investment and operating platforms are well established, allowing us to realize economies of scale and other benefits including the following:

- *Experienced Management Team* — Our sponsor has a highly experienced management team of real estate and debt finance professionals, led by Benjamin S. Miller, its Co-Founder and Chief Executive Officer. The senior investment executives of our sponsor have dedicated their entire careers to the commercial real estate sector. These executives provide stability in the management of our business and allow us to benefit from the knowledge and industry contacts they have gained through numerous real estate cycles. Please see "Management —Executive Officers of our Manager" for biographical information regarding these individuals.

- *Real Estate Investment Experience* —The portfolios included in the Fundrise Platform investment opportunities are diversified by investment size, security type, property type and geographic region. As a result of the depth and thoroughness of its underwriting process, the extensive investing experience of its management team and its strong performance record in managing a diverse portfolio of assets, we believe our sponsor has earned a reputation as a leading real estate manager, which has allowed it to access funding from a broad base of investors.

- *Market Knowledge and Industry Relationships* — Through its active and broad participation in real estate capital markets, our sponsor benefits from market information that enables it to identify attractive commercial real estate debt investment opportunities and to make informed decisions with regard to the relative valuation of financial assets and capital allocation. We believe that our sponsor's extensive industry relationships with a wide variety of commercial real estate owners and operators, brokers and other

intermediaries and third party commercial real estate debt originators provide us with a competitive advantage in sourcing attractive investment opportunities to meet our investment objectives.

• *Related Party Loans* — If we have sufficient funds to acquire only a portion of a loan or other real estate investment then, in order to cover the shortfall, we may obtain a related party loan from, or issue a participation interest to, an affiliate. Our operating agreement allows us to enter into such related party loans and to issue such participation interests. Alternatively, an affiliate may close and fund each loan or other investment prior to it being acquired by us. This ability allows us the flexibility to deploy our offering proceeds as funds are raised. We may then acquire such investment at a price equal to the fair market value of such investment, provided that its fair market value is materially equal to its cost (i.e., the aggregate equity capital invested by an affiliate in connection with the acquisition of such investments, plus assumption of debt and any costs, such as accrued property management fees and transfer taxes, incurred during or as a result of, with respect to debt, the principal balance plus accrued interest net of any applicable special servicing fees). See "Plan of Operation – Related Party Loans".

As of the date of this PPM, we have entered into an agreement with National Lending, LLC, an affiliate of our sponsor, in connection with a $15,000,000 unsecured term loan with an annualized interest rate of 5.75% that matures on October 20, 2026 (the "Sponsor Affiliate Loan"). We plan to use the proceeds from this term loan to purchase and originate our initial real estate-related investments and, subsequently, will obtain the capital required to purchase and originate real estate-related investments and conduct our operations from the proceeds of this offering and any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations.

Q: Why should I invest in commercial and residential real estate investments?

A: Our goal is to provide a professionally managed, diversified portfolio consisting primarily of high-quality commercial and residential real estate assets to investors who generally have had very limited access to such investments in the past. Allocating some portion of your portfolio to a direct investment in high-quality commercial and residential real estate assets may provide you with:

• a reasonably predictable and stable level of current income from the investment;

• diversification of your portfolio, by investing in an asset class that historically has not been correlated with the stock market generally;

• the opportunity for capital appreciation; and

• a targeted annual return, inclusive of distributions and capital appreciation, of 9-11%.

We can provide no assurances that we will be able to achieve some or all of our goals.

Q: Why should I invest specifically in a company that is focused primarily on commercial and residential real estate loans and other investments in commercial and residential real estate?

A: We believe that the absence of many historical sources of debt financing for the commercial and residential real estate market, resulting from continued uncertain economic conditions has and will continue to create a favorable environment for experienced commercial and residential real estate lenders to produce attractive, risk-adjusted returns employing little or no leverage in the near term. The de-leveraging and risk assessment taking place among the large institutional banks and traditional credit providers, as well as the temporary suspension of securitized vehicles as a means of financing, has left real estate owners with very limited options for obtaining debt financing for acquisitions and refinancings. As a result, the pricing of real estate debt capital has increased dramatically and the terms and structure of real estate loans, including borrower recourse, have become much more favorable for lenders. At the same time, as part of this overall de-leveraging, we expect that portfolios of existing loans and debt instruments secured by commercial and residential real estate will continue to be offered for sale by banks and other institutions at discounts to par value and in some cases with relatively attractive seller financing. In addition, many owners of commercial and residential real estate face maturities on loans that have been syndicated or securitized or both, and may have difficulty due to the loan structure and servicing standards, in obtaining an extension even for performing, stabilized assets.

Q: What kind of offering is this?

A: We are primarily offering our common units through Fundrise, LLC's online investment platform *www.fundrise.com*, or the Fundrise Platform, at $10.00 per unit. The per unit purchase price may be updated by the Manager at any time in its sole discretion. Our sponsor has only invested $5,000 in us through the purchase of 500 of our common units at $10.00 per unit.

Q: What is a real estate investment trust, or REIT?

A: In general, a REIT is an entity that:

- combines the capital of many investors to acquire or provide financing for a diversified portfolio of real estate investments under professional management;

- is able to qualify as a "real estate investment trust" under the Code, for U.S. federal income tax purposes and is therefore generally entitled to a deduction for the dividends it pays and not subject to U.S. federal corporate income taxes on its net income that is distributed to its unitholders. This treatment substantially eliminates the "double taxation" (taxation at both the corporate and unitholder levels) that generally results from investments in a corporation; and

- generally pays distributions to investors of at least 90% of its annual ordinary taxable income.

In this PPM, we refer to an entity that qualifies to be taxed as a real estate investment trust for U.S. federal income tax purposes as a REIT. We intend to elect to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2025.

Q: How is an investment in your common units different from investing in shares of a listed real estate investment trust ("REIT")?

A: The fundamental difference between our common units and a listed REIT is the daily liquidity available with a listed REIT. For investors with a short-term investment horizon, a listed REIT may be a better alternative than investing in our common units. However, we believe our common units are an alternative way for investors to deploy capital into a diversified pool of real estate assets, with a lower correlation to the general stock market than listed REITs.

Additionally, listed REITs are subject to more demanding public disclosure and corporate governance requirements than we are subject to. Last, REITs are a different type of vehicle from a U.S. federal income tax perspective.

Q: How is an investment in your common units different from investing in units of a traditional non-exchange traded REIT?

A: We neither charge nor pay any broker-dealer distribution fees, saving investors upfront expenses as compared to a traditional non-exchange traded REIT. Traditional non-exchange traded REITs use a highly manpower-intensive method with hundreds to thousands of sales brokers calling on investors to sell their offerings. Our sponsor has pioneered a low cost digital platform, which we intend to leverage in conducting this offering, thus reducing the financial burdens to us of offering our common units.

Q: What is the purchase price for your common units?

A: Our Manager set our initial offering price at $10.00 per unit, which is the purchase price of our units and will be adjusted from time to time as determined by the Manager in its sole discretion.

Q: Will I have the opportunity to redeem my common units?

A: No. Unitholders should be prepared to hold their units for the term of the Fund.

Q: Will I be charged upfront selling commissions?

A: No. Investors will not pay upfront selling commissions as part of the price per common unit purchased in this offering. Additionally, there is no dealer manager fee or other service-related fee in connection with the offering and sale of our common units through the Fundrise Platform.

Q: Who pays your organization and offering costs?

A: Our Manager or its affiliates will pay on our behalf all costs incurred in connection with our organization and the offering of our common units. See "Estimated Use of Proceeds" for more information about the types of costs that may be incurred, including those expenses described in the next answer. At the election of our Manager we will start to reimburse our Manager, without interest, for

these organization and offering costs incurred. Reimbursement payments will be made in monthly installments, but the aggregate monthly amount reimbursed can never exceed 0.50% of the aggregate gross offering proceeds from this offering.

Q: What fees and expenses do you pay to your Manager or any of its affiliates?

A: We will pay our Manager a number of fees and other compensation including the following, as applicable:

- Asset Management Fee
- Acquisition/Origination Fee
- Construction and Development Fee
- Disposition Fee
- Management Incentive Fee after the Company receives a 10% preferred return
- Reimbursement for special servicing expenses; organization and offering expenses; acquisition/origination expenses, operating expenses, and liquidation expenses, including "employee chargebacks" for services that could otherwise be provided by third parties

See "Management Compensation" for more details regarding the foregoing fees and "Management—Expense Reimbursement Policies" for details regarding the reimbursement of expenses.

Q: Will you use leverage?

A: Yes, we may use leverage to provide additional funds to support our investment activities. We expect to utilize debt financing consisting of property level debt (mortgages on our properties that are generally not recourse to the Fund) and entity level debt (non-mortgage debt at the Fund level). Property level debt will be incurred by special purpose vehicles wholly-owned by the Fund or entities who borrow from the Fund (including as part of a joint venture or lending agreement with a third party) and secured by real estate owned by such special purpose vehicles. Such special purpose vehicles would own real estate assets and would borrow from a lender using the owned property as mortgage collateral. If any such special purpose vehicle were to default on a loan, the lender's recourse would be to the mortgaged property and the lender would typically not have a claim to other assets of the Fund. In addition, we may enter into reverse repurchase agreements and/or derivative transactions, among others that may have similar effects and risks as utilizing leverage. Please see "Investment Objective, Strategies and Policy" for more details.

Q: How often will I receive distributions?

A: We expect that our Manager will declare and make distributions on a quarterly basis, or more or less frequently as determined by our Manager, in arrears. Any distributions we make will be at the discretion of our Manager, and will be based on, among other factors, our present and reasonably projected future cash flow. We expect that our Manager will set the rate of distributions at a level that will be reasonably consistent and sustainable over time, which will be fully dependent on the yields generated by our assets. However, there may also be times when our Manager elects to reduce our rate of distributions in order to preserve or build up a higher level of liquidity at the Company level.

Our Manager's discretion as to the payment of distributions is limited by the REIT distribution requirements, which generally require that we make aggregate annual distributions to our unitholders of at least 90% of our REIT taxable income, computed without regard to the dividends paid deduction and excluding net capital gain. Moreover, even if we make the required minimum distributions under the REIT rules, we will be subject to U.S. federal income and excise taxes on our undistributed taxable income and gains, if any. As a result, the Manager intends to make additional distributions, beyond the minimum REIT distribution, to avoid such potential income and excise taxes. See "Description of Our Common Units — Distributions" and "Certain U.S. Federal Income Tax Considerations."

Q: What is the source of your distributions?

A: While our goal is to pay distributions from our cash flow from operations, we may use other sources to fund distributions. Until the proceeds from our offering are invested and generating operating cash flow, some or all of our distributions may be paid from other sources, including the net proceeds of this offering, cash advances by our Manager, cash resulting from a waiver of fees or reimbursements due to our Manager, borrowings in anticipation of future operating cash flow and the issuance of additional securities. Use of some or all of these sources may reduce the amount of capital we invest in assets and negatively impact the return on your investment and the value of your investment. We have not established a limit on the amount of proceeds we may use to fund distributions. We can provide no assurances that future cash flow will support payment of distributions or the maintenance of distributions at any particular level or at all.

Q: Will the distributions I receive be taxable as ordinary income?

A: Unless your investment is held in a qualified tax-exempt account or we designate certain distributions as capital gain dividends, distributions that you receive generally will be taxed as ordinary income to the extent they are from current or accumulated earnings and profits. However, under current law, non-corporate U.S. taxpayers are generally eligible for a deduction of 20% on most ordinary REIT dividends, and this deduction has been made permanent by the One Big Beautiful Bill Act.

The portion of your distribution in excess of current and accumulated earnings and profits is considered a return of capital for U.S. federal income tax purposes and will reduce the tax basis of your investment, rather than result in current tax, until your basis is reduced to zero. Return of capital distributions made to you in excess of your tax basis in our common units will be treated as sales proceeds from the sale of our common units for U.S. federal income tax purposes. Distributions we designate as capital gain dividends are generally taxable at long-term capital gains rates for U.S. federal income tax purposes. However, because each investor's tax considerations are different, we recommend that you consult with your tax advisor. You also should review the section of this PPM entitled "Certain U.S. Federal Income Tax Considerations," including the discussion of the special rules applicable to distributions in redemption of units and liquidating distributions.

Q: May I reinvest my cash distributions in additional units?

A: Yes. While we have not adopted a distribution reinvestment plan whereby investors may elect to have their cash distributions automatically reinvested in additional common units, so long as this offering remains ongoing, you may choose to use the proceeds of any distribution to purchase additional units hereunder at the then-current purchase price either directly or through a program established by our Manager. The current purchase price for such units is $10.00. The price per unit will be adjusted from time to time by our Manager at its discretion. Investors will pay the most recent announced purchase price as of the date of their subscription.

Q: Who might benefit from an investment in your units?

A: An investment in our units may be beneficial for you if you seek to diversify your personal portfolio with a commercial and residential real estate investment vehicle focused primarily on commercial and residential real property, commercial and residential real estate loans, and commercial and residential real estate debt and equity securities, seek to receive current income, seek to preserve capital and are able to hold your investment for a time period consistent with our liquidity strategy. On the other hand, we caution persons who require liquidity or guaranteed income, or who seek a short-term investment, that an investment in our units will not meet those needs.

Q: Are there any risks involved in buying your units?

A: Investing in our common units involves a high degree of risk. If we are unable to effectively manage the impact of these risks, we may not meet our investment objective, and therefore, you should purchase these securities only if you can afford a complete loss of your investment. See "Risk Factors" for a description of the risks relating to this offering and an investment in our units.

Q: How does a "best efforts" offering work?

A: When common units are offered on a "best efforts" basis, we are only required to use our best efforts to sell our common units. Neither our sponsor, Manager nor any other party has a firm commitment or obligation to purchase any of our common units.

Q: Who can buy units?

A: You may purchase units only if you are an "accredited investor" under Rule 501(a) of Regulation D.

Q: How do I buy units?

A: You may purchase our common units in this offering by creating a new account, or logging into your existing account, at the Fundrise Platform. You will need to fill out a subscription agreement like the one attached to this PPM as Appendix A for a certain investment amount and pay for the units at the time you subscribe.

Because Rule 506(c) of Regulation D requires verification of an investor's status as an "accredited investor," we will either engage an independent third-party verification provider to perform such verifications or undertake to perform such verification ourselves. We or such independent third-party verification provider may contact you directly, and you must promptly work with the verification provider to complete the verification process. If we use third-party verification, the cost of such verification will be paid by each investor.

Q: Is there any minimum investment required?

A: Yes. You must initially purchase at least $50,000 worth of units in this offering.

If you have satisfied the applicable minimum purchase requirement, any additional purchase must be in amounts of at least $10,000 (rounded up to the price for the nearest number of whole units). However, in certain instances, we may revise the minimum purchase requirements in the future or elect to waive the minimum purchase requirement.

In addition, in order to help protect us from the risk of chargebacks, we intend to require that any subscription in excess of $500,000 of our units be funded through a bank wire transfer and not an ACH electronic fund transfer.

Q: May I make an investment through my IRA or other tax-deferred retirement account?

A: Generally, yes. We currently accept investments through IRAs maintained with certain custodians, although we intend to limit the amount of IRA investments to less than 25 percent of our units. However, IRAs or other tax-deferred retirement accounts that invest in our units generally are subject to tax on any "unrelated business taxable income" under the Code.

Q: What will you do with the proceeds from your offering?

A: We expect to use substantially all of the net proceeds from this offering (after paying or reimbursing organization and offering expenses) to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans); to acquire investments in income generating properties and other real estate that generates current payments; to acquire, hold and finance land for future development; and to acquire investments in other residential and commercial real estate (including through Real Estate Investment Vehicles). We may make our investments through majority-owned subsidiaries, some of which may have rights to receive preferred economic returns. We expect that any expenses or fees payable to our Manager for its services in connection with managing our daily affairs, including but not limited to, the selection and acquisition or origination of our investments, will be paid from cash flow from operations. If such fees and expenses are not paid from cash flow (or waived) they will reduce the cash available for investment and distribution and will directly impact our NAV. See "Management Compensation" for more details regarding the fees that are paid to our Manager and its affiliates.

We may not be able to promptly invest the net proceeds of this offering in commercial and residential real property, commercial and residential real estate loans, and commercial and residential real estate debt and equity securities. In the interim, we may invest in short-term, highly liquid or other authorized investments. Such short-term investments will not earn as high of a return as we expect to earn on our real estate-related investments.

Q: How long will this offering last? What is the term of the Fund?

A: The term of the Fund will expire on the fifth anniversary of the date of this PPM, subject to two one-year extensions at the discretion of our Manager. Unitholders should be prepared to hold their units for the duration of the term of the Fund. We reserve the right to terminate this offering for any reason at any time.

Q: Will I be notified of how my investment is doing?

A: Yes, we will provide you with periodic updates on the performance of your investment in us, including:

- annual audited financial statements within 120 days after our fiscal year end, commencing December 31, 2025; and

- supplements to the PPM or Webpage Updates, if we have material information to disclose to you.

We will provide this information to you by posting such information on the SEC's website at *www.sec.gov*, on the Fundrise Platform at *www.fundrise.com*, or via e-mail.

Q: When will I get my detailed tax information?

A: Our Manager will use commercially reasonable efforts to cause the Company to timely prepare and deliver, or cause its accountants to timely prepare and deliver, to unitholders a Form 1099-DIV in the year following the end of each fiscal year.

Q: Who can help answer my questions about the offering?

A: If you have more questions about the offering, or if you would like additional copies of this PPM, you should contact us by email at investments@fundrise.com or by mail at:

Fundrise Opportunistic Credit Fund II, LLC
11 Dupont Circle NW 9th FL
Washington, D.C. 20036
Attn: Investor Relations

OFFERING SUMMARY

This offering summary highlights material information regarding our business and this offering that is not otherwise addressed in the "Questions and Answers About this Offering" section of this PPM. Because it is a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read the entire PPM carefully, including the "Risk Factors" section before making a decision to invest in our common units.

Fundrise Opportunistic Credit Fund II, LLC

Fundrise Opportunistic Credit Fund II, LLC is a newly organized Delaware limited liability company that was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments. The Company's investment objective is to seek current income from which to pay attractive, consistent cash distributions while preserving capital. The Company will pursue its investment strategy primarily by seeking to invest substantially all of its assets: to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans) and to acquire other investments through Real Estate Investment Vehicles, which are income generating properties and other real estate that generates current payments, and may also be used to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through co-investment arrangements, joint ventures, and majority-owned subsidiaries with rights to receive preferred economic returns). The Company intends to elect to be taxed as a REIT under the Code. Among other requirements, REITs are required to distribute to unitholders at least 90% of their annual REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gains).

Our office is located at 11 Dupont Circle NW, 9th FL, Washington, D.C. 20036. Our telephone number is (202) 584-0550. Information regarding the Company is also available on our web site at *www.fundrise.com*.

Investment Strategy

The Company will execute its investment strategy primarily by seeking to invest opportunistically in a broad portfolio of investments across commercial and residential real property, commercial and residential real estate loans, and commercial and residential real estate debt and equity securities. The Manager has broad discretion to allocate the Company's assets among the three primary asset classes, and other real estate-related assets. There is no maximum or minimum percentage of the Company's assets that may be allocated to any asset class. The Company anticipates investing through various types of investment structures, including through co-investment arrangements, non-controlled joint ventures, and subsidiaries where the Company owns all or a majority of the voting securities of such subsidiary. The Company expects to invest substantially all of its assets:

- to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans);
- to acquire investments in income generating properties and other real estate that generates current payments;
- to acquire, hold and finance land for future development; and
- to acquire investments in other residential and commercial real estate (including through Real Estate Investment Vehicles).

Real Estate Investment Vehicles are income generating properties and other real estate that generates current payments, and may also be used to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through co-investment arrangements, joint ventures, and majority-owned subsidiaries with rights to receive preferred economic returns).

The types of commercial and residential real estate in which the Company may invest include, but are not limited to, the following: (1) rental properties, (2) retail properties, (3) office properties, (4) multifamily properties, (5) single family properties, (6) hospitality properties, (7) industrial properties, (8) healthcare properties, (9) land, (10), self-storage properties, (11) student housing properties, (12) data center properties, and (13) new construction homebuilding.

The Company may also invest in residential and commercial real estate-related debt securities (including commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities ("RMBS"), collateralized debt obligations ("CDOs"), government-sponsored enterprises ("GSEs") (GSEs are quasi-governmental entities established to facilitate borrowing for a variety of individuals, including students, farmers, and homeowners, the most common examples of which are Fannie Mae and Freddie Mac), and REIT senior unsecured debt), and other real estate-related assets.

The Company may invest in securities of any credit quality, maturity and duration to enhance its income and capital appreciation potential and to provide liquidity to the overall portfolio. This may include, without limit, securities that are rated below investment grade by rating agencies or unrated securities that would be rated below investment grade if they were rated. The Manager

expects that a majority of the Company's real estate-related debt investments will be in secured, unrated real estate loans and debt, as well as debt securities that are rated investment grade. Bonds that are rated from AAA to BBB by the rating agencies are considered "investment grade."

On a long-term basis, under normal circumstances, the Company expects to allocate its portfolio among the Company's three primary asset classes. Since real estate markets are often cyclical in nature, we do not target specific allocations by investment strategy or geography. The Company will deploy capital into the investment strategy that provides the best opportunities to meet our investment objective.

The Company seeks to create and maintain a portfolio of investments that generate a low volatility income stream of attractive and consistent cash distributions, though there is no guarantee that the Company will achieve such results. The Company's focus on investing in debt instruments and real estate that generates current payments will emphasize the payment of current returns to investors and preservation of invested capital as our primary investment objective, with a lesser emphasis on seeking capital appreciation from our investments.

The Manager intends to directly structure, underwrite and originate many of the products in which the Company invests as the Manager believes it will provide the best opportunity to manage borrower and partner relationships and optimize the terms of Company investments. The Manager's proven underwriting process, which the management team has successfully developed over their extensive real estate careers in a variety of market conditions and implemented through the Company's sponsor, will involve comprehensive financial, structural, operational and legal due diligence of Company properties, borrowers, and partners in order to optimize pricing and structuring and mitigate risk. The Company believes the current and future market environment (including any existing or future government-sponsored programs, also referred to as "government-sponsored enterprises") provides a wide range of opportunities to generate compelling investments with strong risk-return profiles for unitholders. Government-sponsored enterprises ("GSEs") are quasi-governmental entities established to enhance the flow of credit to specific sectors of the American economy. Created by acts of Congress, these agencies–although they are privately-held–provide public financial services. GSEs help to facilitate borrowing for a variety of individuals, including students, farmers, and homeowners. The most common examples of GSEs are Fannie Mae and Freddie Mac.

Investment Objective

Our primary investment objective is to seek current income from which to pay attractive, consistent cash distributions while preserving capital.

We also seek to realize growth in the value of our investments by timing their sale to maximize value. However, there is no assurance that our investment objective will be met.

Our Projects

Click here: https://fundrise.com/offerings/29/view for the most up to date information regarding projects that we have acquired.

Market Opportunities

The continued higher interest rate environment that began late 2022 has led to an extended period of headwinds for commercial real estate broadly and an ongoing dislocation of real estate credit markets. Notably, higher rates, more restrictive underwriting standards, and a broader pullback in traditional bank lenders has created an environment where many owners and developers of multifamily and other residential assets face a "financing gap" both for new construction and refinancing of existing assets.

Additionally, a wave of new supply of residential assets (that came out of the 2021 and 2022 boom period) has put additional downward pressure on operating fundamentals with both occupancy and rents falling in tandem. This weakening of residential assets has further compounded the challenges noted above.

The result has been an ongoing period of favorable conditions for private credit providers able to step into this "gap," whereby investors with sufficient capital can earn attractive risk-adjusted returns by providing financing solutions to creditworthy borrowers.

Although the Fed has started to lower benchmark interest rates once again, recent history suggests that real estate credit markets are likely to lag and there remains an open question of how much traditional bank lenders may reenter the market at all. We believe this will create a continued window of opportunity for deployment with relatively attractive risk-adjusted returns.

To capitalize on this opportunity, we favor a strategy weighted toward targeting senior and mezzanine debt, gap and bridge financing opportunities, including second trusts, B-notes, rated bonds, asset-backed securities, and preferred equity positions, in well located assets with significant subordinate capital and downside structural protections.

Our Manager

Fundrise Advisors, LLC, our Manager, manages our day-to-day operations. Our Manager is an investment adviser registered with the SEC and a wholly-owned subsidiary of our sponsor. Registration with the SEC does not imply a certain level of skill or training. A team of real estate and debt finance professionals, acting through our Manager, makes all the decisions regarding the selection, negotiation, financing and disposition of our investments, subject to the limitations in our operating agreement. Our Manager also provides asset management, marketing, investor relations and other administrative services on our behalf with the goal of maximizing our operating cash flow and preserving our invested capital. Rise Companies Corp., our sponsor, is able to exercise significant control over our business.

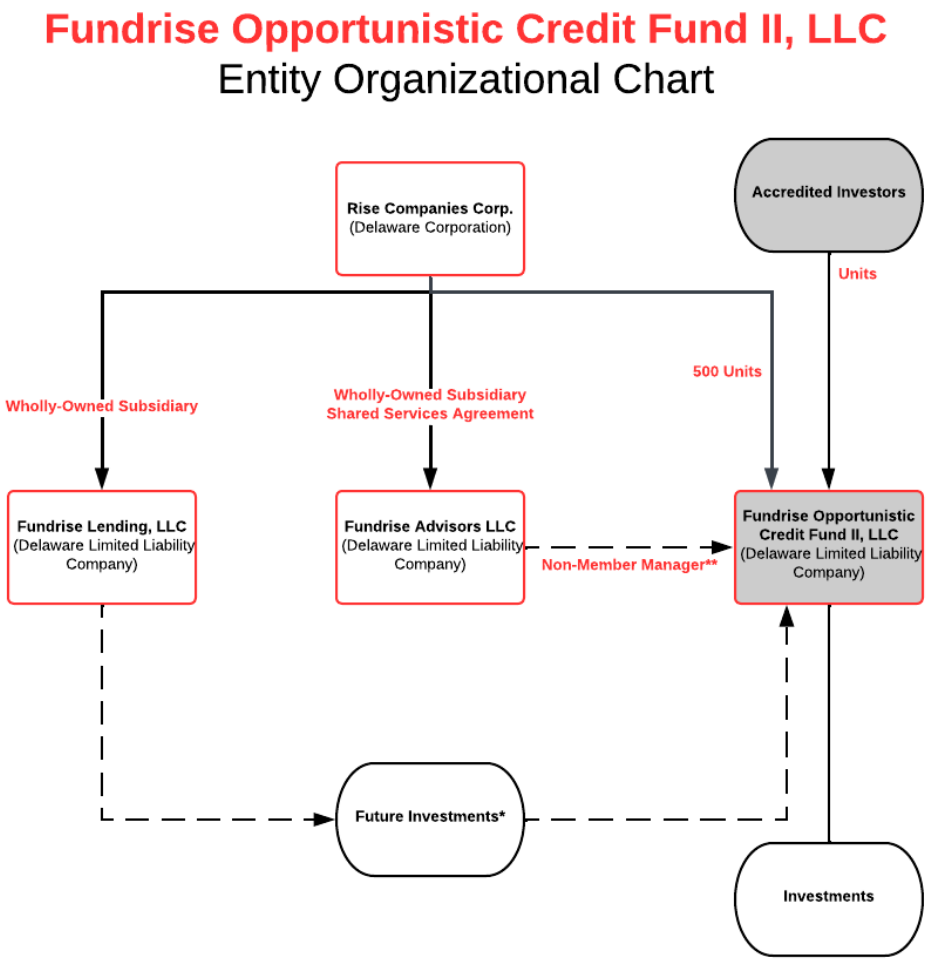
About the Fundrise Platform

We are also an affiliate of Fundrise, LLC, the owner and operator of the Fundrise Platform, an online financial platform focused on real estate, which may be found on the website: *www.fundrise.com*. Fundrise, LLC is a wholly-owned subsidiary of Rise Companies Corp., our sponsor.

Benjamin S. Miller, the co-founder and Chief Executive Officer of Rise Companies Corp., is responsible for overseeing the day-to-day operations of Rise Companies Corp. and its affiliates, including Fundrise, LLC.

Our Structure

The chart below shows the relationship among various Rise Companies Corp. affiliates and the Company as of the date of this PPM.



* As we raise sufficient offering proceeds to acquire investments, we may obtain a related party loan from, or issue a participation interest to, an affiliate. See "Plan of Operation – Related Party Loans".

** Pursuant to our operating agreement, the Manager will receive various fees payable by the Fund. See "Management Compensation."

Management Compensation

Our Manager and its affiliates will receive fees, including an incentive fee, and expense reimbursements for services relating to this offering and the investment and management of our assets. Neither our Manager nor its affiliates will receive any selling commissions or dealer manager fees in connection with the offer and sale of our common units. See "Management Compensation" for a more detailed explanation of the fees and expenses payable to our Manager and its affiliates.

Summary of Risk Factors

Investing in our common units involves a high degree of risk. You should carefully review the "Risk Factors" section of this PPM, beginning on page 15, which contains a detailed discussion of the material risks that you should consider before you invest in our common units.

Conflicts of Interest

Our Manager and its affiliates will experience conflicts of interest in connection with the management of our business. Our sponsor has previously organized, as of the date of this PPM, thirteen (13) similar programs (eREITs®, eFund™ and interval funds) that have investment objectives that may compete with us. See "Conflicts of Interest" for more details.

Distributions

To maintain our qualification as a REIT, we are required to make aggregate annual distributions to our unitholders of at least 90% of our REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain), and to avoid federal income and excise taxes on retained taxable income and gains we must generally distribute 100% of such income and gains annually. Our Manager may authorize distributions in excess of those required for us to maintain REIT status and/or avoid such taxes on retained taxable income and gains depending on our financial condition and such other factors as our Manager deems relevant. Provided we have sufficient available cash flow, we intend to authorize and declare distributions based on daily record dates and pay distributions on a quarterly or other periodic basis. We have not established a minimum distribution level.

While we are under no obligation to do so, we expect to declare and pay distributions monthly or quarterly in arrears; however, our Manager may declare other periodic distributions as circumstances dictate. In order that investors may generally begin receiving distributions immediately upon our acceptance of their subscription, we expect to authorize and declare distributions based on daily record dates. However, there may also be times when our Manager elects to reduce our rate of distributions in order to preserve or build up a higher level of liquidity at the Company level.

Any distributions we make are at the discretion of our Manager, and are based on, among other factors, our present and reasonably projected future cash flow. Distributions are paid to unitholders as of the record dates selected by the Manager.

In addition, as described above, the Manager's discretion as to the payment of distributions is limited by the REIT distribution requirements. See "Description of Our Common Units — Distributions" and "Certain U.S. Federal Income Tax Considerations."

While our goal is to pay distributions from our cash flow from operations, we may use other sources to fund distributions. Until the proceeds from our offering are invested and generating operating cash flow, some or all of our distributions may be paid from other sources, including the net proceeds of this offering, cash advances by our Manager, cash resulting from a waiver of fees or reimbursements due to our Manager, borrowings in anticipation of future operating cash flow and the issuance of additional securities. Use of some or all of these sources may reduce the amount of capital we invest in assets and negatively impact the return on your investment and the value of your investment. We have not established a limit on the amount of proceeds we may use to fund distributions. We can provide no assurances that future cash flow will support payment of distributions or maintaining distributions at any particular level or at all.

Any distributions that we make directly impacts our NAV, by reducing the amount of our assets. Our goal is to provide a reasonably predictable and stable level of current income, through quarterly or other periodic distributions, while at the same time

maintaining a fair level of consistency in our NAV. Over the course of your investment, your distributions plus the change in NAV per unit (either positive or negative) will produce your total return, with a targeted return of 9-11%.

Our distributions generally will constitute a return of capital to the extent that they exceed our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that a distribution is treated as a return of capital for U.S. federal income tax purposes, it will reduce a holder's adjusted tax basis in the holder's units, and to the extent that it exceeds the holder's adjusted tax basis, it will be treated as gain resulting from a sale or exchange of such units.

Borrowing Policy

We may use leverage to provide additional funds to support our investment activities. We expect to utilize debt financing consisting of property level debt (mortgages on our properties that are generally not recourse to the Fund) and entity level debt (non-mortgage debt at the Fund level). Property level debt will be incurred by special purpose vehicles wholly-owned by the Fund or entities who borrow from the Fund (including as part of a joint venture or lending agreement with a third party) and secured by real estate owned by such special purpose vehicles. Such special purpose vehicles would own real estate assets and would borrow from a lender using the owned property as mortgage collateral. If any such special purpose vehicle were to default on a loan, the lender's recourse would be to the mortgaged property and the lender would typically not have a claim to other assets of the Fund. In addition, we may enter into reverse repurchase agreements and/or derivative transactions, among others that may have similar effects and risks as utilizing leverage. Please see "Investment Objective, Strategies and Policy" for more details.

Valuation Policies

For a summary of our valuation policies, see "Description of Our Common Units – Valuation Policies."

Liquidity Event

The term of the Fund will expire on the fifth anniversary of the date of this PPM, subject to two one-year extensions at the discretion of our Manager. While we expect to seek a liquidity transaction in this time frame, there can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that time frame. Our Manager has the discretion to consider a liquidity transaction at any time if it determines such event to be in our best interests. A liquidity transaction could consist of a sale or partial sale of our assets, a sale or merger of the Company, a consolidation transaction with other companies managed by our Manager or its affiliates, a listing of our units on a national securities exchange or a similar transaction. If our Manager determines that it is in the best interests of the unitholders to wind down the Fund prior to its stated term, the Fund may sell its assets to other companies managed by our Manager or its affiliates, subject to such transaction(s) being reviewed and approved by the Independent Representative and based on a third-party appraisal.

Voting Rights

Our common unitholders have voting rights only with respect to certain matters, primarily relating to amendments to our operating agreement that would adversely change the rights of the common units, removal of our Manager for "cause," and the dissolution of the Company (only if the Manager has been removed for "cause"). Each outstanding common unit entitles the holder to one vote on all matters submitted to a vote of common unitholders. Our unitholders do not elect or vote on our Manager, and, unlike the holders of common units in a corporation, have only limited voting rights on matters affecting our business, and therefore limited ability to influence decisions regarding our business. For additional information, see "Description of Our Common Units—Voting Rights".

Other Governance Matters

Other than the limited unitholder voting rights described above, our operating agreement vests most other decisions relating to our assets and to the business of the Company, including decisions relating to acquisitions, originations and dispositions, the engagement of asset managers, the issuance of securities in the Company including additional common units, mergers, dispositions, roll-up transactions, and other decisions relating to our business, in our Manager. See "Management" for more information about the rights and responsibilities of our Manager.

Investment Company Act Considerations

We intend to conduct our operations so that neither we, nor any of our subsidiaries, is required to register as investment companies under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section

3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the 40% test. Excluded from the term "investment securities," among other things, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We anticipate that we will hold real estate and real estate-related assets described below (i) directly, (ii) through wholly-owned subsidiaries, (iii) through majority-owned joint venture subsidiaries, and, (iv) to a lesser extent, through minority-owned joint venture subsidiaries. We will limit what we buy and hold through minority-owned joint venture subsidiaries because assets held in such subsidiaries may be deemed investment securities.

We intend, directly or through our subsidiaries, to originate, invest in and manage a diversified portfolio of commercial real estate investments. We expect to use substantially all of the net proceeds from this offering to originate, acquire and structure commercial real estate loans (including senior mortgage loans, B-Notes, mezzanine loans, and participations in such loans) and to make other investments in commercial real estate. We may also invest in commercial real estate-related debt securities (including CMBS, CDOs, and REIT senior unsecured debt) and other real estate-related assets.

We monitor our compliance with the 40% test and the holdings of our subsidiaries to ensure that we and each of our subsidiaries is in compliance with an applicable exemption or exclusion from registration as an investment company under the Investment Company Act.

The securities issued by any wholly-owned or majority-owned subsidiary that we may form and that are excluded from the definition of "investment company" based on Section 3(c)(1) or 3(c)(7) of the Investment Company Act, together with any other investment securities we may own, may not have a value in excess of 40% of the value of our total assets on an unconsolidated basis.

The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries. The determination of whether an entity is a majority-owned subsidiary of the Company is made by us. We also treat subsidiaries of which we or our wholly-owned or majority-owned subsidiary is the manager (in a manager-managed entity) or managing member (in a member-managed entity) or in which our agreement or the agreement of our wholly-owned or majority-owned subsidiary is required for all major decisions affecting the subsidiaries (referred to herein as "Controlled Subsidiaries"), as majority-owned subsidiaries even though the interests issued by such Controlled Subsidiaries do not generally meet the definition of voting securities under the Investment Company Act. We reached our conclusion on the basis that the interests issued by the Controlled Subsidiaries are the functional equivalent of voting securities. We have not asked the SEC staff for concurrence of our analysis and it is possible that the SEC staff could disagree with any of our determinations. If the SEC staff were to disagree with our treatment of one or more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets. Any such adjustment in our strategy could have a material adverse effect on us. Note: the use of the term "controlled subsidiary" is not intended to conform with GAAP definition and does not correlate to a subsidiary that would require consolidation under GAAP.

We believe that neither we nor certain of our subsidiaries will be considered investment companies for purposes of Section 3(a)(1)(A) of the Investment Company Act because we and they will not engage primarily or hold themselves out as being primarily engaged in the business of investing, reinvesting or trading in securities. Rather, we and such subsidiaries will be primarily engaged in non-investment company businesses related to real estate. Consequently, we and our subsidiaries expect to be able to conduct our operations such that none will be required to register as an investment company under the Investment Company Act.

Certain of our subsidiaries may rely upon the exclusion from the definition of investment company under Section 3(c)(5)(C) of the Investment Company Act. Section 3(c)(5)(C), as interpreted by the staff of the SEC, requires an entity to invest at least 55% of its assets in "mortgages and other liens on and interests in real estate", which we refer to as "qualifying real estate interests", and at least 80% of its assets in qualifying real estate interests plus "real estate-related assets".

Qualification for exemption from registration under the Investment Company Act will limit our ability to make certain investments. To the extent that the SEC staff provides more specific guidance regarding any of the matters bearing upon such exclusions, we may be required to adjust our strategy accordingly. Any additional guidance from the SEC staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen.

The loss of our exclusion from regulation pursuant to the Investment Company Act could require us to restructure our operations, sell certain of our assets or abstain from the purchase of certain assets, which could have an adverse effect on our financial

condition and results of operations. See “Risk Factors—Risks related to Our Organizational Structure—Maintenance of our Investment Company Act exemption imposes limits on our operations, which may adversely affect our operations.”

RISK FACTORS

An investment in our common units involves substantial risks. You should carefully consider the following risk factors in addition to the other information contained in this PPM before purchasing units. The occurrence of any of the following risks might cause you to lose a significant part of your investment. The risks and uncertainties discussed below are not the only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, prospects and financial condition. Some statements in this PPM, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Statements Regarding Forward-Looking Information."

Risks Related to an Investment in Fundrise Opportunistic Credit Fund, LLC

We have no operating history, and the prior performance of our sponsor or other real estate investment opportunities sponsored by our sponsor may not predict our future results.

We are a recently formed company and have no operating history. You should not assume that our performance will be similar to the past performance of our sponsor or other real estate investment opportunities sponsored by our sponsor. Our lack of an operating history significantly increases the risk and uncertainty you face in making an investment in our units.

Because no public trading market for your units currently exists, it will be difficult for you to sell your units and, if you are able to sell your units, you will likely sell them at a substantial discount to the public offering price.

Our operating agreement does not require our Manager to seek unitholder approval to liquidate our assets by a specified date, nor does our operating agreement require our Manager to list our units for trading on a national securities exchange by a specified date. There is no public market for our units and we currently have no plans to list our units on a stock exchange or other trading market. In addition, our operating agreement prohibits the ownership of more than 9.8% in value or number of our units, whichever is more restrictive, or more than 9.8% in value or number of our common units, whichever is more restrictive, unless exempted by our Manager, in its discretion. This provision may inhibit large investors from purchasing your units. Because we have no redemption plan in place, it will be difficult for you to redeem and/or sell your units promptly or at all. If you are able to sell your units, you would likely have to sell them at a substantial discount to their offering price. It is also likely that your units would not be accepted as the primary collateral for a loan. Because of the illiquid nature of our units, you should purchase our units only as a long-term investment and be prepared to hold them for an indefinite period of time.

Other than our initial projects, if we are unable to find suitable investments, we may not be able to achieve our investment objective or pay distributions.

Our ability to achieve our investment objective and to pay distributions depends upon the performance of our Manager in the acquisition of our investments and the ability of our Manager to source loan origination opportunities for us. The more money we raise in this offering, the greater our challenge will be to invest all of the net offering proceeds on attractive terms. In some cases we may also depend upon the performance of third-party loan servicers to service our loan investments. Except for our initial investments described herein and any that may be described in supplements to this PPM or Webpage Updates prior to the date you subscribe for our units, you will have no opportunity to evaluate the economic merits or the terms of our investments before making a decision to invest in the Company. You must rely entirely on the management abilities of our Manager and the loan servicers our Manager may select. We cannot assure you that our Manager will be successful in obtaining suitable investments on financially attractive terms or that, if our Manager makes investments on our behalf, our objectives will be achieved. If we, through our Manager, are unable to find suitable investments promptly, we will hold the proceeds from this offering in an interest-bearing account or invest the proceeds in short-term assets in a manner that is consistent with our intended qualification as a REIT. If we would continue to be unsuccessful in locating suitable investments, we may ultimately decide to liquidate. In the event we are unable to timely locate suitable investments, we may be unable or limited in our ability to pay distributions and we may not be able to meet our investment objective.

If we pay distributions from sources other than our cash flow from operations, we will have less funds available for investments and your overall return will be reduced.

Although our distribution policy is to use our cash flow from operations to make distributions, our organization documents permit us to pay distributions from any source, including offering proceeds, borrowings, or sales of assets. Until the proceeds from this offering are fully invested and from time to time during the operational stage, we may not generate sufficient cash flow from operations to fund distributions. If we pay distributions from financings, the net proceeds from this or future offerings or other sources other than our cash flow from operations, we will have less funds available for investments in real estate-related assets and the overall return to our unitholders may be reduced. If we fund distributions from borrowings, our interest expense and other financing costs, as well as the repayment of such borrowings, will reduce our earnings and cash flow from operations available for distribution in future periods, and

accordingly your overall return may be reduced. If we fund distributions from the sale of assets or the maturity, payoff or settlement of debt investments, this will affect our ability to generate cash flows from operations in future periods.

Future disruptions in the financial markets, deteriorating economic conditions or public health crises could adversely impact the commercial real estate market as well as the market for debt-related investments generally, which could hinder our ability to implement our business strategy and generate returns to you.

We intend to originate and acquire a diversified portfolio of commercial real estate loans and other investments in commercial real estate. We may also invest in commercial real estate-related debt securities, and other real estate-related assets. Economic conditions greatly increase the risks of these investments (see "— Risks Related to Our Investments"). The value of collateral securing any loan investment we may make could decrease below the outstanding principal amount of such loan. In addition, revenues on the properties and other assets underlying any loan investments we may make could decrease, making it more difficult for borrowers to meet their payment obligations to us. Each of these factors would increase the likelihood of default and foreclosure, which would likely have a negative impact on the value of our loan investment. More generally, the risks arising from the financial market and economic conditions are applicable to all of the investments we may make. The risks apply to commercial mortgage, mezzanine or bridge loans. They also apply to the debt and equity securities of companies that have an investment objective similar to ours.

Future disruptions in the financial markets, deteriorating economic conditions or public health crises may also impact the market for our investments and the volatility of our investments. The returns available to investors in our targeted investments are determined, in part, by: (i) the supply and demand for such investments and (ii) the existence of a market for such investments, which includes the ability to sell or finance such investments. During periods of volatility, the number of investors participating in the market may change at an accelerated pace. If either demand or liquidity increases, the cost of our targeted investments may increase. As a result, we may have fewer funds available to make distributions to investors.

All of the factors described above could adversely impact our ability to implement our business strategy and make distributions to our investors and could decrease the value of an investment in us.

Although we have signed agreements to purchase certain investments as of the date of this PPM, we have not identified any other investments to acquire with the net proceeds of this offering. You will not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.

Because we have only signed agreements to purchase certain investments as of the date of this PPM, see "Investment Objective, Strategies and Policy – Our Projects," we are not able to provide you with any additional information to assist you in evaluating the merits of any other specific investment that we may make in in the future, except for investments that may be described in supplements to this PPM or Webpage Updates. We will seek to invest substantially all of the offering proceeds available for investment, after the payment of fees and expenses, in commercial real estate loans and other investments in commercial real estate. However, because you will be unable to evaluate the economic merit of most of our assets before we invest in them, you will have to rely entirely on the ability of our Manager to select suitable and successful investment opportunities. These factors increase the risk that your investment may not generate returns comparable to our competitors.

We may suffer from delays in locating suitable investments, which could limit our ability to make distributions and lower the overall return on your investment.

We rely upon our Manager's real estate and debt finance professionals, including Mr. Benjamin S. Miller, its Co-Founder and Chief Executive Officer, to identify suitable investments. Our sponsor and other Fundrise entities also rely on Mr. Miller for investment opportunities. To the extent that our Manager's real estate and debt finance professionals face competing demands upon their time in instances when we have capital ready for investment, we may face delays in execution. We could also suffer from delays in locating suitable investments as a result of our reliance on our Manager at times when its officers, employees, or agents are simultaneously seeking to locate suitable investments for other Fundrise sponsored programs, some of which have an investment objective and employ investment strategies that are similar to ours. Delays we encounter in the selection and origination of income-producing loans and other assets would likely limit our ability to pay distributions to our unitholders and lower their overall returns. Similar concerns arise when there are prepayments, maturities or sales of our investments. See "—Prepayments can adversely affect the yields on the Company's investments" below.

You may be more likely to sustain a loss on your investment because our sponsor does not have as strong an economic incentive to avoid losses as do sponsors who have made significant equity investments in their companies.

Our sponsor has only invested $5,000 in us through the purchase of 500 of our common units at $10.00 per unit. Therefore, if we are successful in raising enough proceeds to be able to reimburse our sponsor for our organization and offering expenses, our sponsor

will have little exposure to loss in the value of our units. Without this exposure, our investors may be at a greater risk of loss because our sponsor does not have as much to lose from a decrease in the value of our units as do those sponsors who make more significant equity investments in their companies.

Any adverse changes in our sponsor's financial health or our relationship with our sponsor or its affiliates could hinder our operating performance and the return on your investment.

We have engaged our Manager to manage our operations and our portfolio of commercial real estate loans, commercial real estate equity investments and other select real estate-related assets. Our Manager has no employees, and utilizes our sponsor's personnel to perform services on its behalf for us. Our ability to achieve our investment objective and to pay distributions is dependent upon the performance of our sponsor and its affiliates as well as our sponsor's real estate and debt finance professionals in the identification and acquisition or origination of investments, the management of our assets and operation of our day-to-day activities. Any adverse changes in our sponsor's financial condition or our relationship with our sponsor could hinder our Manager's ability to successfully manage our operations and our portfolio of investments.

Our ability to implement our investment strategy is dependent, in part, upon our ability to successfully conduct this offering through the Fundrise Platform, which makes an investment in us more speculative.

We will conduct this offering primarily through the Fundrise Platform, which is owned by Fundrise, LLC. Our sponsor has sponsored other real estate investment opportunities under other formats prior to this offering. The success of this offering, and our ability to implement our business strategy, is dependent upon our ability to sell our units to investors through the Fundrise Platform. If we are not successful in selling our units through the Fundrise Platform, our ability to raise proceeds through this offering will be limited and we may not have adequate capital to implement our investment strategy. If we are unsuccessful in implementing our investment strategy, you could lose all or a part of your investment.

If we do not successfully implement a liquidity transaction, you may have to hold your investment for an indefinite period.

The term of the Fund will expire on the fifth anniversary of the date of this PPM, subject to two one-year extensions at the discretion of our Manager. If we adopt a plan of liquidation, the timing of the sale of assets will depend on real estate and financial markets, economic conditions in areas in which properties are located, and the U.S. federal income tax effects on unitholders, that may prevail in the future. We cannot guarantee that we will be able to liquidate all assets. If we do not pursue a liquidity transaction, or delay such a transaction due to market conditions, your units may continue to be illiquid and you may, for an indefinite period of time, be unable to convert your investment to cash easily and could suffer losses on your investment.

We may change our targeted investments and investment guidelines without unitholder consent.

Our Manager may change our targeted investments and investment guidelines at any time without the consent of our unitholders, which could result in our making investments that are different from, and possibly riskier than, the investments described in this PPM. A change in our targeted investments or investment guidelines may increase our exposure to interest rate risk, default risk and real estate market fluctuations, all of which could adversely affect the value of our common units and our ability to make distributions to you.

We have minimal operating capital, no significant assets and no revenue from operations.

We have minimal operating capital and for the foreseeable future will be dependent upon our ability to finance our operations from the sale of equity or other financing alternatives. There can be no assurance that we will be able to successfully raise operating capital. The failure to successfully raise operating capital, and the failure to attract qualified real estate companies and sufficient investor purchase commitments, could result in our bankruptcy or other event which would have a material adverse effect on us and our unitholders. We have no significant assets or financial resources, so such adverse event could put your investment dollars at significant risk.

The market in which we participate is competitive and, if we do not compete effectively, our operating results could be harmed.

We compete with many other entities engaged in real estate investment activities, including individuals, corporations, bank and insurance company investment accounts, REITs, private real estate funds, and other entities engaged in real estate investment activities as well as online real estate platforms that compete with the Fundrise Platform. This market is competitive and rapidly changing. We expect competition to persist and intensify in the future, which could harm our ability to increase volume on the Fundrise Platform.

In particular, our investment objective and strategies are similar to other programs our sponsor has previously organized, such as the Fundrise Income Real Estate Fund, LLC, which is also managed by our Manager. See "Conflicts of Interest" for more information.

Competition could result in reduced volumes, reduced fees or the failure of the Fundrise Platform to achieve or maintain more widespread market acceptance, any of which could harm our business. In addition, in the future we and the Fundrise Platform may experience new competition from more established internet companies possessing large, existing customer bases, substantial financial resources and established distribution channels. If any of these companies or any major financial institution decided to enter the online investment business, acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our operating results could be harmed.

Most of our current or potential competitors have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. Larger real estate programs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable properties may increase. Any such increase would result in increased demand for these assets and therefore increased prices paid for them. If we pay higher prices for properties and other investments, our profitability will be reduced and you may experience a lower return on your investment.

Our potential competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and broader customer relationships than we have. These competitors may be better able to develop new products, to respond quickly to new technologies and to undertake more extensive marketing campaigns. The online real estate investing industry is driven by constant innovation. If we or the Fundrise Platform are unable to compete with such companies and meet the need for innovation, the demand for the Fundrise Platform could stagnate or substantially decline.

We rely on third-party banks and on third-party computer hardware and software. If we are unable to continue utilizing these services, our business and ability to service the corresponding project loans may be adversely affected.

We and the Fundrise Platform rely on third-party and FDIC-insured depository institutions to process our transactions, including payments of corresponding loans, processing of subscriptions under this offering and distributions to our unitholders. Under the Automated Clearing House (ACH) rules, if we experience a high rate of reversed transactions (known as "chargebacks"), we may be subject to sanctions and potentially disqualified from using the system to process payments. The Fundrise Platform also relies on computer hardware purchased and software licensed from third parties. This purchased or licensed hardware and software may be physically located off-site, as is often the case with "cloud services." This purchased or licensed hardware and software may not continue to be available on commercially reasonable terms, or at all. If the Fundrise Platform cannot continue to obtain such services elsewhere, or if it cannot transition to another processor quickly, our ability to process payments will suffer and your ability to receive distributions will be delayed or impaired.

If our Manager fails to retain its key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our Manager's ability to attract and retain key personnel. Our future also depends on the continued contributions of the executive officers and other key personnel of our Manager, each of whom would be difficult to replace. In particular, the Co-Founder and Chief Executive Officer, Benjamin S. Miller, of our parent company and sponsor, Rise Companies Corp., who is the Chief Executive Officer of our Manager, is critical to the management of our business and operations and the development of our strategic direction. The loss of the services of Mr. Benjamin S. Miller or other executive officers or key personnel of our Manager and the process to replace any of our Manager's key personnel would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives.

Employee misconduct and unsubstantiated allegations against us and misconduct by employees of our sponsor could expose us to significant reputational harm.

We are vulnerable to reputational harm, as we operate in an industry where integrity and the confidence of our investors is of critical importance. If an employee of our sponsor or its affiliates were to engage in illegal or suspicious activities, or if unsubstantiated allegations are made against us or our sponsor by such employees, stockholders or others, our sponsor and we may suffer serious harm to our reputation (as a consequence of the negative perception resulting from such activities or allegations), financial position, relationships with key persons and companies in the real estate market, and our ability to attract new investors. Our business often requires that we deal with confidential information. If employees of our sponsor were to improperly use or disclose this information, we could suffer serious harm to our reputation, financial position and current and future business relationships.

It is not always possible to deter employee misconduct, and the precautions our sponsor takes to detect and prevent this activity may not be effective in all cases. Misconduct by our sponsor's employees, or even unsubstantiated allegations of misconduct, could subject our sponsor and us to regulatory sanctions and result in an adverse effect on our reputation and our business.

If our techniques for managing risk are ineffective, we may be exposed to unanticipated losses.

In order to manage the significant risks inherent in our business, we must maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to market, operational, legal and reputational risks. Our risk management methods may prove to be ineffective due to their design or implementation or as a result of the lack of adequate, accurate or timely information. If our risk management efforts are ineffective, we could suffer losses or face litigation, particularly from our clients, and sanctions or fines from regulators.

Our techniques for managing risks may not fully mitigate the risk exposure in all economic or market environments, or against all types of risk, including risks that we might fail to identify or anticipate. Any failures in our risk management techniques and strategies to accurately quantify such risk exposure could limit our ability to manage risks or to seek positive, risk-adjusted returns. In addition, any risk management failures could cause fund losses to be significantly greater than historical measures predict. Our more qualitative approach to managing those risks could prove insufficient, exposing us to unanticipated losses in our net asset value and therefore a reduction in our revenues.

Although we do not have a redemption plan in place, if our Manager in its sole discretion determines to redeem unitholders, including pursuant to the personal conduct repurchase right under our operating agreement, we may have fewer proceeds to invest in commercial real estate debt and equity investments.

We do not currently or in the future expect to have a redemption plan in place for our unitholders. However, our Manager may in the future determine to redeem untiholders in its sole discretion from the proceeds raised in this offering, including in connection with redemptions made pursuant to the personal conduct repurchase right under our operating agreement. If our Manager determines to redeem any unitholders, we may have fewer proceeds to invest in commercial real estate debt and equity investments.

Risks Related to our Sponsor and the Fundrise Platform

Our sponsor is a development stage company with limited operating history and no profits to date. As a company in the early stages of development, our sponsor faces increased risks, uncertainties, expenses and difficulties.

In order for us to be successful, the volume of investments and financings originated through the Fundrise Platform will need to increase, which will require our sponsor to increase its facilities, personnel and infrastructure to accommodate the greater obligations and demands on the Fundrise Platform. The Fundrise Platform is dependent upon the website to maintain current listings and transactions in real estate-related assets. Our sponsor also expects to constantly update its software and website, expand its customer support services and retain an appropriate number of employees to maintain the operations of the Fundrise Platform. If our business grows substantially, our sponsor may need to make significant new investments in personnel and infrastructure to support that growth. If our sponsor is unable to increase the capacity of the Fundrise Platform and maintain the necessary infrastructure, or if our sponsor is unable to make significant investments on a timely basis or at reasonable costs, you may experience delays in receipt of distributions on our common units, periodic downtime of the Fundrise Platform or other disruptions to our business and operations.

Our sponsor will need to raise substantial additional capital to fund its operations, and if it fails to obtain additional funding, it may be unable to continue operations.

Prior to January 2017, our sponsor had funded substantially all of its operations with proceeds from private financings from individual investors. On January 31, 2017, our sponsor began an initial offering of units of its class B common stock to the public. As of September 5, 2025, our sponsor had raised approximately $211 million through such equity offering. To continue the development of the Fundrise Platform, our sponsor will require substantial additional funds. To meet such financing requirements in the future, our sponsor may raise funds through equity offerings, debt financings or strategic alliances. Raising additional funds may involve agreements or covenants that restrict our sponsor's business activities and options. Additional funding may not be available to it on favorable terms, or at all. If our sponsor is unable to obtain additional funds for the operation of the Fundrise Platform, it may be forced to reduce or terminate its operations, which may adversely affect our business and results of operations.

Our sponsor is currently incurring net losses and expects to continue incurring net losses in the future.

Our sponsor is currently incurring net losses and expects to continue incurring net losses in the future. Its failure to become profitable could impair the operations of the Fundrise Platform by limiting its access to working capital to operate the Fundrise Platform. In addition, our sponsor expects its operating expenses to increase in the future as it expands its operations. If our sponsor's operating

expenses exceed its expectations, its financial performance could be adversely affected. If its revenue does not grow to offset these increased expenses, our sponsor may never become profitable. In future periods, our sponsor may not have any revenue growth, or its revenue could decline.

If our sponsor were to enter bankruptcy proceedings, the operation of the Fundrise Platform and the activities with respect to our operations and business would be interrupted and subscription proceeds held in a segregated account may be subject to the bankruptcy.

If our sponsor were to enter bankruptcy proceedings or to cease operations, we would be required to find other ways to meet obligations regarding our operations and business. Such alternatives could result in delays in the disbursement of distributions or the filing of reports or could require us to pay significant fees to another company that we engage to perform services for us.

If the security of our investors' confidential information stored in our sponsor's systems is breached or otherwise subjected to unauthorized access, your secure information may be stolen.

The Fundrise Platform may store investors' bank information and other personally-identifiable sensitive data. The Fundrise Platform is hosted in data centers that are compliant with payment card industry security standards and the website uses daily security monitoring services provided by Symantec Corporation. However, any accidental or willful security breach or other unauthorized access could cause your secure information to be stolen and used for criminal purposes, and you would be subject to increased risk of fraud or identity theft. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Fundrise Platform and its third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, many states have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause our investors and real estate companies to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation, resulting in the potential loss of investors and adverse effect on the value of your investment in us.

Any significant disruption in service on the Fundrise Platform or in its computer systems could reduce the attractiveness of the Fundrise Platform and result in a loss of users.

If a catastrophic event resulted in a platform outage and physical data loss, the Fundrise Platform's ability to perform its functions would be adversely affected. The satisfactory performance, reliability, and availability of our sponsor's technology and its underlying hosting services infrastructure are critical to our sponsor's operations, level of customer service, reputation and ability to attract new users and retain existing users. Our sponsor's hosting services infrastructure is provided by a third party hosting provider (the "Hosting Provider"). Our sponsor also maintains a backup system at a separate location that is owned and operated by a third party. The Hosting Provider does not guarantee that users' access to the Fundrise Platform will be uninterrupted, error-free or secure. Our sponsor's operations depend on the Hosting Provider's ability to protect its and our sponsor's systems in its facilities against damage or interruption from natural disasters, power or telecommunications failures, air quality, temperature, humidity and other environmental concerns, computer viruses or other attempts to harm our systems, criminal acts and similar events. If our sponsor's arrangement with the Hosting Provider is terminated, or there is a lapse of service or damage to its facilities, our sponsor could experience interruptions in its service as well as delays and additional expense in arranging new facilities. Any interruptions or delays in our sponsor's service, whether as a result of an error by the Hosting Provider or other third-party error, our sponsor's own error, natural disasters or security breaches, whether accidental or willful, could harm our ability to perform any services for corresponding project investments or maintain accurate accounts, and could harm our sponsor's relationships with users of the Fundrise Platform and our sponsor's reputation. Additionally, in the event of damage or interruption, our sponsor's insurance policies may not adequately compensate our sponsor for any losses that we may incur. Our sponsor's disaster recovery plan has not been tested under actual disaster conditions, and it may not have sufficient capacity to recover all data and services in the event of an outage at a facility operated by the Hosting Provider. These factors could prevent us from processing or posting payments on the corresponding investments, damage our sponsor's brand and reputation, divert our sponsor's employees' attention, and cause users to abandon the Fundrise Platform.

We do not own the Fundrise name, but were granted a license by our sponsor to use the Fundrise name. Use of the name by other parties or the termination of our license agreement may harm our business.

We have entered into a license agreement with our sponsor, pursuant to which our sponsor has granted us a non-exclusive, royalty-free license to use the name "Fundrise". Under this agreement, we have a right to use the "Fundrise" name as long as our Manager continues to manage us. Our sponsor has retained the right to continue using the "Fundrise" name. Our sponsor is not precluded from licensing or transferring the ownership of the "Fundrise" name to third parties, some of whom may compete against us. Consequently, we will be unable to prevent any damage to the goodwill associated with our name that may occur as a result of the activities of our sponsor or others related to the use of our name. Furthermore, in the event the license agreement is terminated, we will

be required to change our name and cease using the "Fundrise" name. Any of these events could disrupt our recognition in the market place, damage any goodwill we may have generated and otherwise harm our business.

Risks Related to Compliance and Regulation

Non-compliance with laws and regulations may impair our ability to arrange, service or otherwise manage our loans and other assets.

Failure to comply with the laws and regulatory requirements applicable to our business may, among other things, limit our, or a collection agency's, ability to collect all or part of the payments on our investments. In addition, our non-compliance could subject us to damages, revocation of required licenses or other authorities, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm our business.

Some states, including California, require nonfinancial companies, such as Fundrise Lending, LLC, a wholly-owned subsidiary of Rise Companies Corp. ("Fundrise Lending"), that work with our Manager to originate loans and other real estate investments, to obtain a real estate or other license in order to make commercial loans on a regular basis. Fundrise Lending has a California Finance Lenders Law License with California's Department of Financial Protection and Innovation that satisfies the requirements in California. Fundrise Lending does not intend to finance loans in states where such licenses are required until it obtains the required license. Fundrise Lending may, in the future, affiliate itself with third parties such as financial institutions in order to be able to arrange loans in jurisdictions where it might otherwise be restricted.

Maintenance of our Investment Company Act exemption imposes limits on our operations, which may adversely affect our operations.

We intend to conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the Investment Company Act. We anticipate that we will hold real estate and real estate-related assets described below (i) directly, (ii) through wholly-owned subsidiaries, (iii) through majority-owned joint venture subsidiaries, and, (iv) to a lesser extent, through minority-owned joint venture subsidiaries. We will limit what we buy and hold through minority-owned joint venture subsidiaries because assets held in such subsidiaries may be deemed investment securities.

We intend, directly or through our subsidiaries, to originate, invest in and manage a diversified portfolio of commercial real estate investments. We expect to originate, acquire and structure commercial real estate loans (including senior mortgage loans, B-Notes, mezzanine loans, and participations in such loans) and to make other investments in commercial real estate. We may also invest in commercial real estate-related debt securities (including CMBS, CDOs, and REIT senior unsecured debt) and other real estate-related assets.

In connection with the Section 3(a)(1)(C) analysis, the determination of whether an entity is a majority-owned subsidiary of the Company is made by us. The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act further defines voting security as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries. We also treat subsidiaries of which we or our wholly-owned or majority-owned subsidiary is the manager (in a manager-managed entity) or managing member (in a member-managed entity) or in which our agreement or the agreement of our wholly-owned or majority-owned subsidiary is required for all major decisions affecting the subsidiaries (referred to herein as "Controlled Subsidiaries"), as majority-owned subsidiaries even though the interests issued by such Controlled Subsidiaries do not generally meet the definition of voting securities under the Investment Company Act. We reached our conclusion on the basis that the interests issued by the Controlled Subsidiaries are the functional equivalent of voting securities. We have not asked the SEC staff for concurrence of our analysis, our treatment of such interests as voting securities, or whether the Controlled Subsidiaries, or any other of our subsidiaries, may be treated in the manner in which we intend, and it is possible that the SEC staff could disagree with any of our determinations. If the SEC staff were to disagree with our treatment of one or more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets. Any such adjustment in our strategy could have a material adverse effect on us.

Certain of our subsidiaries may rely on the exclusion provided by Section 3(c)(5)(C) under the Investment Company Act. Section 3(c)(5)(C) of the Investment Company Act is designed for entities "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." This exclusion generally requires that at least 55% of the entity's assets on an unconsolidated basis consist of qualifying real estate assets and at least 80% of the entity's assets consist of qualifying real estate assets or real estate-related assets. These requirements limit the assets those subsidiaries can own and the timing of sales and purchases of those assets.

To classify the assets held by our subsidiaries as qualifying real estate assets or real estate-related assets, we will rely on no-action letters and other guidance published by the SEC staff regarding those kinds of assets, as well as upon our analyses (in consultation with outside counsel) of guidance published with respect to other types of assets. There can be no assurance that the laws and regulations governing the Investment Company Act status of companies similar to ours, or the guidance from the SEC or its staff regarding the treatment of assets as qualifying real estate assets or real estate-related assets, will not change in a manner that adversely affects our operations. In fact, in August 2011, the SEC published a concept release in which it asked for comments on this exclusion from regulation. To the extent that the SEC staff provides more specific guidance regarding any of the matters bearing upon our exemption from the need to register or exclusion under the Investment Company Act, we may be required to adjust our strategy accordingly. Any additional guidance from the SEC staff could further inhibit our ability to pursue the strategies that we have chosen.

Furthermore, although we intend to monitor the assets of our subsidiaries regularly, there can be no assurance that our subsidiaries will be able to maintain their exclusion from registration. Any of the foregoing could require us to adjust our strategy, which could limit our ability to make certain investments or require us to sell assets in a manner, at a price or at a time that we otherwise would not have chosen. This could negatively affect the value of our common units, the sustainability of our business model and our ability to make distributions.

Registration under the Investment Company Act would require us to comply with a variety of substantive requirements that impose, among other things:

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

If we were required to register as an investment company but failed to do so, we could be prohibited from engaging in our business, and criminal and civil actions could be brought against us.

Registration with the SEC as an investment company would be costly, would subject us to a host of complex regulations and would divert attention from the conduct of our business, which could materially and adversely affect us. In addition, if we purchase or sell any real estate assets to avoid becoming an investment company under the Investment Company Act, our net asset value, the amount of funds available for investment and our ability to pay distributions to our unitholders could be materially adversely affected.

We are not subject to the banking regulations of any state or federal regulatory agency.

We are not subject to the periodic examinations to which commercial banks and other thrift institutions are subject. Consequently, our financing decisions and our decisions regarding establishing loan loss reserves are not subject to periodic review by any governmental agency. Moreover, we are not subject to regulatory oversight relating to our capital, asset quality, management or compliance with laws.

Recent legislative and regulatory initiatives have imposed restrictions and requirements on financial institutions that could have an adverse effect on our business.

The financial industry is becoming more highly regulated. There has been, and may continue to be, a related increase in regulatory investigations of the trading and other investment activities of alternative investment funds. Such investigations may impose additional expenses on us, may require the attention of senior management of our Manager and may result in fines if we are deemed to have violated any regulations.

As Internet commerce continues to develop, federal and state governments may adopt new laws to regulate Internet commerce, which may negatively affect our business.

As Internet commerce continues to evolve, increasing regulation by federal and state governments becomes more likely. Our and the Fundrise Platform's business could be negatively affected by the application of existing laws and regulations or the enactment of new laws applicable to lending. The cost to comply with such laws or regulations could be significant and would increase our operating expenses, and we may be required to pass along those costs to our borrowers in the form of increased fees, which could negatively impact our ability to make loans or other real estate investments. In addition, federal and state governmental or regulatory agencies may decide to impose taxes on services provided over the Internet. These taxes could discourage the use of the Internet as a means of commercial financing, which would adversely affect the viability of the Fundrise Platform.

Laws intended to prohibit money laundering may require Fundrise to disclose investor information to regulatory authorities.

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "PATRIOT Act") requires that financial institutions establish and maintain compliance programs to guard against money laundering activities, and requires the Secretary of the U.S. Treasury ("Treasury") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("FinCEN"), an agency of the Treasury, has announced that it is likely that such regulations would subject certain pooled investment vehicles to enact anti-money laundering policies. It is possible that there could be promulgated legislation or regulations that would require Fundrise or its service providers to share information with governmental authorities with respect to prospective investors in connection with the establishment of anti-money laundering procedures. Such legislation and/or regulations could require us to implement additional restrictions on the transfer of our common units to comply with such legislation and/or regulations. We reserve the right to request such information as is necessary to verify the identity of prospective unitholders and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. In the event of delay or failure by a prospective unitholder to produce any information required for verification purposes, an application for, or transfer of, our common units may be refused. We do not have the ability to reject a transfer of our common units where all necessary information is provided and any other applicable transfer requirements, including those imposed under the transfer provisions of our operating agreement, are satisfied.

Risks Related to Conflicts of Interest

There are conflicts of interest between us, our Manager and its affiliates.

Our Manager's executive officers, including our Manager's Chief Executive Officer, Benjamin S. Miller, are principals in the Manager's parent company, Rise Companies Corp., which provides asset management and other services to our Manager and us. Prevailing market rates are determined by management based on industry standards and expectations of what our Manager would be able to negotiate with a third party on an arm's length basis. All of the agreements and arrangements between such parties, including those relating to compensation, are not the result of arm's length negotiations. Some of the conflicts inherent in the Company's transactions with the Manager and their affiliates, and the limitations on such parties adopted to address these conflicts, are described below. The Company, the Manager and their affiliates will try to balance our interests with their own. However, to the extent that such parties take actions that are more favorable to other entities than us, these actions could have negative impact on our financial performance and, consequently, on distributions to unitholders and the value of our common units. We have adopted a conflicts of interest policy and certain conflicts will be reviewed by the Independent Representative (defined below). See "Conflicts of Interest—Certain Conflict Resolution Measures—Independent Representative" and "—Our Policies Relating to Conflicts of Interest".

Our Manager faces a conflict of interest because the asset management fee it receives for services performed for us is based on our NAV, which employees of our sponsor, the parent company of our Manager, are ultimately responsible for determining.

Our Manager, a wholly-owned subsidiary of our sponsor, is paid an asset management fee based on our NAV as calculated by our sponsor's internal accountants and asset management team. The calculation of our NAV involves certain subjective judgments with respect to estimating, for example, the value of our commercial real estate assets and investments and accruals of our operating revenues and expenses, and therefore, our NAV may not correspond to the realizable value upon a sale of those assets. Because the calculation of NAV involves subjective judgment, there can be no assurance that the estimates used by our sponsor's internal accountants and asset management team to calculate our NAV, or the resulting NAV, will be identical to the estimates that would be used, or the NAV that would be calculated, by an independent consultant. In addition, our Manager may benefit by us retaining ownership of our assets at times when our unitholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. Finally, the determination of our NAV is not based on, nor intended to comply with, fair value standards under GAAP, and our NAV may not be indicative of the price that we would receive for our assets at current market conditions.

Our Manager faces a conflict of interest because the disposition fees and incentive fee it may receive upon liquidation of certain investments are based on whether our Manager determines, in its sole discretion, to liquidate such investments.

Our Manager will be paid a disposition fee of up to 1.50% of the gross proceeds from the liquidation of our investments if our Manager is acting as the real estate developer or is engaged by the developer to sell the project and an incentive fee equal to 20% of all

remaining proceeds after the Company has achieved a 10% Preferred Return. Our Manager has sole discretion over whether to liquidate a given investment. As such, our Manager faces a conflict of interest because it may benefit financially by deciding to liquidate an investment, when our unitholders may be otherwise better served by us retaining ownership of such property.

The interests of the Manager, the principals and its other affiliates may conflict with your interests.

The operating agreement provides our Manager with broad powers and authority which may result in one or more conflicts of interest between your interests and those of the Manager, the principals and its other affiliates. This risk is increased by the Manager being controlled by Benjamin Miller, who is a principal in our sponsor and who participates, or expects to participate, directly or indirectly in other offerings by our sponsor and its affiliates. Potential conflicts of interest include, but are not limited to, the following:

- the Manager, the principals and/or its other affiliates are offering, and may continue to originate and offer other real estate investment opportunities, including additional equity and debt offerings similar to this offering, primarily through the Fundrise Platform, and may make investments in real estate assets for their own respective accounts, whether or not competitive with our business;

- the Manager, the principals and/or its other affiliates are not required to disgorge any profits or fees or other compensation they may receive from any other business they own separately from us, and you will not be entitled to receive or share in any of the profits return fees or compensation from any other business owned and operated by the Manager, the principals and/or its other affiliates for their own benefit;

- we may engage the Manager or affiliates of the Manager to perform services at prevailing market rates. Prevailing market rates are determined by the Manager based on industry standards and expectations of what the Manager would be able to negotiate with third party on an arm's length basis; and

- the Manager, the principals and/or its other affiliates are not required to devote all of their time and efforts to our affairs.

We have agreed to limit remedies available to us and our unitholders for actions by our Manager that might otherwise constitute a breach of duty.

Our Manager maintains a contractual, as opposed to a fiduciary relationship, with us and our unitholders. Accordingly, we and our unitholders only have recourse and are able to seek remedies against our Manager to the extent it breaches its obligations pursuant to our operating agreement. Furthermore, we have agreed to limit the liability of our Manager and to indemnify our Manager against certain liabilities. These provisions are detrimental to unitholders because they restrict the remedies available to them for actions that without those limitations might constitute breaches of duty, including fiduciary duties. By purchasing our common units, you will be treated as having consented to the provisions set forth in the operating agreement. In addition, we may choose not to enforce, or to enforce less vigorously, our rights under the operating agreement because of our desire to maintain our ongoing relationship with our Manager.

Risks Related to Our Investments

The Company's residential and commercial real estate and other real estate-related assets will be subject to the risks typically associated with real estate.

The Company's residential and commercial real estate debt investments and other real estate-related assets will generally be directly or indirectly secured by a lien on real property that, upon the occurrence of a default on the loan, could result in the Company acquiring ownership of the property. The Company will not know whether the values of the properties ultimately securing the Company's loans will remain at the levels existing on the dates of origination of those loans. If the values of the mortgaged properties drop, the Company's risk will increase because of the lower value of the security associated with such loans. In this manner, real estate values could impact the values of the Company's loan investments. The Company's investments in residential and commercial real estate (including equity investments in real property) may be similarly affected by real estate property values. Therefore, the Company's investments will be subject to the risks typically associated with real estate.

The value of real estate may be adversely affected by a number of risks, including:

- public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and COVID-19;

- natural disasters such as hurricanes, earthquakes and floods;

- acts of war or terrorism, including the consequences of terrorist attacks;
- adverse changes in national and local economic and real estate conditions;
- an oversupply of (or a reduction in demand for) space in the areas where particular properties are located and the attractiveness of particular properties to prospective tenants;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance therewith and the potential for liability under applicable laws;
- costs of remediation and liabilities associated with environmental conditions affecting properties; and
- the potential for uninsured or underinsured property losses.

The value of each property is affected significantly by its ability to generate cash flow and net income, which in turn depends on the amount of rental or other income that can be generated net of expenses required to be incurred with respect to the property. Many expenditures associated with properties (such as operating expenses and capital expenditures) cannot be reduced when there is a reduction in income from the properties. These factors may have a material adverse effect on the ability of our borrowers to pay their loans, as well as on the value that we can realize from assets we originate, own or acquire.

In addition, to the extent we make equity investments in commercial real estate, such investments will be subject to all of the risks associated with real estate described above.

Climate change and natural disasters could adversely affect our properties and business.

Some of our current or future properties could be subject to natural disasters and may be impacted by climate change. To the extent climate change causes adverse changes in weather patterns, rising sea levels or extreme temperatures, our properties in certain markets may be adversely affected. For example, properties located in coastal regions could be affected by any future increases in sea levels or in the frequency or severity of hurricanes and storms, whether caused by climate change or other factors.

Climate change could have a variety of direct or indirect adverse effects on our properties and business, including:

- property damage to our properties;
- indirect financial and operational impacts from disruptions to the operations of major tenants located in any of our retail properties from severe weather, such as extreme temperatures, hurricanes, floods, wildfires or other natural disasters;
- increased insurance premiums and deductibles, or a decrease in or unavailability of coverage, for properties in areas subject to severe weather, such as extreme temperatures hurricanes, floods, wildfires or other natural disasters;
- increased insurance claims and liabilities;
- increases in energy costs impacting operational returns;
- changes in the availability or quality of water or other natural resources on which our tenants depend;
- decreased consumer demand for products or services resulting from physical changes associated with climate change (e.g., warmer temperatures or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable);
- incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and
- economic disruptions arising from the above.

Moreover, compliance with new laws or regulations related to climate change, including compliance with “green” building codes, may require us to make improvements to our existing properties or pay additional taxes and fees assessed on us or our properties. Although we strive to identify, analyze, and respond to the risk and opportunities that climate change presents, at this time there can be no assurance that climate change will have an adverse effect on us.

Many of the Company's investments are illiquid and the Company may not be able to vary the Company's portfolio in response to changes in economic and other conditions.

The illiquidity of the Company's target investments may make it difficult for the Company to sell such investments if the need or desire arises. The senior mortgage loans, subordinated loans, mezzanine loans, and other loans and investments the Company may originate or purchase will be particularly illiquid investments due to their short life and the greater difficulty of recoupment in the event of a borrower's default. In addition, some of the residential and commercial real estate debt investments that the Company may purchase may be traded in private, unregistered transactions and may therefore be subject to restrictions on resale or otherwise have no established trading market. As a result, the Company expects many of the Company's investments will be illiquid, and if the Company is required to liquidate all or a portion of its portfolio quickly, the Company may realize significantly less than the value at which the Company has previously recorded its investments and the Company's ability to vary its portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect the Company's results of operations and financial condition.

Declines in the market values of Company's investments may adversely affect periodic reported results of operations and credit availability, which may reduce earnings and, in turn, cash available for distribution to unitholders.

Some of the Company's assets may be classified for accounting purposes as "available-for-sale." These investments are carried at estimated fair value and temporary changes in the market values of those assets will be directly charged or credited to unitholders' equity without impacting net income on the income statement. Moreover, if the Company determines that a decline in the estimated fair value of an available-for-sale security falls below its amortized value and is not temporary, the Company will recognize a loss on that security on the income statement, which will reduce the Company's earnings in the period recognized.

A decline in the market value of the Company's assets may adversely affect the Company particularly in instances where the Company has borrowed money based on the market value of those assets. If the market value of those assets declines, the lender may require the Company to post additional collateral to support the loan. If the Company were unable to post the additional collateral, the Company may have to sell assets at a time when it might not otherwise choose to do so. A reduction in credit available may reduce the Company's earnings and, in turn, cash available for distribution to unitholders.

Further, credit facility providers may require the Company to maintain a certain amount of cash reserves or to set aside unlevered assets sufficient to maintain a specified liquidity position, which would allow the Company to satisfy its collateral obligations. As a result, the Company may not be able to leverage the Company's assets as fully as it would choose, which could reduce the Company's return on equity. In the event that the Company is unable to meet these contractual obligations, the Company's financial condition could deteriorate rapidly. Market values of the Company's investments may decline for a number of reasons, such as changes in prevailing market rates, increases in defaults, increases in voluntary prepayments for those investments that the Company has that are subject to prepayment risk, widening of credit spreads and downgrades of ratings of the securities by ratings agencies.

A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could harm the Company's operations.

Many of the Company's investments may be susceptible to economic slowdowns or recessions, which could lead to financial losses in Company's investments and a decrease in revenues, net income and assets. An economic slowdown or recession, in addition to other non-economic factors such as an excess supply of properties, could have a material negative impact on the values of residential and commercial real estate, including both commercial real estate and residential real estate properties. Declining real estate values will likely reduce the Company's level of new mortgage loan originations, since borrowers often use increases in the value of their existing properties to support the purchase or investment in additional properties. Borrowers may also be less able to pay principal and interest on loans if the real estate economy weakens. Further, declining real estate values significantly increase the likelihood that the Company will incur losses on the loans in the event of default because the value of the Company's collateral may be insufficient to cover the Company's cost on the loan. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both the Company's net interest income from loans in the Company's portfolio as well as the Company's ability to originate, sell and securitize loans, which would significantly harm the Company's revenues, results of operations, financial condition, business prospects and the Company's ability to make distributions to unitholders.

Insurance may not cover all potential losses on residential and commercial real estate investments made by the Company, which may impair the value of the Company's assets.

Tenants of real estate equity investments and borrowers under real estate debt investments often (though not in all cases) obtain comprehensive insurance covering the respective properties, including liability, fire and extended coverage. However, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods and hurricanes, or terrorism that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the

insurance proceeds, if any, might not be adequate to restore the economic value of the mortgaged property, which might impair the Company's security and decrease the value of the property.

If the Company overestimates the value or income-producing or incorrectly prices the risks of the Company's investments, the Company may experience losses.

Analysis of the value or income-producing ability of a commercial or residential real estate property investment is highly subjective and may be subject to error. The Company will value its potential commercial or residential real estate equity investments based on yields and risks, taking into account estimated future losses on the commercial or residential real estate debt investments and the mortgaged property included in the securitization's pools or select residential or commercial real estate equity investments, and the estimated impact of these losses on expected future cash flows and returns. In the event that the risks relative to the price the Company pays for a particular investment are underestimated, the Company may experience losses with respect to such investment.

The leases on the properties underlying the Company's investments may not be renewed on favorable terms.

The properties underlying the Company's investments could be negatively impacted by the deteriorating economic conditions and weaker rental markets. Upon expiration or earlier termination of leases on these properties, the space may not be relet or, if relet, the terms of the renewal or reletting (including the cost of required renovations or concessions to tenants) may be less favorable than current lease terms. In addition, the poor economic conditions may reduce a tenants' ability to make rent payments under their leases. Any of these situations may result in extended periods where there is a significant decline in revenues or no revenues generated by these properties. Additionally, if market rental rates are reduced, property-level cash flows would likely be negatively affected as existing leases renew at lower rates. If the leases for these properties cannot be renewed for all or substantially all of the space at these properties, or if the rental rates upon such renewal or reletting are significantly lower than expected, the value of the Company's investments may be adversely effected.

Risks of cost overruns and non-completion of the construction or renovation of the properties underlying loans the Company makes or acquires may materially adversely affect the Company's investment.

The renovation, refurbishment or expansion by a borrower under a mortgaged or leveraged property involves risks of cost overruns and non-completion. Costs of construction or improvements to bring a property up to standards established for the market position intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include environmental risks and construction, rehabilitation and if applicable, subsequent leasing of the property not being completed on schedule. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged impairment of net operating income and may not be able to make payments on Company's investment.

Risk associated with new construction homebuilding and development of residential and commercial real estate projects may materially affect the Company's investment.

The Company's investments in are subject to risks inherent in real estate development and construction, such as the risk that there will be insufficient tenant demand to occupy newly developed properties, changing project requirements, elevated costs for labor and materials, and unexpected construction hurdles that can increase construction costs.

Financing risk may also exist should changes in construction costs or financial markets occur. Regulatory risks may exist should changes in regulation occur during construction or if the necessary permits are not secured prior to beginning construction.

The Company is exposed to environmental liabilities with respect to properties to which the Company takes title.

In the course of Company's business, the Company may take title to real estate, and, if the Company does take title, the Company could be subject to environmental liabilities with respect to these properties. In such a circumstance, the Company may be held liable to a governmental entity or to third parties for property damage, personal injury, and investigation and clean-up costs incurred by these parties in connection with environmental contamination, or may be required to investigate or clean up hazardous or toxic substances, or chemical releases, at a property. The costs associated with investigation or remediation activities could be substantial. If the Company ever become subject to significant environmental liabilities, the Company's business, financial condition, liquidity and results of operations could be materially and adversely affected.

The Company is exposed to risks inherent to the residential real estate industry.

A number of the Company's investments in real estate assets are concentrated in the residential sector. This concentration may expose us to the risk of economic downturns in this sector to a greater extent than if our business activities included a more significant portion of other sectors of the real estate industry. Investments in residential real estate are subject to various changes in real estate

conditions, and any negative trends in real estate conditions may adversely affect the Company's investments through decreased revenues or increased costs. These conditions include: changes in national, regional and local economic conditions, which may be negatively impacted by concerns about inflation, deflation, government deficits, high unemployment rates, decreased consumer confidence and liquidity concerns; fluctuations in interest rates; the inability of residents and tenants to pay rent; the existence and quality of the competition, including the attractiveness of properties based on considerations such as convenience of location, rental rates, amenities and safety record; increased operating costs, including increased real property taxes, maintenance, insurance and utilities costs; oversupply of apartments, single-family housing or a reduction in demand for real estate; and changes in, or increased costs of compliance with, laws and/or governmental regulations, including those governing usage, zoning, the environment and taxes.

Risks Relating to Economic Conditions

Economic recessions or downturns and periods of high inflation may have an adverse effect on our business, financial condition and results of operations.

Economic recessions or downturns may result in a prolonged period of market illiquidity, which could have an adverse effect on our business, financial condition and results of operations. Unfavorable economic conditions, including periods of high inflation, also could reduce investments on the Fundrise Platform by investors and engagement by real estate operators. Periods of economic slowdown or recession, high inflation, significantly rising interest rates, declining employment levels, decreasing demand for real estate, or the public perception that any of these events may occur, have resulted in and could continue to result in a general decline in acquisition, disposition and leasing activity, as well as a general decline in the value of real estate and in rents. These events could adversely affect our demand among investors, which will impact our results of operations.

During an economic downturn, it may also take longer for us to dispose of real estate investments, or the disposition prices may be lower than originally anticipated. As a result, the carrying value of such real estate investments may become impaired and we could record losses as a result of such impairment or could experience reduced profitability related to declines in real estate values. These events could adversely affect our performance and, in turn, our business, and negatively impact our results of operations.

Negative general economic conditions could continue to reduce the overall amount of sale and leasing activity in the commercial real estate industry, and hence the demand for our securities, which may in turn adversely affect our revenues. We are unable to predict the likely duration and severity of the current disruption in financial markets and adverse economic conditions in the United States and other countries.

Future disruptions in the financial markets or deteriorating economic conditions could adversely impact the commercial and residential real estate market as well as the market for debt-related investments generally, which could hinder the Company's ability to implement the Company's business strategy and generate returns to unitholders.

The Company intends to originate and acquire a portfolio of commercial and residential real estate, publicly traded real estate securities and other real estate-related assets. Economic conditions greatly increase the risks of these investments. The value of collateral securing any loan investment the Company may make could decrease below the outstanding principal amount of such loan. In addition, revenues on the properties and other assets underlying any loan investments the Company may make could decrease, making it more difficult for borrowers to meet their payment obligations to the Company. Each of these factors would increase the likelihood of default and foreclosure, which would likely have a negative impact on the value of the Company's loan investment. More generally, the risks arising from the financial market and economic conditions are applicable to all of the investments the Company may make. The risks apply to commercial and residential mortgage, mezzanine or bridge loans. They also apply to the debt and equity securities of companies that have an investment objective similar to the Company's objective.

Future disruptions in the financial markets or deteriorating economic conditions may also impact the market for the Company's investments and the volatility of the Company's investments. The returns available to investors in the Company's targeted investments are determined, in part, by: (i) the supply and demand for such investments and (ii) the existence of a market for such investments, which includes the ability to sell or finance such investments. During periods of volatility, the number of investors participating in the market may change at an accelerated pace. If either demand or liquidity increases, the cost of the Company's targeted investments may increase. As a result, the Company may have fewer funds available to make distributions to investors. All of the factors described above could adversely impact the Company's ability to implement its investment strategy and make distributions to its unitholders and could decrease the value of an investment in the Company.

Further downgrades of the U.S. credit rating, impending automatic spending cuts or a government shutdown could negatively impact our liquidity, financial condition and earnings.

Recent U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit rating downgrades and economic slowdowns, or a recession in the United States. Although U.S. lawmakers passed legislation to raise the federal debt ceiling

on multiple occasions, ratings agencies have lowered or threatened to lower the long-term sovereign credit rating on the United States. The impact of this or any further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the United States and global financial markets and economic conditions. With the improvement of the U.S. economy, the Federal Reserve may continue to raise interest rates, which would increase borrowing costs and may negatively impact our ability to access the debt markets on favorable terms. In addition, disagreement over the federal budget has caused the U.S. federal government to essentially shut down for periods of time. Continued adverse political and economic conditions could have an adverse effect on our business, financial condition and results of operations.

Global economic, political and market conditions and economic uncertainty may adversely affect our business, results of operations and financial condition.

Various social, political and geopolitical tensions in the United States and around the world, as well as economic uncertainties and other market conditions, may continue to contribute to increased market volatility, may have long-term effects on the United States and worldwide financial markets, and may cause further economic uncertainties or deterioration in the United States and worldwide. Economic uncertainty can have a negative impact on our business through changing spreads, structures and purchase multiples, as well as the overall supply of investment capital. Since 2010, several European Union, or EU, countries, including Greece, Ireland, Italy, Spain, and Portugal, have faced budget issues, some of which may have negative long-term effects for the economies of those countries and other EU countries. In addition, the fiscal policy of foreign nations, such as China, may have a severe impact on the worldwide and United States financial markets. Finally, public health crises, pandemics and epidemics, such as those caused by viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and COVID-19, could adversely impact our business by interrupting business, supply chains and transactional activities, disrupting travel, and negatively impacting local, national or global economies. We cannot predict the effects of these or similar events in the future on the United States economy and securities markets or on our investments. As a result of these factors, there can be no assurance that we will be able to successfully monitor developments and manage our investments in a manner consistent with achieving our investment objectives.

Pandemics or the future outbreak of other highly infectious or contagious diseases could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Pandemics, such as the COVID-19 pandemic, or the future outbreak of other highly infectious or contagious diseases have previously caused, and may again in the future cause, severe economic, market and other disruptions worldwide. These include adverse effects on the conditions in the bank lending, capital and other financial markets and on our access to capital and other sources of funding, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. Should a recession occur, it could negatively impact the value of commercial and residential real estate and the value of our investments, potentially materially. In addition, conditions such as rising interest rates and reduced tenant demand may ultimately decrease occupancy levels and pricing across our portfolio. Further, the deterioration of global economic conditions may cause one or more of our tenants to be unable to meet their rent obligations to us in full, or at all, or to otherwise seek modifications of such obligations. In addition, governmental authorities may enact laws that will prevent us from taking action against tenants who do not pay rent.

Risks Related to Property Acquisition and Development

The Company's investments are subject to risks inherent in residential and commercial real estate generally as well as risks inherent to new construction and development.

The Company expects to engage in the strategy of acquiring, holding and financing land for future development. The risks inherent in financing, purchasing, owning, selling, and developing land increase as the demand for new homes and rentals decreases. Real estate markets are highly uncertain, and the value of undeveloped land has fluctuated significantly and may continue to fluctuate. The Company's investments are subject to risks inherent in residential and commercial real estate generally as well as risks inherent to new construction and development, such as the risk that there will be insufficient tenant demand to occupy newly developed properties, the risk that costs of construction materials or construction labor may rise materially during the development, overbuilding and price competition, decreased availability of suitable land, and changing government regulations (including zoning, usage and tax laws). In addition, land carrying costs can be significant and can result in losses or reduced profitability. As a result, the Company may hold certain land, and may acquire or finance additional land, in its development pipeline at a cost that the Company may not be able to fully recover or at a cost which precludes profitable development.

The Company may finance, own, and develop residential communities in concentrated geographic areas. Residential land development, construction, and lot sales can be highly cyclical and can be affected by the availability of mortgage financing, interest rates and local issues, including the availability of jobs, transportation and the quality of public schools. Once a development is undertaken, no assurances can be given that the Company will be able to sell the various developed lots or rent the properties in a timely manner. Failure to sell such lots or rent the properties in a timely manner could result in significantly increased carrying costs and erosion or elimination of profit with respect to any development. In a recession or period of prolonged economic downturn, sales of lots

and new rents can decline significantly. The Company is exposed to these increased carrying costs and reduction of profit throughout this recessionary period until conditions improve. Certain property could be characterized as property held for sale, rather than investment, for U.S. federal income tax purposes and could subject us to a 100% "prohibited transaction" tax on any gain from a sale of such property, unless we comply with a statutory safe harbor or earn the gain through a taxable REIT subsidiary ("TRS").

In addition, actual construction and development costs with respect to development can exceed estimates for various reasons, including unknown site conditions. The timing of subdivision lot sales and unimproved or improved property sales are, by their nature, difficult to predict with any precision. Additionally, some of the Company's residential properties are multi-year projects, and market conditions may change between the time the Company decides to develop a property and the time that all or some of the lots or tracts may be ready for sale. Similarly, the Company may hold undeveloped land for long periods of time prior to development or sale. Any changes in market conditions between the time the Company acquires land and the time it develops, rents, and/or sells the land could cause the Company's estimates of proceeds and related profits from such sales or rents to be lower or result in an impairment charge. Periods of economic downturn can cause estimated sales prices to decline, increasing the likelihood that the Company will be required to record one or more impairment charges. Estimates of sales, rents, and profits may differ substantially from actual sales, rents, and profits and as a result, our results of operations may differ substantially from these estimates.

Risks Related to Specific Real Estate Property Types

The Company's portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a more diversified portfolio.

The Company's portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a more diversified portfolio. The Company will subject to the risks associated with ownership of commercial and residential estate generally.

In addition to these general risks associated with commercial and residential real estate equity investments, the Company will also be subject to special risks associated with particular sectors or types of commercial and residential real estate, including, but not limited to, the following:

- Rental Properties. Rental properties are affected by the overall health of the economy and may be adversely affected by, among other things, the growth of alternative forms of retailing, bankruptcy, departure or cessation of operations of a tenant, a shift in consumer demand due to demographic changes, changes in spending patterns and lease terminations.
- Retail Properties. Retail properties are affected by the overall health of the economy and may be adversely affected by, among other things, the growth of alternative forms of retailing, competition from numerous other retail channels, bankruptcy, departure or cessation of operations of a tenant, a shift in consumer demand due to demographic changes, changes in spending patterns and lease terminations.
- Office Properties. Office properties are affected by the overall health of the economy, and other factors such as a downturn in the businesses operated by their tenants, regulatory compliance costs, obsolescence and non-competitiveness.
- Multifamily Properties. The value and successful operation of a multifamily residential property may be affected by a number of factors such as the location of the property, the ability of the management team, the level of mortgage rates, the presence of competing properties, short-term leases of multifamily units and the risk of declining market rent, significant vacancies which affect the resale value of multifamily properties, competition from other apartment communities for tenants, affordability of single-family homes as an alternative to multifamily housing, adverse economic conditions in the locale, oversupply and rent control laws or other laws affecting such properties.
- Single Family Properties. The value and successful operation of a single family residential property may be affected by a number of factors such as the location of the property, the ability of the management team, the level of mortgage rates, the presence of competing properties, the risk of declining market rent, competition from other institutional investors, affordability of multifamily housing, adverse economic conditions in the locale, oversupply and rent control laws or other laws affecting such properties.
- Hospitality Properties. The risks of hospitality or hotel properties include, among other things, the necessity of a high level of continuing capital expenditures, competition, increases in operating costs which may not be offset by increases in revenues, dependence on business and commercial travelers and tourism, increases in fuel costs and other expenses of travel, and adverse effects of general and local economic conditions. Hospitality properties tend to be more sensitive to seasonal risks, adverse economic conditions, and competition than many other commercial properties.
- Industrial Properties. Industrial properties are affected by downturns in the manufacturing, processing and shipping of goods, and the decline in manufacturing activity in the United States.

- Healthcare Properties. Healthcare properties and healthcare providers are affected by several significant factors, including federal, state and local laws governing licenses (especially licensing and certification requirements for participation in government programs including obtaining certificates of need), adequacy of care, pharmaceutical distribution, reduction in reimbursement rates from third party payors such as Medicare or Medicaid, equipment, personnel and other factors regarding operations, continued availability of revenue from government reimbursement programs and competition on a local and regional basis. The failure of any healthcare operator to comply with governmental laws and regulations may affect its ability to operate its facility or receive government reimbursements.
- Land. Land may be affected by development risks including insufficient tenant demand to build or construction delays, regulatory delays concerning zoning or various licensing requirements, as well as adverse changes in local and national economic and market conditions.
- Self-Storage Properties. The value and successful operation of a self-storage property may be affected by a number of factors, such as the ability of the management team, the location of the property, the presence of competing properties, changes in traffic patterns and effects of general and local economic conditions with respect to rental rates and occupancy levels.
- Student Housing Properties. Student housing properties are affected by fluctuations in underlying demand, which is tied to student enrollments, as well as short-term and seasonal leasing demands. Other factors affecting student housing include the supply of university-owned housing and the availability and accessibility of transportation. In addition, tuition costs and the ability for students to borrow in order to continue their studies will impact available income for student housing costs.
- Data Center Properties. Data center properties are subject to the risk of obsolescence given changing technology and the high investment cost of such assets. Also tenant demand may fluctuate as companies change their needs for information technology investment. Data center properties are also subject to the risks associated with security breaches or the failures of the networks, systems, or technology located within the data centers, and dependence on computer systems due to demographic changes, changes in spending patterns and lease terminations.
- New Construction Homebuilding. Homebuilding projects are affected by several significant factors, including rising costs and decreased availability of suitable land; costs of construction labor and materials; overbuilding and price competition; consumer demand and confidence; labor availability; availability of construction financing and residential mortgages; and related interest rates.

Risks of Investing Through Real Estate Investment Vehicles

By investing in a Real Estate Investment Vehicle, the Company is indirectly exposed to risks associated with the Real Estate Investment Vehicle's investments in residential and commercial real estate investments. Such investments may involve risks not otherwise present with other methods of investment, including, for instance, the following risks and conflicts of interest:

- The Company may not have sole decision-making authority with respect to a Real Estate Investment Vehicle (except any wholly owned Real Estate Investment Vehicle) regarding certain major decisions affecting the ownership of the vehicle or assets of the vehicle, and a co-investor, joint venture partner or other investor in the Real Estate Investment Vehicle could take actions that decrease the value of an investment to the Company and lower the Company's overall return;
- A co-investor, joint venture partner or other investor in a Real Estate Investment Vehicle may have economic or other interests or goals that are inconsistent with the Company's interests or goals, including, for instance, the financing, management, operation, leasing or sale of the assets purchased by such Real Estate Investment Vehicle;
- A co-investor, joint venture partner or other investor in a Real Estate Investment Vehicle that controls the management of the affairs of a Real Estate Investment Vehicle could become insolvent or bankrupt;
- Fraud or other misconduct by a co-investor, joint venture partner or other investor that controls the management of the affairs of a Real Estate Investment Vehicle may have a materially adverse effect on the Company's investments;
- Under certain arrangements, no party may have the power to control the Real Estate Investment Vehicle and, under certain circumstances, an impasse could result regarding cash distributions, reserves, or a proposed sale or refinancing of the investment, and this impasse could have an adverse impact on the Real Estate Investment Vehicle, which could adversely impact the operations and profitability of the vehicle and/or the amount and timing of distributions the Company receives from such vehicle;
- A co-investor, joint venture partner or other investor in a Real Estate Investment Vehicle may be structured differently than the Company for tax purposes and this could create conflicts of interest and risk to the Company's ability to qualify as a REIT for U.S. federal income tax purposes;
- The Company may rely upon a co-investor, joint venture partner or other investor in a Real Estate Investment Vehicle to manage the day-to-day operations of the Real Estate Investment Vehicle, as well as to prepare financial information for the vehicle, and any failure to perform these obligations may have a negative impact on the Company's performance and results of operations;

- A co-investor, joint venture partner or other investor managing a Real Estate Investment Vehicles may experience a change of control, which could result in new management of such co-investor, joint venture partner or other investor with less experience or conflicting interests to the Company and be disruptive to the Company's business;
- A co-investor, joint venture partner or other investor in a Real Estate Investment Vehicles may be in a position to take action contrary to the Company's instructions or requests or contrary to the Company's policies or objectives, including the Company's policy with respect to maintaining its qualification as a REIT for U.S. federal income tax purposes; and
- The terms of a Real Estate Investment Vehicle could restrict the Company's ability to sell or transfer its interest to a third party when it desires on advantageous terms, which could result in reduced liquidity.

Any of the above might subject the Company to liabilities and thus reduce its returns on investments through that Real Estate Investment Vehicle.

Risks Related to the Company's Residential and Commercial Real Estate Loans

The residential and commercial real estate loan investments the Company originates and invests in could be subject to delinquency, foreclosure and loss, which could result in losses to the Company.

Commercial and residential real estate loans are secured by residential or commercial use property and are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income-producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expenses or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, natural disasters, terrorism, social unrest and civil disturbances. In addition, to the extent the Company originates or acquire adjustable rate mortgage loans, such loans may contribute to higher delinquency rates because borrowers with adjustable rate mortgage loans may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward from the initial fixed rate.

In the event of any default under a mortgage loan held by the Company, the Company will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on the Company's cash flow from operations. The Company expects that many of the residential and commercial real estate debt investments that the Company originates will be fully or substantially non-recourse. In the event of a default by a borrower on a non-recourse loan, the Company will only have recourse to the underlying asset (including any escrowed funds and reserves) collateralizing the loan. If a borrower defaults on one of Company's residential or commercial real estate debt investments and the underlying asset collateralizing the residential or commercial real estate debt investments is insufficient to satisfy the outstanding balance of the residential or commercial real estate debt investments, the Company may suffer a loss of principal or interest. In addition, even if the Company has recourse to a borrower's assets, the Company may not have full recourse to such assets in the event of a borrower bankruptcy.

Foreclosure of a mortgage loan can be an expensive and lengthy process that could have a substantial negative effect on the Company's anticipated return on the foreclosed mortgage loan. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the mortgaged property at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. The resulting time delay could reduce the value of the Company's investment in the defaulted mortgage loans, impede the Company's ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to the Company on the mortgage loan.

Competition with third parties in acquiring and originating investments may reduce the Company's profitability and the return on a unitholder's investment.

The Company has significant competition with respect to its acquisition and origination of assets with many other companies, including REITs, insurance companies, commercial banks, private investment funds, hedge funds, specialty finance companies, online investment platforms and other investors, many of which have greater resources than the Company. The Company may not be able to compete successfully for investments. In addition, the number of entities and the amount of funds competing for suitable investments may increase. If the Company pays higher prices for investments or originates loans on more generous terms than the Company's competitors, the Company's returns will be lower and the value of the Company's assets may not increase or may decrease significantly

below the amount the Company paid for such assets. If such events occur, unitholders may experience a lower return on their investments.

The Company's investments in subordinated commercial and residential real estate loans may be subject to losses.

The Company may acquire or originate subordinated commercial and residential real estate loans. In the event a borrower defaults on a subordinated loan and lacks sufficient assets to satisfy the loan, the Company may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, the Company may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. If a borrower defaults on the loan or on debt senior to the loan, or in the event of a borrower bankruptcy, the loan will be satisfied only after the senior debt is paid in full. Where debt senior to the loan exists, the presence of intercreditor arrangements may limit the Company's ability to amend its loan documents, assign the loans, accept prepayments, exercise the Company's remedies (through "standstill periods"), and control decisions made in bankruptcy proceedings relating to borrowers.

The mezzanine loans in which the Company may invest involves greater risks of loss than senior loans secured by the same properties.

The Company may invest in mezzanine loans that take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning the real property or an entity that owns (directly or indirectly) the interest in the entity owning the real property. These types of investments may involve a higher degree of risk than long-term senior mortgage lending secured by income-producing real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Company may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the mezzanine loan. If a borrower defaults on Company's mezzanine loan or debt senior to the loan, or in the event of a borrower bankruptcy, the mezzanine loan will be satisfied only after the senior debt. As a result, the Company may not recover some or all of its investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the real property and increasing the risk of loss of principal.

Controlled subsidiaries the Company may invest in will be subject to specific risks relating to the particular subsidiary.

The Company may invest in Controlled subsidiaries owning real estate where we are entitled to receive a preferred economic return. Such investments may be subordinate to debt financing. These investments will involve special risks relating to the particular subsidiary, including the financial condition and business outlook of the subsidiary. To the extent these investments are subordinate to debt financing, they will also be subject to risks of (i) limited liquidity in the secondary trading market, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination to the prior claims of banks and other senior lenders to the issuer, (iv) the operation of mandatory sinking Company or call or redemption provisions during periods of declining interest rates that could cause the subsidiary to reinvest any redemption proceeds in lower yielding assets, and (v) the declining creditworthiness and potential for insolvency of the subsidiary during periods of rising interest rates and economic downturn. As a result, the Company may not recover some or all of our capital, which could result in losses.

Investments in non-conforming or non-investment grade rated loans involve greater risk of loss.

Some of the Company's investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated or may be rated as non-investment grade by the rating agencies. The non-investment grade ratings for these assets typically result from the overall leverage of the loans, the lack of a strong operating history for the properties underlying the loans, the borrowers' credit history, the properties' underlying cash flow or other factors. As a result, these investments may have a higher risk of default and loss than investment grade rated assets. Any loss the Company incurs may be significant and may reduce distributions to Company's unitholders and adversely affect the value of the Company's units.

The Company may invest in CMBS and RMBS, which are subject to several types of risks that may adversely impact Company performance.

Commercial mortgage-backed securities, or CMBS, are bonds that evidence interests in, or are secured by, a single commercial mortgage loan or a pool of commercial mortgage loans. Accordingly, the mortgage-backed securities the Company may invest in are subject to all the risks of the underlying mortgage loans, including the risks of prepayment or default.

In a rising interest rate environment, the value of CMBS may be adversely affected when repayments on underlying mortgage loans do not occur as anticipated, resulting in the extension of the security's effective maturity and the related increase in interest rate sensitivity of a longer-term instrument. The prices of lower credit quality securities are generally less sensitive to interest rate changes than more highly rated assets but more sensitive to adverse economic downturns or individual issuer developments. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality securities because the ability of obligors of mortgages underlying CMBS to make principal and interest payments or to refinance may be impaired. In this case, existing credit

support in the securitization structure may be insufficient to protect us against loss of our principal on these securities. The value of CMBS also may change due to shifts in the market's perception of issuers and regulatory or tax changes adversely affecting the mortgage securities markets as a whole. In addition, CMBS are subject to the credit risk associated with the performance of the underlying mortgage properties.

Residential mortgage-backed securities, or RMBS, are bonds that evidence interests in, or are secured by, a single residential mortgage loan or a pool of residential mortgage loans. Accordingly, the mortgage-backed securities the Company may invest in are subject to all the risks of the underlying mortgage loans, including the risks of prepayment or default.

The investment characteristics of RMBS differ from traditional debt securities. The major differences include the fact that interest payments and principal repayments on RMBS are made more frequently (usually monthly), and principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. These differences can result in significantly greater price and yield volatility than is the case with traditional debt securities. Prepayments on a pool of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including changes in mortgagors' housing needs, job transfer, unemployment, mortgagors' net equity in the mortgaged properties and servicing decisions. The timing and level of prepayments cannot be predicted. Generally, however, prepayments on fixed rate mortgage loans will increase during a period of falling mortgage interest rates and decrease during a period of rising mortgage interest rates. Accordingly, amounts available for reinvestment by the Company are likely to be greater during a period of declining mortgage interest rates and, if general interest rates also decline, are likely to be reinvested at lower interest rates than the Company was earning on the RMBS that were prepaid. During a period of rising interest rates, amounts available for reinvestment by the Company are likely to be lower and the effective maturities of RMBS may extend.

CMBS and RMBS are also subject to several risks created through the securitization process. Certain subordinate CMBS are paid interest only to the extent that there are funds available to make payments. To the extent the collateral pool includes a large percentage of delinquent loans, there is a risk that interest payment on subordinate CMBS or RMBS will not be fully paid. Subordinate securities of CMBS and RMBS are also subject to greater risk than those CMBS and RMBS that are more highly rated.

The Company may not control the special servicing of the mortgage loans included in the CMBS in which the Company invests and, in such cases, the special servicer may take actions that could adversely affect the Company's interests.

With respect to each series of CMBS in which the Company may invest, overall control over the special servicing of the related underlying mortgage loans may be held by a directing certificate-holder, which is appointed by the holders of the most subordinate class of CMBS in such series. The Company may acquire classes of existing series of CMBS where we will not have the right to appoint the directing certificate-holder. In connection with the servicing of the specially serviced mortgage loans, the related special servicer may, at the direction of the directing certificate-holder, take actions that could adversely affect our interests.

Adjustable rate mortgage loans may entail greater risks of default to lenders than fixed rate mortgage loans.

Adjustable rate mortgage loans may contribute to higher delinquency rates. Borrowers with adjustable rate mortgage loans may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate, as applicable, in effect during the initial period of the mortgage loan to the rate computed in accordance with the applicable index and margin. This increase in borrowers' monthly payments, together with any increase in prevailing market interest rates, after the initial fixed rate period, may result in significantly increased monthly payments for borrowers with adjustable rate mortgage loans, which may make it more difficult for the borrowers to repay the loan or could increase the risk of default of their obligations under the loan.

The Company may invest in CDOs and such investments may involve significant risks.

The Company may invest in CDOs. CDOs are multiple class debt securities, or bonds, secured by pools of assets, such as mortgage-backed securities, B-Notes, mezzanine loans, REIT debt and credit default swaps. Like typical securities structures, in a CDO, the assets are pledged to a trustee for the benefit of the holders of the bonds. Like CMBS and RMBS, CDOs are affected by payments, defaults, delinquencies and losses on the underlying commercial or residential real estate loans. CDOs often have reinvestment periods that typically last for five years during which proceeds from the sale of a collateral asset may be invested in substitute collateral. Upon termination of the reinvestment period, the static pool functions very similarly to a CMBS or RMBS securitization where repayment of principal allows for redemption of bonds sequentially. To the extent the Company invests in the equity securities of a CDO, the Company will be entitled to all of the income generated by the CDO after the CDO pays all of the interest due on the senior debt securities and its expenses. However, there will be little or no income or principal available to the CDO equity if defaults or losses on the underlying collateral exceed a certain amount. In that event, the value of the Company's investment in any equity class of a CDO could decrease substantially. In addition, the equity securities of CDOs are generally illiquid and often must be held by a REIT and because they represent a leveraged investment in the CDO's assets, the value of the equity securities will generally have greater fluctuations than the

values of the underlying collateral. Any CDO investment would generally be required to be held by us through a taxable REIT subsidiary or a qualified REIT subsidiary.

We have not established investment criteria limiting the geographic concentration of our investments in commercial real estate loans, commercial real estate and other real estate-related assets. If our investments are concentrated in an area that experiences adverse economic conditions, our investments may lose value and we may experience losses.

Certain commercial real estate loans, investments in commercial real estate and other real estate-related assets in which we invest may be in or secured by a single property or properties in one geographic location. These investments may carry the risks associated with significant geographical concentration. We have not established and do not plan to establish any investment criteria to limit our exposure to these risks for future investments. As a result, properties underlying our investments may be overly concentrated in certain geographic areas, and we may experience losses as a result. A worsening of economic conditions in the geographic area in which our investments are, and in the future may be concentrated could have an adverse effect on our business, including reducing the demand for new financings, limiting the ability of customers to pay financed amounts and impairing the value of our collateral.

Changes in interest rates and/or credit spreads could negatively affect the value of the Company's investments, which could result in reduced earnings or losses and negatively affect the cash available for distribution to Company's unitholders.

The Company may invest in fixed-rate debt investments with fixed distribution amounts. Under a normal yield curve, an investment in these instruments will decline in value if long-term interest rates increase or if credit spreads widen. The Company may also invest in floating-rate debt investments, for which decreases in interest rates or narrowing of credit spreads will have a negative effect on value and interest income. Even though a loan or other debt investment may be performing in accordance with its loan agreement and the underlying collateral has not changed, the economic value of the loan may be negatively impacted by the incremental interest foregone from the changes in interest rates or credit spreads. Declines in market value may ultimately reduce earnings or result in losses to the Company, which may negatively affect cash available for distribution to unitholders.

Prepayments can adversely affect the yields on the Company's investments.

Prepayments on debt instruments, where permitted under the debt documents, are influenced by changes in current interest rates and a variety of economic, geographic and other factors beyond the Company's control, and consequently, such prepayment rates cannot be predicted with certainty. If the Company is unable to invest the proceeds of such prepayments received, the yield on the Company's portfolio will decline. In addition, the Company may acquire assets at a discount or premium and if the asset does not repay when expected, the Company's anticipated yield may be impacted.

Under certain interest rate and prepayment scenarios the Company may fail to recoup fully Company's cost of acquisition of certain investments.

Investments that are not United States government insured involve risk of loss.

The Company may originate and acquire uninsured loans and assets as part of its investment strategy. Such loans and assets may include mortgage loans, mezzanine loans and bridge loans. While holding such interests, the Company is subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under loans, the Company bears the risk of loss of principal and nonpayment of interest and fees to the extent of any deficiency between the value of the collateral and the principal amount of the loan. To the extent the Company suffers such losses with respect to its investments in such loans, the value of the Company's units may be adversely affected.

With respect to mortgaged properties, options and other purchase rights may affect value or hinder recovery.

A borrower under certain mortgage loans may give its tenants or another person a right of first refusal or an option to purchase all or a portion of the related mortgaged property. These rights may impede the lender's ability to sell the related mortgaged property at foreclosure or may adversely affect the value or marketability of the property.

A borrower's form of entity may cause special risks or hinder the Company's recovery.

Since most of the borrowers for the Company's residential and commercial real estate debt investments are legal entities rather than individuals, the Company's risk of loss may be greater than those of mortgage loans made to individuals. Unlike individuals involved in bankruptcies, most of the entities generally do not have personal assets and creditworthiness at stake. The terms of the mortgage loans generally require that the borrowers covenant to be single-purpose entities, although in some instances the borrowers are not required to observe all covenants and conditions that typically are required in order for them to be viewed under standard rating agency criteria as "single-purpose entities." Borrowers' organizational documents or the terms of the mortgage loans may limit their

activities to the ownership of only the related mortgaged property or properties and limit the borrowers' ability to incur additional indebtedness. These provisions are designed to mitigate the possibility that the borrowers' financial condition would be adversely impacted by factors unrelated to the mortgaged property and the mortgage loan in the pool.

The bankruptcy of a borrower, or a general partner or managing member of a borrower, may impair the ability of the lender to enforce its rights and remedies under the related mortgage. Borrowers that are not single-purpose entities structured to limit the possibility of becoming insolvent or bankrupt, may be more likely to become insolvent or the subject of a voluntary or involuntary bankruptcy proceeding because the borrowers may be (i) operating entities with a business distinct from the operation of the mortgaged property with the associated liabilities and risks of operating an ongoing business or (ii) individuals that have personal liabilities unrelated to the property.

Risks Related to Publicly Traded Real Estate Securities

The Company's investments in the securities of publicly traded REITs will be subject to the risks affecting these REITs directly.

The Company's investments in the securities of publicly traded REITs will be subject to a variety of risks affecting those REITs directly. Investments (directly or indirectly) in REITs will subject the Company to various risks. Unit prices of publicly traded REITs may decline because of adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties. REITs often invest in highly leveraged properties. Returns from REITs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. In addition, changes in interest rates may hurt real estate values or make REIT units less attractive than other income-producing investments, as rising interest rates can negatively impact the value of real estate securities. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation.

The Company's investments in the unsecured debt of publicly traded REITs will be subject to the credit risk of those REITs.

The Company may also acquire senior unsecured debt of publicly traded REITs that acquire and hold real estate. Publicly traded REITs may own large, diversified pools of residential and commercial real estate properties or they may focus on a specific type of property, such as regional malls, office properties, apartment properties and industrial warehouses. Publicly traded REITs typically employ leverage, which magnifies the potential for gains and the risk of loss.

The Company will face certain risks specific to its investments in real estate operating companies (REOCs).

The Company's investments in REOCs expose the Company to unique risks associated with REOCs, including REOC management fees and expenses, volatility in trading markets, and poor performance of the REOC's holdings. REOCs, like REITs, expose the Company to the risks of the real estate market. These risks can include: fluctuations in the value of underlying properties; destruction of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in vacancies; competition; property taxes; capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry. REOCs may also be affected by risks similar to investments in debt securities, including changes in interest rates and the quality of credit extended. REOCs require specialized management and pay management expenses; may have less trading volume; may be subject to more abrupt or erratic price movements than the overall securities markets; and may invest in a limited number of properties, in a narrow geographic area, or in a single property type which increase the risk that the portfolio could be unfavorably affected by the poor performance of a single investment or investment type. In addition, defaults on or sales of investments that the REOC holds could reduce the cash flow needed to make distributions to investors.

The Company may not control the special servicing of the mortgage loans included in the CMBS in which the Company may invest and, in such cases, the special servicer may take actions that could adversely affect the Company's interests.

With respect to each series of CMBS in which the Company may invest, overall control over the special servicing of the related underlying mortgage loans may be held by a directing certificate-holder, which is appointed by the holders of the most subordinate class of CMBS in such series. The Company may acquire classes of existing series of CMBS where the Company will not have the right to appoint the directing certificate-holder. In connection with the servicing of the specially serviced mortgage loans, the related special servicer may, at the direction of the directing certificate-holder, take actions that could adversely affect the Company's interests.

Certain of the Company's publicly traded real estate securities investments may be adversely affected by changes in credit spreads.

Certain publicly traded real estate securities investments the Company may invest in are subject to changes in credit spreads. When credit spreads widen, the economic value of the Company's investments decrease even if such investment is performing in accordance with its terms and the underlying collateral has not changed.

Commercial and residential real estate equity investments will be subject to risks inherent in ownership of real estate.

Real estate cash flows and values are affected by a number of factors, including competition from other available properties and Company's ability to provide adequate property maintenance and insurance and to control operating costs. Real estate cash flows and values are also affected by such factors as government regulations (including zoning, usage and tax laws), interest rate levels, the availability of financing, property tax rates, utility expenses, potential liability under environmental and other laws and changes in environmental and other laws. Commercial and residential real estate equity investments that the Company make will be subject to such risks.

The Company will face certain risks specific to its investments in ETFs.

The Company may invest directly in public securities, including ETFs. Much like an index mutual fund, an ETF represents a portfolio of securities, which is often designed to track a particular market segment or index. Because ETFs trade on a securities exchange, their units may trade at a premium or discount to their NAV. An investment in an ETF, like one in any investment company, carries the same risks as those of its underlying securities. An ETF may fail to accurately track the returns of the market segment or index that it is designed to track, and the price of an ETF's units may fluctuate or lose money. The Company will incur brokerage costs if it buys or sells units of an ETF and will also bear its proportionate unit of the ETF's fees and expenses, which are passed through to its unitholders. There can be no assurance that an active trading market for an ETF will develop or be maintained. In addition, there can be no assurance that the requirements of the exchange necessary to maintain the listing of the ETF will continue to be met or remain unchanged. In the event substantial market or other disruptions affecting ETFs should occur in the future, the liquidity and value of the Company's units could also be substantially and adversely affected.

Risks Related to Our Organization and Structure

Our unitholders do not elect or vote on our Manager and have limited ability to influence decisions regarding our business.

Our operating agreement provides that the assets, affairs and business of the Company are managed under the direction of our Manager. Our unitholders do not elect or vote on our Manager, and, unlike the holders of common units in a corporation, have only limited voting rights on matters affecting our business, and therefore limited ability to influence decisions regarding our business. In addition, our operating agreement provides that the Manager generally operates in a manner that is appropriate to maintain our REIT status, which may further limit decisions regarding our business.

Our common unitholders will have limited voting rights and may be bound by either a majority or supermajority vote.

Our common unitholders have voting rights only with respect to certain matters, primarily relating to amendments to our operating agreement that would adversely change the rights of the common units, removal of our Manager for "cause," and the dissolution of the Company (only if the Manager has been removed for "cause"). Each outstanding common unit entitles the holder to one vote on all matters submitted to a vote of common unitholders. Generally, matters to be voted on by our unitholders must be approved by a majority of the votes cast by all common units present in person or represented by proxy, although the vote to remove the Manager for "cause" requires a two-thirds vote. If any vote occurs, you will be bound by the majority or supermajority vote, as applicable, even if you did not vote with the majority or supermajority.

As a non-listed company conducting an exempt offering pursuant to Regulation D, we are not subject to a number of corporate governance requirements, including the requirements for a board of directors or independent board committees.

As a non-listed company conducting an exempt offering pursuant to Regulation D, we are not subject to a number of corporate governance requirements that an issuer conducting an offering on Form S-11 or listing on a national stock exchange would be. Accordingly, while we will retain an Independent Representative (defined below) to review certain conflicts of interest, we do not have a board of directors, nor are we required to have (i) a board of directors of which a majority consists of "independent" directors under the listing standards of a national stock exchange, (ii) an audit committee composed entirely of independent directors and a written audit committee charter meeting a national stock exchange's requirements, (iii) a nominating/corporate governance committee composed entirely of independent directors and a written nominating/corporate governance committee charter meeting a national stock exchange's requirements, (iv) a compensation committee composed entirely of independent directors and a written compensation committee charter meeting the requirements of a national stock exchange, and (v) independent audits of our internal controls. Accordingly, you may not have the same protections afforded to unitholders of companies that are subject to all of the corporate governance requirements of a national stock exchange.

As our sponsor establishes additional offerings and other Fundrise Platform investment opportunities in the future, there may be conflicts of interests among the various offerings and other programs, which may result in opportunities that would benefit the Company being allocated to the other offerings.

Our sponsor has in the past, and expects to continue in the future, to establish and sponsor additional offerings and other programs, and to continue to offer investment opportunities primarily through the Fundrise Platform, including offerings that will originate, acquire or invest in commercial real estate loans, commercial real estate and other real estate-related assets. Our sponsor's real estate and debt finance professionals acting on behalf of our Manager must determine which investment opportunities to recommend to us and other Fundrise entities. Our sponsor has previously organized, as of the date of this PPM, the following similar programs (eREITs®, eFund™ and interval funds):

• The Flagship Interval Fund, which was formed to invest in a diversified portfolio of private real estate and publicly traded real estate-related investments;

• The Income Interval Fund, which was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments;

• The Growth eREIT®, Growth eREIT® II, Growth eREIT® III, and Development eREIT®, which were formed to originate, invest in and manage a diversified portfolio of commercial real estate properties;

• The Balanced eREIT® II which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in commercial real estate properties and development projects, as well as commercial real estate loans and commercial real estate debt securities;

• The Heartland eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the Houston, TX, Dallas, TX, Austin, TX, Chicago, IL, and Denver, CO metropolitan statistical areas;

• The West Coast eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the Los Angeles, CA, San Francisco, CA, San Diego, CA, Seattle, WA, and Portland, OR metropolitan statistical areas;

• The East Coast eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the states of Massachusetts, New York, New Jersey, North Carolina, South Carolina, Georgia and Florida, as well as the metropolitan statistical areas of Washington, DC and Philadelphia, PA;

• The eFund™, which was formed to acquire property for the development of for-sale housing and last mile logistics centers;

• Fundrise Opportunity Fund, LP, which is a private placement that was formed to acquire properties located in "qualified opportunity zones" as designated under the TCJA; and

• Fundrise Opportunistic Credit Fund, LLC, which was formed to acquire private credit investments such as preferred equity positions and asset backed securities primarily in the multifamily and single-family rental markets.

These additional Fundrise Platform investment opportunities may have investment criteria that compete with us. If a sale, financing, investment or other business opportunity would be suitable for more than one investment opportunity, our sponsor and its officers and directors will allocate it using their business judgment. Any allocation of this type may involve the consideration of a number of factors that our sponsor and its officers and directors determine to be relevant. Except under any policies that may be adopted by our Manager or sponsor, no Fundrise Platform investment opportunity (including us) will have any duty, responsibility or obligation to refrain from:

- engaging in the same or similar activities or lines of business as any other Fundrise Platform investment opportunity;
- doing business with any potential or actual tenant, lender, purchaser, supplier, customer or competitor of any Fundrise Platform investment opportunity;

- engaging in, or refraining from, any other activities whatsoever relating to any of the potential or actual tenants, lenders, purchasers, suppliers or customers of any Fundrise Platform investment opportunity;

- establishing material commercial relationships with another Fundrise Platform investment opportunity; or

- making operational and financial decisions that could be considered to be detrimental to another Fundrise Platform investment opportunity.

In addition, any decisions by our sponsor or Manager to renew, extend, modify or terminate an agreement or arrangement, or enter into similar agreements or arrangements in the future, may benefit one Fundrise Platform investment opportunity more than another or limit or impair the ability of any Fundrise Platform investment opportunity to pursue business opportunities. In addition, third parties may require as a condition to their arrangements or agreements with or related to any one particular Fundrise Platform investment opportunity that such arrangements or agreements include or not include another Fundrise Platform investment opportunity, as the case may be. Any of these decisions may benefit one Fundrise Platform investment opportunity more than another.

The conflicts of interest policies we have adopted may not adequately address all of the conflicts of interest that may arise with respect to our activities and are subject to change or suspension.

In order to avoid any actual or perceived conflicts of interest among the Fundrise Platform investment opportunities and with our Manager's officers and affiliates, we have adopted a conflicts of interest policy to specifically address some of the conflicts relating to our activities. There is no assurance that these policies will be adequate to address all of the conflicts that may arise or will address such conflicts in a manner that is favorable to the Company. Our Manager may modify, suspend or rescind the policies set forth in the conflicts policy, including any resolution implementing the provisions of the conflicts policy, in each case, without a vote of our unitholders.

Certain provisions of our operating agreement and Delaware law could hinder, delay or prevent a change of control of the Company.

Certain provisions of our operating agreement and Delaware law could have the effect of discouraging, delaying or preventing transactions that involve an actual or threatened change of control of the Company. These provisions include the following:

- *Authorization of additional units, issuances of authorized units and classification of units without unitholder approval*. Our operating agreement authorizes us to issue additional units or other securities of the Company for the consideration and on the terms and conditions established by our Manager without the approval of our unitholders. In particular, our Manager is authorized to provide for the issuance of an unlimited amount of one or more classes or series of our units, including preferred units, and to fix the number of units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series. Our ability to issue additional units and other securities could render more difficult or discourage an attempt to obtain control over the Company by means of a tender offer, merger or otherwise.

- *Delaware Business Combination Statute—Section 203.* Section 203 of the Delaware General Corporation Law ("DGCL"), which restricts certain business combinations with interested unitholders in certain situations, does not apply to limited liability companies unless they elect to utilize it. Our operating agreement does not currently elect to have Section 203 of the DGCL apply to us. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested unitholder for a period of three years after the date of the transaction by which that person became an interested unitholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested unitholder, and an interested unitholder is a person who, together with affiliates and associates, owns, or within three years prior did own, 15% or more of voting units. Our Manager may elect to amend our operating agreement at any time to have Section 203 apply to us.

- *Ownership limitations*. To assist us in qualifying as a REIT, our operating agreement, subject to certain exceptions, provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either more than 9.8% in value or in number of our common units, whichever is more restrictive, or more than 9.8% in value or in number of our units, whichever is more restrictive. Accordingly, no person may own, or be deemed to own, more than 9.8% in value or in number of our units, whichever is more restrictive. The ownership limits could have the effect of discouraging a takeover or other transaction in which unitholders might receive a premium for their units over the then prevailing market price or which holders might believe to be otherwise in their best interests. Furthermore, we will reject any investor's subscription in whole or in part if we determine that such subscription would violate such ownership limits.

- *Exclusive authority of our Manager to amend our operating agreement*. Our operating agreement provides that our Manager has the exclusive power to adopt, alter or repeal any provision of the operating agreement, unless such amendment would adversely change the rights of the common units. Thus, our unitholders generally may not effect changes to our operating agreement.

The offering price of our units was not established on an independent basis and may change in the future in the Manager's sole discretion; the actual value of your investment may be substantially less than what you pay.

Because the offering price is not based upon any independent valuation, the offering price may not be indicative of the proceeds that you would receive upon liquidation. Further, the offering price may be significantly more than the price at which the units would trade if they were to be listed on an exchange or actively traded by broker-dealers.

The per unit purchase price in this offering will be adjusted by our Manager from time to time as determined by our Manager in its sole discretion. Investors will pay the most recent announced purchase price as of the date of their subscription. In addition, the price you pay for your units in this offering may be more or less than unitholders who acquire their units in the future.

Your interest in us will be diluted if we issue additional units, which could reduce the overall value of your investment.

Potential investors in this offering do not have preemptive rights to any units we issue in the future. Under our operating agreement, we have authority to issue an unlimited number of additional common units or other securities. In particular, our Manager is authorized, subject to the restrictions of applicable securities laws, to provide for the issuance of an unlimited amount of one or more classes or series of units in the Company, including preferred units, and to fix the number of units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series, without unitholder approval. After your purchase in this offering, our Manager may elect to (i) sell additional units in this or future offerings, or (ii) issue units to our Manager, or its successors or assigns, in payment of an outstanding fee obligation. To the extent we issue additional equity interests after your purchase in this offering, your percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, you may also experience dilution in the book value and fair value of your units.

By purchasing units in this offering, you are bound by the arbitration provisions contained in our subscription agreement and our operating agreement which limit your ability to bring class action lawsuits or seek remedy on a class basis, including with respect to securities law claims.

By purchasing units in this offering, investors agree to be bound by the arbitration provisions contained in our subscription agreement and our operating agreement (each an "Arbitration Provision" and collectively, the "Arbitration Provisions"). Such Arbitration Provisions apply to claims under the U.S. federal securities laws and to all claims that are related to the Company, including with respect to this offering, our holdings, our common units, our ongoing operations and the management of our investments, among other matters and limit the ability of investors to bring class action lawsuits or similarly seek remedy on a class basis. Furthermore, because the Arbitration Provision is contained in our operating agreement, such Arbitration Provision will also apply to any purchasers of units in a secondary transaction.

By agreeing to be subject to the Arbitration Provisions, you are severely limiting your rights to seek redress against us in court. For example, you may not be able to pursue litigation for any claim in state or federal courts against us, our Manager, our sponsor, or their respective directors or officers, including with respect to securities law claims, and any awards or remedies determined by the arbitrators may not be appealed. In addition, arbitration rules generally limit discovery, which could impede your ability to bring or sustain claims, and the ability to collect attorneys' fees or other damages may be limited in the arbitration, which may discourage attorneys from agreeing to represent parties wishing to commence such a proceeding.

Specifically, the Arbitration Provisions provide that either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a claim be final and binding arbitration. We have not determined whether we will exercise our right to demand arbitration but reserve the right to make that determination on a case by case basis as claims arise. In this regard, the Arbitration Provisions are similar to a binding arbitration provision as we are likely to invoke the Arbitration Provisions to the fullest extent permissible.

Any arbitration brought pursuant to the Arbitration Provisions must be conducted in the State of Virginia, in the Washington, D.C. metropolitan area. The term "Claim" as used in the Arbitration Provisions is very broad and includes any past, present, or future claim, dispute, or controversy involving you (or persons claiming through or connected with you), on the one hand, and us (or persons claiming through or connected with us), on the other hand, relating to or arising out of your subscription agreement, the Fundrise Platform, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except an individual

Claim that you may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court) the validity or enforceability of the Arbitration Provisions, any part thereof, or the entire subscription agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of the Arbitration Provisions is to be given the broadest possible interpretation that will permit it to be enforceable. Based on discussions with and research performed by the Company's counsel, we believe that the Arbitration Provisions are enforceable under federal law, the laws of the State of Delaware, the laws of Washington, D.C., or under any other applicable laws or regulations. However, the issue of enforceability is not free from doubt and to the extent that one or more of the provisions in our subscription agreement or our operating agreement with respect to the Arbitration Provisions or otherwise requiring you to waive certain rights were to be found by a court to be unenforceable, we would abide by such decision.

Further, potential investors should consider that each of our subscription agreement and our operating agreement restricts the ability of our unitholders to bring class action lawsuits or to similarly seek remedy on a class basis, unless otherwise consented to by us. These restrictions on the ability to bring a class action lawsuit are likely to result in increased costs, both in terms of time and money, to individual investors who wish to pursue claims against us.

BY AGREEING TO BE SUBJECT TO THE ARBITRATION PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

By purchasing units in this offering, you are bound by the provisions contained in our subscription agreement and our operating agreement that require you to waive your rights to request to review and obtain information relating to the Company, including, but not limited to, names and contact information of our unitholders.

By purchasing units in this offering, investors agree to be bound by the provisions contained in our subscription agreement and our operating agreement (each a "Waiver Provision" and collectively, the "Waiver Provisions"). The Waiver Provisions limit the ability of our unitholders to make a request to review and obtain information relating to and maintained by the Company and Fundrise, including, but not limited to, names and contact information of our unitholders, information listed in Section 18-305 of the Delaware Limited Liability Company Act, as amended, and any other information deemed to be confidential by the Manager in its sole discretion. Furthermore, because the Waiver Provision is contained in our operating agreement, such Waiver Provision will also apply to any purchasers of units in a secondary transaction.

Through the Company's required disclosures, periodic reports and obligation to provide annual reports and tax information to its unitholders, much of the information listed in Section 18-305 of the Delaware Limited Liability Company Act will be available to unitholders notwithstanding the Waiver Provisions. While the intent of the Waiver Provisions is to protect your personally identifiable information from being disclosed pursuant to Section 18-305, by agreeing to be subject to the Waiver Provisions, you are severely limiting your right to seek access to the personally identifiable information of other unitholders, such as names, addresses and other information about unitholders and the Company that the Manager deems to be confidential. As a result, the Waiver Provisions could impede your ability to communicate with other unitholders, and such provisions, on their own, or together with the effect of the Arbitration Provisions, may impede your ability to bring or sustain claims against the Company, including under applicable securities laws.

Based on discussions with and research performed by the Company's counsel, we believe that the Waiver Provisions are enforceable under federal law, the laws of the State of Delaware, the laws of Washington, D.C., or under any other applicable laws or regulations. However, the issue of enforceability is not free from doubt and to the extent that one or more of the provisions in our subscription agreement or our operating agreement with respect to the Waiver Provision were to be found by a court to be unenforceable, we would abide by such decision.

BY AGREEING TO BE SUBJECT TO THE WAIVER PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

By purchasing units in this offering, you are bound by the jury waiver provisions contained in our subscription agreement and our operating agreement, which require you to waive your right to a trial by a jury for those matters that are not otherwise subject to the arbitration provisions, including with respect to securities law claims.

By purchasing units in this offering, investors agree to be bound by the jury waiver provisions contained in our subscription agreement and our operating agreement. Such jury waiver provisions apply to claims under the U.S. federal securities laws and to all claims that are related to the company, including with respect to this offering, our units, our holdings, our ongoing operations and the

management of our investments, among other matters, and means that you are waiving your rights to a trial by jury with respect to such claims.

Based on discussions with and research performed by our counsel, we believe that the jury waiver provisions are enforceable under federal law, the laws of the State of Delaware, the laws of the Washington, D.C., or under any other applicable laws or regulations. However, the issue of enforceability is not free from doubt and to the extent that one or more of the provisions in our subscription agreement or our operating agreement with respect to the jury waiver provisions were to be found by a court to be unenforceable, we would abide by such decision..

BY AGREEING TO BE SUBJECT TO THE JURY WAIVER PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

The Company may enter into side letters granting certain unitholders different rights than your own.

In accordance with common industry practice, the Manager may enter into one or more side letters or similar agreements with certain unitholders pursuant to which the Manager grants to such unitholders specific rights, benefits or privileges that are not made available to unitholders generally. For example, a side letter may provide a unitholder with the right to receive additional reports or information about the Company, a priority co-investment right, or other rights that may be negotiated between such unitholder and the Manager. Side letters may be disclosed only to those actual or potential unitholders that have separately negotiated with the Manager for the right to review such agreements.

Risks Related to the Company's Financing Strategy

The Company may be unable to obtain financing required to acquire or originate investments as contemplated in its investment strategy, which could compel it to restructure or abandon a particular acquisition or origination and harm its ability to make distributions.

The Company expects to fund a portion of its investments with financing. The Company's business may be adversely affected by disruptions in the debt and equity capital markets and institutional lending market, including the lack of access to capital or prohibitively high costs of obtaining or replacing capital. Access to the capital markets and other sources of liquidity was severely disrupted during the credit crisis and, despite recent improvements, the markets could suffer another severe downturn and another liquidity crisis could emerge. There can be no assurance that any financing will be available to the Company in the future on acceptable terms, if at all, or that it will be able to satisfy the conditions precedent required to use its credit facilities, if entered into, which could reduce the number, or alter the type, of investments that the Company would make otherwise. This may reduce the Company's income. To the extent that financing proves to be unavailable when needed, the Company may be compelled to modify its investment strategy to optimize the performance of the portfolio. Any failure to obtain financing could have a material adverse effect on the continued development or growth of the Company's business and harm the Company's ability to operate and make distributions.

In a period of rising interest rates, the Company's interest expense could increase while the interest it earns on its fixed-rate assets or LIBOR capped floating rate assets would not change, which would adversely affect the Company's profitability.

The Company's operating results will depend in large part on differences between the income from the Company's assets less its operating costs, reduced by any credit losses and financing costs. Income from the Company's assets may respond more slowly to interest rate fluctuations than the cost of its borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may significantly influence the Company's net income. Increases in these rates may decrease the Company's net income and fair value of the Company's assets. Interest rate fluctuations resulting in the Company's interest expense exceeding the income from the Company's assets would result in operating losses for the Company and may limit the Company's ability to make distributions. In addition, if the Company needs to repay existing borrowings during periods of rising interest rates, it could be required to liquidate one or more of its investments at times that may not permit realization of the maximum return on those investments, which would adversely affect the Company's profitability.

The Company's investments, payment obligations and financing terms may be based on floating rates, such as Secured Overnight Financing Rate ("SOFR"), a term SOFR rate published by 139 CME Group Benchmark Administration Limited (CBA) calculated using certain derivatives markets ("Term SOFR"), another rate determined using SOFR values, London Interbank Offer Rate ("LIBOR"), EURIBOR and other similar types of reference rates (each, a "Reference Rate"). On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (FCA) which regulates LIBOR, announced that the FCA would no longer persuade nor compel banks to submit rates for the calculation of LIBOR and certain other Reference Rates after 2021. All LIBOR settings have ceased to be published as of September 2024 and the Company will use successor or alternative reference rates. To identify a successor rate for USD

LIBOR, the Alternative Reference Rates Committee ("ARRC"), a U.S.-based group convened by the Federal Reserve and the Federal Reserve Bank of New York, was formed. The ARRC has identified the SOFR as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by the U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. On July 29, 2021, the ARRC also formally recommended the use of forward-looking Term SOFR rates published by CME Group Benchmark Administration Limited (CBA). A substantial portion of floating rate investments by the Company may be linked to SOFR, Term SOFR or another rate determined using SOFR. This transition from LIBOR to alternative reference rates and any additional regulatory or market changes may have an adverse impact on the Company's investments, performance or financial condition.

The Company may use short-term borrowings, including from an affiliate of our sponsor, to finance its investments and it may need to use such borrowings for extended periods of time to the extent it is unable to access long-term financing. This may expose the Company to increased risks associated with decreases in the fair value of the underlying collateral, which could have an adverse impact on the Company's results of operations.

While the Company expects to seek non-recourse, non-mark-to-market, long-term financing through securitization financing transactions or other structures, such financing may be unavailable to it on favorable terms or at all. Consequently, the Company may be dependent on short-term financing arrangements, including financing arrangement with an affiliate of our sponsor, that are not matched in duration to its financial assets. Short-term borrowing through repurchase arrangements, credit facilities and other types of borrowings may put the Company's assets and financial condition at risk. Any such short-term financing may also be recourse to the Company, which will increase the risk of its investments. The Company's financing structures may economically resemble short-term, floating-rate financing and usually require the maintenance of specific loan-to-collateral value ratios and other covenants. In the event that the Company is unable to meet the collateral obligations for its short-term financing arrangements, the Company's financial condition could deteriorate rapidly.

The Company may use leverage to fund its operations, which may increase the risk of loss associated with its investments.

The Company and certain special purpose vehicles in which the Company or an affiliate invests may use leverage to provide additional funds to support their investment activities. The Company may incur entity level debt (non-mortgage debt at the Company level). In addition, the special purpose vehicles in which the Company invests may utilize property-level debt financing (mortgages on properties owned by the special purpose vehicles). Such special purpose vehicles would own real estate assets and would borrow from a lender using the owned property as mortgage collateral. If any such special purpose vehicle were to default on a loan, the lender's recourse would be to the mortgaged property and the lender would typically not have a claim to other assets of the Company. The Company will pay (and stockholders will bear) any costs and expenses relating to the use of leverage by the Company, to the extent the Company bears such costs, which will result in a reduction in the NAV of the units.

Leverage may result in greater volatility of the NAV of, and distributions on, the units because changes in the value of the Company's portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of preferred units, if any, are borne entirely by holders of units. Units income may fall if the interest rate on Borrowings or the dividend rate on Preferred Stock rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred units varies. So long as the Company is able to realize a higher net return on its investment portfolio than the then-current cost of any leverage together with other related expenses, the effect of the leverage will be to cause holders of units to realize higher current net investment income than if the Company were not so leveraged. On the other hand, the Company's use of leverage will result in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Company's investment portfolio, the benefit of leverage to holders of units will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Company's portfolio, the Company's leveraged capital structure would result in a lower rate of return to holders of units than if the Company were not so leveraged.

Certain types of borrowings may result in the Company being subject to covenants in credit agreements relating to asset coverage or portfolio composition or otherwise. In addition, the terms of the credit agreements may also require that the Company pledge some or all of its assets as collateral.

In addition, the Company may enter into investment management techniques (including reverse repurchase agreements and derivative transactions) that have similar effects as leverage. Although the Company does not intend to utilize derivative transactions for speculative purposes, the Company intends to cover any derivative positions by maintaining an amount of cash or liquid securities in a segregated account equal to the face value of those positions and by offsetting derivative positions against one another or against other assets to manage the effective market exposure resulting from derivatives in its portfolio. However, these transactions, even if covered, may represent a form of economic leverage and will create risks. In addition, the use of segregation and coverage techniques could result in the Company maintaining securities positions that it would otherwise liquidate (including positions in lower yielding securities), segregating assets at a time when it might be disadvantageous to do so or otherwise restricting portfolio management. The use of segregation and cover techniques will not limit or offset losses on related positions.

There can be no assurance that the Company's leveraging strategy will be successful.

Hedging against interest rate exposure may adversely affect the Company's earnings, limit the Company's gains or result in losses, which could adversely affect cash available for distribution to unitholders.

The Company may enter into interest rate swap agreements or pursue other interest rate hedging strategies. The Company's hedging activity, if any, will vary in scope based on the level of interest rates, the type of portfolio investments held, and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect the Company because, among other things: (i) interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates; (ii) available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought; (iii) the duration of the hedge may not match the duration of the related liability or asset; (iv) Company's hedging opportunities may be limited by the treatment of income from hedging transactions and the value of a hedge under the rules determining REIT qualification; (v) the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Company's ability to sell or assign Company's side of the hedging transaction; (vi) the party owing money in the hedging transaction may default on its obligation to pay; and (vii) the Company may purchase a hedge that turns out not to be necessary, i.e., a hedge that is out of the money. Any hedging activity the Company engages in may adversely affect the Company's earnings, which could adversely affect cash available for distribution to unitholders. Therefore, while the Company may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if the Company had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged or liabilities being hedged may vary materially. Moreover, for a variety of reasons, the Company may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent the Company from achieving the intended hedge and expose the Company to risk of loss.

Credit facilities may contain recourse obligations and any default could materially adversely affect the Company's business, liquidity and financial condition.

The Company may finance certain of its investments through the use of repurchase agreements with one or more financial institutions. Obligations under certain repurchase agreements could be recourse obligations to the Company and any default thereunder could result in margin calls and further force a liquidation of assets at times when the pricing may be unfavorable to the Company. The Company's default under such repurchase agreements could negatively impact the Company's business, liquidity and financial condition.

The Company may enter into a variety of arrangements to finance its investments, which may require it to provide additional collateral and significantly impact the Company's liquidity position.

The Company may use a variety of structures to finance its investments. To the extent these financing arrangements contain mark-to-market provisions, if the market value of the investments pledged by the Company declines due to credit quality deterioration, it may be required by its lenders to provide additional collateral or pay down a portion of its borrowings. In a weakening economic environment, the Company would generally expect credit quality and the value of the investment that serves as collateral for its financing arrangements to decline, and in such a scenario, it is likely that the terms of its financing arrangements would require partial repayment from it, which could be substantial. Posting additional collateral to support its financing arrangements could significantly reduce the Company's liquidity and limit its ability to leverage its assets. In the event the Company does not have sufficient liquidity to meet such requirements, its lenders can accelerate its borrowings, which could have a material adverse effect on the Company's business and operations.

Lenders may require the Company to enter into restrictive covenants relating to its operations, which could limit the Company's ability to make distributions.

When providing financing, a lender may impose restrictions on the Company that affect its distribution and operating policies and its ability to incur additional borrowings. Financing arrangements that the Company may enter into may contain covenants that limit its ability to further incur borrowings and restrict distributions to the unitholders or that prohibit it from discontinuing insurance coverage or replacing the Manager. Credit facilities the Company may enter into may contain financial covenants, including a minimum unrestricted cash covenant. These or other limitations would decrease the Company's operating flexibility and its ability to achieve its operating objectives, including making distributions.

Derivatives Risk

The Company may invest in derivative instruments, such as options contracts, futures contracts, options on futures contracts, indexed securities, credit linked notes, credit default swaps and other swap agreements for investment, hedging and risk management

purposes. The Company may invest without limitation in Treasury futures, interest rate swaps, swaptions or similar instruments and combinations thereof. A derivative is a financial contract whose value depends on changes in the value of one or more underlying assets or reference rates. Derivatives are subject to a number of risks described elsewhere in this PPM, such as liquidity risk, interest rate risk and management risk. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Changes in the credit quality of the companies that serve as the Company's counterparties with respect to its derivative transactions will affect the value of those instruments. By using derivatives that expose the Company to counterparties, the Company assumes the risk that its counterparties could experience financial hardships that could call into question their continued ability to perform their obligations. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative transaction would typically be terminated at its fair market value. If the Company is owed this fair market value in the termination of the derivative transaction and its claim is unsecured, the Company will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying security. As a result, concentrations of such derivatives in any one counterparty would subject the Company to an additional degree of risk with respect to defaults by such counterparty. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with an underlying asset, interest rate or index. REIT requirements may limit our ability to enter into derivatives or require that derivative instruments to be held through a TRS. Suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Company will engage in these transactions to reduce exposure to other risks when that would be beneficial. If the Company invests in a derivative instrument, it could lose more than the principal amount invested.

Derivative instruments can be illiquid, may disproportionately increase losses, and may have a potentially large impact on Company performance.

Risks Related to Our Status as a REIT

Failure to qualify as a REIT would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our unitholders.

We believe that our organization, prior and proposed ownership and method of operation will enable us to meet the requirements for qualification and taxation as a REIT. However, we cannot assure you that we will qualify as such. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Code as to which there are only limited judicial and administrative interpretations and involves the determination of facts and circumstances not entirely within our control. Future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to our qualification as a REIT or the U.S. federal income tax consequences of such qualification.

If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our unitholders because:

- we would not be allowed a deduction for dividends paid to unitholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates; and

- unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our common units. See "Certain U.S. Federal Income Tax Considerations" for a discussion of certain U.S. federal income tax considerations relating to us and our common units.

Even if we qualify as a REIT, we may owe other taxes that will reduce our cash flows.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, on taxable income that we do not distribute to our unitholders, on net income from certain "prohibited transactions," and on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. For example, to the extent we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed taxable income and gains. We also will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our unitholders in a calendar year is less than a minimum amount specified under the Code. As another example, we are subject to a 100% "prohibited transaction" tax on any gain from a sale of property that is characterized as held for sale, rather than investment, for U.S. federal income tax purposes, unless we comply with a statutory safe harbor or earn the gain through a TRS. Further, any TRS that we establish will be subject to regular corporate U.S. federal, state and local taxes. Any of these taxes would decrease cash available for distribution to unitholders.

REIT distribution requirements could adversely affect our liquidity and may force us to borrow funds during unfavorable market conditions.

In order to maintain our REIT status and to meet the REIT distribution requirements, we may need to borrow funds on a short-term basis or sell assets, even if the then-prevailing market conditions are not favorable for these borrowings or sales. In addition, we may need to reserve cash (including proceeds from this offering) to satisfy our REIT distribution requirements, even though there are attractive investment opportunities that may be available. To qualify as a REIT, we generally must distribute to our unitholders at least 90% of our net taxable income each year, without regard to the dividends paid deduction and excluding capital gains. In addition, we will be subject to corporate income tax to the extent we distribute less than 100% of our taxable income including any net capital gain. We intend to make distributions to our unitholders to comply with the requirements of the Code for REITs and to minimize or eliminate our corporate income tax obligation to the extent consistent with our business objectives. Our cash flows from operations may be insufficient to fund required distributions, for example as a result of differences in timing between the actual receipt of income and the recognition of income for U.S. federal income tax purposes, the effect of non-deductible capital expenditures, limitations on interest expense and net operating loss deductibility, the creation of reserves or required debt service or amortization payments. We generally are required to accrue income from mortgage loans, mortgage backed securities, and other types of debt instruments currently over the term of the asset, even if we do not receive the cash payments corresponding to such income until later periods. Thus, all or a part of the anticipated increase in yield on the loans we hold that are attributable to deferred interest, exit fees and/or equity participation features generally must be accrued currently notwithstanding that the corresponding cash payment is deferred or uncertain. The insufficiency of our cash flows to cover our distribution requirements could have an adverse impact on our ability to raise short- and long-term debt or sell equity securities in order to fund distributions required to maintain our REIT status. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. To address and/or mitigate some of these issues, we may make taxable distributions that are in part paid in cash and in part paid in our common units. In such cases our unitholders may have tax liabilities from such distributions in excess of the cash they receive. The treatment of such taxable unit distributions is not clear, and it is possible the taxable unit distribution will not count towards our distribution requirement, in which case adverse consequences could apply.

If we fail to invest a sufficient amount of the net proceeds from selling our common units in real estate assets within one year from the receipt of the proceeds, we could fail to qualify as a REIT.

Temporary investment of the net proceeds from sales of our common units in short-term securities and income from such investment generally will allow us to satisfy various REIT income and asset requirements, but only during the one-year period beginning on the date we receive the net proceeds. If we are unable to invest a sufficient amount of the net proceeds from sales of our common units in qualifying real estate assets within such one-year period, we could fail to satisfy one or more of the gross income or asset tests and/or we could be limited to investing all or a portion of any remaining funds in cash or cash equivalents. If we fail to satisfy any such income or asset test, unless we are entitled to relief under certain provisions of the Code, we could fail to qualify as a REIT. See "Certain U.S. Federal Income Tax Considerations."

If we form a TRS, our overall tax liability could increase.

Any TRS we form will be subject to U.S. federal, state and local income tax on its taxable income. Accordingly, although our ownership of any TRSs may allow us to participate in the operating income from certain activities that we could not participate in without violating the REIT income tests requirements of the Code, avoid incurring the 100% tax on gains from prohibited transactions or hold certain assets that would not be good REIT assets under the REIT assets tests under the Code, the TRS through which we earn such operating income or gain or hold such assets will be fully subject to corporate income tax. The after-tax net income of any TRS would be available for distribution to us; however, any dividends received by us from our domestic TRSs will only be qualifying income for the 95% gross income test, not the 75% gross income test.

Although our use of TRSs may partially mitigate the impact of meeting certain requirements necessary to maintain our qualification as a REIT, there are limits on our ability to own and engage in transactions with TRSs, and a failure to comply with the limits would jeopardize our REIT qualification and may result in the application of a 100% excise tax.

A REIT may own up to 100% of the stock or securities of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT. A TRS also may sell assets without incurring the 100% tax on prohibited transactions. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. We may jointly elect with one or more subsidiaries for those subsidiaries to be treated as TRSs for U.S. federal income tax purposes. These TRSs will

pay U.S. federal, state and local income tax on their taxable income, and their after-tax net income will be available for distribution to us but is not required to be distributed to us. We will monitor the value of our respective investments in any TRSs we may form for the purpose of ensuring compliance with TRS ownership limitations and intend to structure our transactions with any such TRSs on terms that we believe are arm's-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 20% TRS limitation or to avoid application of the 100% excise tax.

Dividends payable by REITs generally do not qualify for reduced tax rates under current law.

The maximum U.S. federal income tax rate for certain qualified dividends payable to U.S. unitholders that are individuals, trusts and estates generally is currently 20%. Dividends payable by REITs, however, are generally not eligible for the reduced rate and therefore may be subject to a current 37% maximum U.S. federal income tax rate on ordinary income when paid to such unitholders. The more favorable rates applicable to regular corporate dividends under current law could cause investors who are individuals, trusts and estates or are otherwise sensitive to these lower rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common units. However, under current law, non-corporate U.S. taxpayers may deduct 20% of "qualified REIT dividends," and this deduction has been made permanent by the One Big Beautiful Bill Act. Qualified REIT dividends eligible for this deduction generally will include our dividends received by a non-corporate U.S. stockholder that we do not designate as capital gain dividends and that are not qualified dividend income.

Complying with REIT requirements may cause us to forego otherwise attractive opportunities or to liquidate otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our unitholders and the ownership of our units. We may be required to make distributions to our unitholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with the REIT requirements may, for instance, hinder our ability to make certain otherwise attractive investments or undertake other activities that might otherwise be beneficial to us and our unitholders, or may require us to borrow or liquidate investments in unfavorable market conditions and, therefore, may hinder our investment performance. As a REIT, at the end of each calendar quarter, at least 75% of the value of our assets must consist of cash, cash items, U.S. Government securities and qualified "real estate assets." The remainder of our investments in securities (other than cash, cash items, U.S. Government securities, securities issued by a TRS and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than cash, cash items, U.S. Government securities, securities issued by a TRS and qualified real estate assets) can consist of the securities of any one issuer, no more than 20% of the value of our total securities can be represented by securities of one or more TRSs, and no more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs that are not secured by mortgages on real property or interests in real property. After meeting these requirements at the close of a calendar quarter, if we fail to comply with these requirements at the end of any subsequent calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate from our portfolio or forego otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our unitholders.

You may be restricted from acquiring, transferring or redeeming certain amounts of our common units.

In order to maintain our REIT qualification, among other requirements, no more than 50% in value of our outstanding units may be owned, directly or indirectly, by five or fewer individuals, as defined in the Code to include certain kinds of entities, during the last half of any taxable year, other than the first year for which a REIT election is made. To assist us in qualifying as a REIT, our operating agreement contains an aggregate unit ownership limit and a common units ownership limit. Generally, any of our units owned by affiliated owners will be added together for purposes of the aggregate unit ownership limit, and any common units owned by affiliated owners will be added together for purposes of the common units ownership limit.

If anyone attempts to transfer or own units in a way that would violate the aggregate unit ownership limit or the common units ownership limit (or would prevent us from continuing to qualify as a REIT), unless such ownership limits have been waived by our Manager, those units instead will be deemed transferred to a trust for the benefit of a charitable beneficiary and will be either redeemed by us or sold to a person whose ownership of the units will not violate the aggregate unit ownership limit or the common units ownership limit and will not prevent us from qualifying as a REIT. If this transfer to a trust fails to prevent such a violation or our disqualification as a REIT, then the initial intended transfer or ownership will be null and void from the outset. Anyone who acquires or owns units in violation of the aggregate unit ownership limit or the common units ownership limit, unless such ownership limit or limits have been waived by our Manager, or the other restrictions on transfer or ownership in our operating agreement, bears the risk of a financial loss when the units are redeemed or sold, if the NAV of our units falls between the date of purchase and the date of redemption or sale.

Our limits on ownership of our units also may require us to decline redemption requests that would cause other unitholders to exceed such ownership limits. In addition, in order to comply with certain of the distribution requirements applicable to REITs we will decline to honor any redemption request that we believe is a "dividend equivalent" redemption as discussed in "U.S. Federal Income Tax Considerations—Taxation of Taxable U.S. Unitholders—Redemptions of Common Units."

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.

We may acquire mezzanine loans, for which the Internal Revenue Service (the "IRS"), has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the 75% gross income test. To the extent that any of our mezzanine loans do not meet all of the requirements for reliance on the safe harbor, such loans may not be real estate assets and could adversely affect our REIT status.

We intend to make certain other investments through subsidiaries (with rights to receive preferred economic returns) and may invest in "kickers" with respect to certain investments that we determine to hold outside of a TRS. The character of such investments for REIT purposes may depend on the assets and operations of the issuer, which we generally will not control. Thus, no assurance can be given that any such issuer will not operate in a manner that causes us to fail an income or asset test requirement. In addition, the proper treatment of certain investments, including investments through subsidiaries (with rights to receive preferred economic returns) and "kickers," for U.S. federal income tax purposes is unclear. If the IRS were to successfully challenge our characterization of an investment, it could adversely affect our REIT status.

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

The REIT provisions of the Code substantially limit our ability to hedge our liabilities. Generally, income from a hedging transaction we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets or to offset certain other positions does not constitute "gross income" for purposes of the 75% or 95% gross income tests, provided certain requirements are satisfied. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the gross income tests, and such transactions would also have to be considered for purposes of the REIT asset tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on income or gains resulting from hedges entered into by it or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRSs will generally not provide any tax benefit, except for being carried forward for use against future taxable income in the TRSs.

The ability of our Manager to revoke our REIT qualification without unitholder approval may cause adverse consequences to our unitholders.

Our operating agreement provides that our Manager may revoke or otherwise terminate our REIT election without the approval of our unitholders, if it determines that it is no longer in our best interest to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for dividends paid to unitholders in computing our taxable income and will be subject to U.S. federal income tax at regular corporate rates, as well as state and local taxes, which may have adverse consequences on our total return to our unitholders.

The IRS may take the position that gains from sales of property are subject to a 100% prohibited transaction tax.

We may have to sell assets from time to time to fund redemption requests, to satisfy our REIT distribution requirements, to satisfy other REIT requirements, or for other purposes. It is possible that the IRS may take the position that one or more sales of our properties may be a prohibited transaction, which is a sale of property held by us primarily for sale in the ordinary course of our trade or business. If we are deemed to have engaged in a prohibited transaction, our gain from such sale would be subject to a 100% tax. The Code sets forth a safe harbor under which a REIT may, under certain circumstances, sell property without risking the imposition of the 100% tax, but there is no assurance that we will be able to qualify for the safe harbor. We do not intend to hold property for sale in the ordinary course of business, but there is no assurance that the IRS will not challenge our position, especially if we make frequent sales or sales of property in which we have short holding periods. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in certain sales of loans or lots at the REIT level (and may conduct such sales through a TRS), and may limit the structures we utilize for any securitization or lot sale transactions, even though the sales or structures might otherwise be beneficial to us.

A portion of our distributions may be treated as a return of capital for U.S. federal income tax purposes, which could reduce the basis of a unitholder's investment in our common units and may trigger taxable gain.

A portion of our distributions may be treated as a return of capital for U.S. federal income tax purposes. As a general matter, a portion of our distributions will be treated as a return of capital for U.S. federal income tax purposes if the aggregate amount of our

distributions for a year exceeds our current and accumulated earnings and profits for that year. To the extent that a distribution is treated as a return of capital for U.S. federal income tax purposes, it will reduce a holder's adjusted tax basis in the holder's units, and to the extent that it exceeds the holder's adjusted tax basis, it will be treated as gain resulting from a sale or exchange of such units. See "Certain U.S. Federal Income Tax Considerations."

Our ability to provide certain services to our tenants may be limited by the REIT rules, or may have to be provided through a TRS.

As a REIT, we generally cannot hold interests in rental property where tenants receive services other than services that are customarily provided by landlords, nor can we derive income from a third party that provides such services. If services to tenants at properties in which we hold an interest are limited to customary services, those properties may be disadvantaged as compared to other properties that can be operated without the same restrictions. However, we can provide such non-customary services to tenants or share in the revenue from such services if we do so through a TRS, though income earned through the TRS will be subject to corporate income taxes.

Our qualification as a REIT and avoidance of 100% tax may depend on the characterization of loans that we make as debt for U.S. federal income tax purposes.

For U.S. federal income tax purposes, the IRS or a court may treat a loan with sufficient equity characteristics as equity for tax purposes. We may obtain equity participation rights with respect to our loans, and we may make loans with relatively high loan-to-value ratios and/or high yields, which are among the features that can cause a loan to be treated as equity for U.S. federal income tax purposes. Although we intend to structure each of our loans so that the loan should be respected as debt for U.S. federal income tax purposes, it is possible that the IRS or a court could disagree and seek to recharacterize the loan as equity. Recharacterization of one of our loans as equity for U.S. federal income tax purposes generally would require us to include our share of the gross assets and gross income of the borrower in our REIT asset and income tests. Inclusion of such items could jeopardize our REIT status. Moreover, to the extent our borrowers hold their assets as dealer property or inventory, if we are treated as holding equity in a borrower for U.S. federal income tax purposes, our share of gains from sales by the borrower would be subject to the 100% tax on prohibited transactions (except to the extent earned through a TRS).

The failure of a loan to qualify as an obligation secured by a mortgage on real property within the meaning of the REIT rules could adversely affect our ability to qualify as a REIT.

We may make investments in loans whose qualification as a real estate mortgage loan for REIT purposes is uncertain or which are treated in part as qualifying mortgage loans and in part as unsecured loans. The failure of a loan that we treated as a qualifying mortgage loan to qualify as such for REIT purposes could cause us to fail one or more of the REIT income or asset tests, and thereby cause us to fail to qualify as a REIT unless certain relief provisions also apply.

In general, interest income accrued on a loan that is secured by real property and personal property during a taxable year constitutes a wholly qualifying real estate asset and all interest shall be qualifying income for purposes of the 75% gross income test if (i) the fair market value of such personal property does not exceed 15% of the total fair market value of all such property, even if the real property collateral value is less than the outstanding principal balance of the loan, or (ii) if the loan is secured by a mortgage on real property with a value (at the time we committed to acquire the loan) at least equal to the highest outstanding principal amount of the loan during such taxable year. In the case of loans to improve or develop real property, the value of the real property collateral when we commit to acquire a loan is deemed to include the reasonably estimated cost of the improvements or developments (other than personal property) which will secure the loan and which will be constructed from the proceeds of the loan. For a loan that is not described in clauses (i) or (ii) above, if the outstanding principal balance of a mortgage loan during the taxable year exceeds the deemed value of the real property securing the loan at the time we committed to acquire the loan, a portion of the interest accrued during the year will not be qualifying mortgage interest for the 75% gross income test and a portion of such loan likely will not be a qualifying real estate asset. In that case, we could earn income that is not qualifying for the 75% gross income test and be treated as holding a non-real estate investment in whole or part, which could result in our failure to qualify as a REIT.

The "taxable mortgage pool" rules may increase the taxes that we or our unitholders may incur, and may limit the manner in which we effect future securitizations.

Any borrowings incurred by us could result in the creation of taxable mortgage pools for U.S. federal income tax purposes. Except as provided below, we generally would not be adversely affected by the characterization as a taxable mortgage pool so long as we own 100% of the equity interests in a taxable mortgage pool. Certain categories of unitholders, however, such as non-U.S. unitholders eligible for treaty or other benefits, unitholders with net operating losses, and certain U.S. tax-exempt unitholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. In addition, to the extent that our units are owned by tax-exempt "disqualified organizations," such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we may incur a

corporate level tax on a portion of our income from the taxable mortgage pool. In that case, we may reduce the amount of our distributions to any disqualified organization whose unit ownership gave rise to the tax. Moreover, we would be precluded from selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for U.S. federal income tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

Tax Risks

Legislative or regulatory action related to federal income tax laws could adversely affect our unitholders and/or our business.

Over time, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments in REITs and similar entities. Changes to tax laws and regulations are likely to continue to occur in the future, and we cannot assure our unitholders that any such changes will not adversely affect the taxation of a unitholder or will not have an adverse effect on an investment in our common units. Unitholders are urged to consult with their tax advisors with respect to the potential effect that legislative, regulatory or administrative developments and proposals could have on their investment in our units.

Risks Related to Employee Benefit Plans and Individual Retirement Accounts

In some cases, if you fail to meet the fiduciary and other standards under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Code or common law as a result of an investment in our common units, you could be subject to liability for losses as well as civil penalties and other relief.

There are special considerations that apply to investing in our common units on behalf of pension, profit sharing or 401(k) plans, health or welfare plans, individual retirement accounts or Keogh plans. It you are investing the assets of any of the entities identified in the prior sentence in our common units, you should satisfy yourself that:

- your investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- your investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan's investment policy;
- your investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA, if applicable, and other applicable provisions of ERISA and the Code;
- your investment will not impair the liquidity of the trust, plan or IRA;
- your investment will not produce "unrelated business taxable income" for the plan or IRA;
- you will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the applicable trust, plan or IRA document; and
- your investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties, and can subject the fiduciary to liability for any resulting losses as well as equitable remedies. In addition, if an investment in our common units constitutes a prohibited transaction under the Code, the "disqualified person" that engaged in the transaction may be subject to the imposition of excise taxes with respect to the amount invested.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

We make statements in this PPM that are forward-looking statements within the meaning of the federal securities laws. The words "believe," "estimate," "expect," "anticipate," "intend," "plan," "seek," "may," and similar expressions or statements regarding future periods are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this PPM or in the information incorporated by reference into this PPM.

The forward-looking statements included in this PPM are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

- our ability to effectively deploy the proceeds raised in this offering;
- our ability to attract and retain members to the Fundrise Platform;
- risks associated with breaches of our data security;
- public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and COVID-19;
- climate change and natural disasters could adversely affect our properties and our business;
- changes in economic conditions generally and the real estate and securities markets specifically;
- limited ability to dispose of assets because of the relative illiquidity of real estate investments;
- increased interest rates and operating costs;
- our failure to obtain necessary outside financing;
- risks associated with derivatives or hedging activity;
- our level of debt and the terms and limitations imposed on us by our debt agreements;
- our ability to retain our executive officers and other key personnel of our advisor, our property manager and their affiliates;
- expected rates of return provided to investors;
- the ability of our sponsor and its affiliates to source, originate and service our loans and other assets, and the quality and performance of these assets;
- our ability to retain and hire competent employees and appropriately staff our operations;
- legislative or regulatory changes impacting our business or our assets (including changes to the laws governing the taxation of REITs and SEC guidance related to Regulation D or the JOBS Act);
- changes in business conditions and the market value of our assets, including changes in interest rates, prepayment risk, operator or borrower defaults or bankruptcy, and generally the increased risk of loss if our investments fail to perform as expected;
- our ability to implement effective conflicts of interest policies and procedures among the various real estate investment opportunities sponsored by our sponsor;

- our ability to access sources of liquidity when we have the need to fund redemptions of common units in excess of the proceeds from the sales of our common units in our continuous offering and the consequential risk that we may not have the resources to satisfy redemption requests;

- our failure to maintain our status as a REIT;

- our compliance with applicable local, state and federal laws, including the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Investment Company Act and other laws; and

- changes to GAAP.

Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements included in this PPM. All forward-looking statements are made as of the date of this PPM and the risk that actual results will differ materially from the expectations expressed in this PPM will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this PPM, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this PPM, including, without limitation, the risks described under "Risk Factors," the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this PPM will be achieved.

ESTIMATED USE OF PROCEEDS

We expect to use substantially all of the net proceeds from this offering (after paying or reimbursing organization and offering expenses and repayment of the Sponsor Affiliate Loan) to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans); and to acquire other investments through Real Estate Investment Vehicles. Real Estate Investment Vehicles are income generating properties and other real estate that generates current payments, and may also be used to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through co-investment arrangements, joint ventures, and majority-owned subsidiaries with rights to receive preferred economic returns) opportunistically in a broad portfolio of investments across commercial and residential real property, commercial and residential real estate loans, and commercial and residential real estate debt and equity securities. We expect that any expenses or fees payable to our Manager for its services in connection with managing our daily affairs, including but not limited to, the selection and acquisition or origination of our investments, will be paid from cash flow from operations. If such fees and expenses are not paid from cash flow (or waived) they will reduce the cash available for investment and distribution and will directly impact our NAV. See "Management Compensation" for more details regarding the fees that will be paid to our Manager and its affiliates.

We have entered into agreements to invest in certain projects, see "Investment Objective, Strategies and Policy – Our Projects".

Other than our initial projects, we may not be able to promptly invest the net proceeds of this offering in commercial and residential real estate loans, investments in commercial and residential real estate and other real estate-related assets. In the interim, we may invest in short-term, highly liquid or other authorized investments, subject to the requirements for qualification as a REIT. Such short-term investments will not earn as high of a return as we expect to earn on our real estate-related investments.

Investors will not pay upfront selling commissions in connection with the purchase of our common units. We will reimburse our Manager for organization and offering costs, which are expected to be approximately $70,000. Reimbursement payments will be made in monthly installments, but the aggregate monthly amount reimbursed can never exceed 0.50% of the aggregate gross offering proceeds from this offering. If the sum of the total unreimbursed amount of such organization and offering costs, plus new costs incurred since the last reimbursement payment, exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject to the 0.50% limit), calculated on an accumulated basis, until our Manager has been reimbursed in full. See "Management Compensation" for a description of additional fees and expenses that we will pay our Manager.

Our estimated organization and offering costs includes all expenses to be paid by us in connection with the formation of the Company and the marketing and distribution of units, including, without limitation, expenses for printing, engraving and amending PPMs or supplementing PPMs, mailing and distributing costs, telephones, internet and other telecommunications costs, all advertising and marketing expenses, charges of experts and fees, expenses and taxes related to the filing, including taxes and fees and accountants' and attorneys' fees. See "Plan of Distribution."

While unitholders should be prepared to hold their units indefinitely, the Manager may, in its sole discretion, use proceeds of this offering to redeem unitholders, including as described under "Description of our Common Units – Operating Agreement – Personal Conduct Repurchase Right".

MANAGEMENT

Our Manager

We operate under the direction of our Manager, which is responsible for directing the management of our business and affairs, managing our day-to-day affairs, and implementing our investment strategy. Our Manager has established an investment committee that makes decisions with respect to all acquisitions and dispositions. See "—Investment Committee of our Manager" below. The Manager and its officers and directors are not required to devote all of their time to our business and are only required to devote such time to our affairs as their duties require.

We follow investment guidelines adopted by our Manager and the investment and borrowing policies set forth in this PPM unless they are modified by our Manager. Our Manager may establish further written policies on investments and borrowings and monitors our administrative procedures, investment operations and performance to ensure that the policies are fulfilled. Our Manager may change our investment objective at any time without approval of our unitholders.

Our Manager performs its duties and responsibilities pursuant to our operating agreement. Our Manager maintains a contractual, as opposed to a fiduciary relationship, with us and our unitholders. Furthermore, we have agreed to limit the liability of our Manager and to indemnify our Manager against certain liabilities.

Experience of our Management Team

The portfolios included in the Fundrise Platform investment opportunities are diversified by investment size, security type, property type and geographic region. As a result of the depth and thoroughness of its underwriting process, the extensive investing experience of its management team and its strong performance record in managing a diverse portfolio of assets, we believe our sponsor has earned a reputation as a leading real estate manager, which has allowed it to access funding from a broad base of investors.

Responsibilities of our Manager

The responsibilities of our Manager include:

Investment Advisory, Origination and Acquisition Services

- approve and oversee our overall investment strategy, which consists of elements such as investment selection criteria, diversification strategies and asset disposition strategies;
- serve as our investment and financial manager with respect to originating, investing in and managing a diversified portfolio of commercial real estate loans, commercial real estate and other real estate-related assets;
- adopt and periodically review our investment guidelines;
- approve and oversee our debt financing strategies;
- approve joint ventures, limited partnerships and other such relationships with third parties;
- approve any potential liquidity transaction;
- obtain market research and economic and statistical data in connection with our investments and investment objectives and policies;
- oversee and conduct the due diligence process related to prospective investments;
- prepare reports regarding prospective investments that include recommendations and supporting documentation necessary for our Manager's investment committee to evaluate the proposed investments; and
- negotiate and execute approved investments and other transactions.

Offering Services

- the development of this offering, including the determination of its specific terms;
- preparation and approval of all marketing materials to be used by us relating to this offering;
- the negotiation and coordination of the receipt, collection, processing and acceptance of subscription agreements, commissions, and other administrative support functions;
- creation and implementation of various technology and electronic communications related to this offering; and
- all other services related to this offering.

Asset Management Services

- investigate, select, and, on our behalf, engage and conduct business with such persons as our Manager deems necessary to the proper performance of its obligations under our operating agreement, including but not limited to consultants, accountants, lenders, technical managers, attorneys, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, developers, construction companies and any and all persons acting in any other capacity deemed by our Manager necessary or desirable for the performance of any of the services under our operating agreement;
- monitor applicable markets and obtain reports (which may be prepared by our Manager or its affiliates) where appropriate, concerning the value of our investments;
- monitor and evaluate the performance of our investments, provide daily management services to us and perform and supervise the various management and operational functions related to our investments;
- formulate and oversee the implementation of strategies for the administration, promotion, management, operation, maintenance, improvement, financing and refinancing, marketing, leasing and disposition of investments on an overall portfolio basis; and
- coordinate and manage relationships between us and any joint venture partners.

Accounting and Other Administrative Services

- manage and perform the various administrative functions necessary for our day-to-day operations;
- provide or arrange for administrative services, legal services, office space, office furnishings, personnel and other overhead items necessary and incidental to our business and operations;
- provide financial and operational planning services and portfolio management functions;
- maintain accounting data and any other information concerning our activities as will be required to prepare and to file all periodic financial reports and returns required to be filed with the SEC and any other regulatory agency, including annual financial statements;
- maintain all appropriate company books and records;
- oversee tax and compliance services and risk management services and coordinate with appropriate third parties, including independent accountants and other consultants, on related tax matters;
- make, change, and revoke such tax elections on behalf of the Company as the Manager deems appropriate, including, without limitation, (i) making an election to be treated as a REIT or to revoke such status and (ii) making an election to be classified as an association taxable as a corporation for U.S. federal income tax purposes;
- supervise the performance of such ministerial and administrative functions as may be necessary in connection with our daily operations;
- provide us with all necessary cash management services;
- manage and coordinate with the transfer agent, if any, the process of making distributions and payments to unitholders;
- evaluate and obtain adequate insurance coverage based upon risk management determinations;
- provide timely updates related to the overall regulatory environment affecting us, as well as managing compliance with regulatory matters;
- evaluate our corporate governance structure and appropriate policies and procedures related thereto; and
- oversee all reporting, record keeping, internal controls and similar matters in a manner to allow us to comply with applicable law.

Unitholder Services

- determine our distribution policy and authorizing distributions from time to time;
- approve amounts available for redemptions of our common units;
- manage communications with our unitholders, including answering phone calls, preparing and sending written and electronic reports and other communications; and
- establish technology infrastructure to assist in providing unitholder support and services.

Financing Services

- identify and evaluate potential financing and refinancing sources, engaging a third party broker if necessary;
- negotiate terms of, arrange and execute financing agreements;
- manage relationships between us and our lenders, if any; and
- monitor and oversee the service of our debt facilities and other financings, if any.

Disposition Services

- evaluate and approve potential asset dispositions, sales or liquidity transactions; and

- structure and negotiate the terms and conditions of transactions pursuant to which our assets may be sold.

Allocation of Investment Opportunities

For more information regarding the factors that our Manager's investment committee may consider in allocating investment opportunities among our additional similar programs, please see "Conflicts of Interest – Our Affiliates' Interests in Other Fundrise Entities – Allocation of Investment Opportunities".

Expense Reimbursement Policies

We are and will continue to reimburse our Manager and their affiliates, as applicable, for the following expenses incurred on our behalf (to the extent not directly paid by the Fund or otherwise borne by a unitholder):

(a) all third party charges and out-of-pocket costs and expenses incurred by the Company, the Manager and its Affiliates in connection with the formation of the Company, the offering of Units, and the admission of investors in the Company, including, without limitation, travel, legal, accounting, filing, advertising and all other expenses incurred in connection with the offer and sale of interests in the Company (collectively, "Formation Expenses"). Reimbursement shall be made, without interest, to the Manager beginning on the date of the Initial Offering for Formation Expenses incurred both before and after that date. Reimbursement payments will be made in monthly installments, but the aggregate monthly amount reimbursed shall not exceed 0.50% of the aggregate gross proceeds from an Offering, provided that if the sum of the total unreimbursed amount of such Formation Expenses, plus new costs incurred since the last reimbursement payment, exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject to the 0.50% limit), calculated on an accumulated basis, until the Manager has been reimbursed in full;

(b) all fees, costs and expenses related to the selection acquisition, improvement, development, maintenance, ownership, operation, monitoring, financing, refinancing, hedging and/or sale of our assets (including, without limitation, fees, costs and expenses incurred as a result of our acquisition of our assets or proposed investments in future assets that are not consummated, to the extent not reimbursed by a third party, including fees, costs and expenses that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties);

(c) fees and expenses for legal, audit, accounting, tax preparation, research, valuation, administration and third party consulting services (and to the extent that any lawyers, accountants or other professionals who are employees of or contracted by our sponsor or its affiliates perform legal, accounting or other services in connection with any of the foregoing in lieu of or in conjunction with external legal counsel, auditors or third party professional service providers, our sponsor or Manager is allowed to receive "employee chargebacks" that include a reasonable fee for such services; provided that the amounts charged for such services are reasonable in our Manager's reasonable discretion and such reimbursement corresponds only to the portion of such employees' business time spent on Fund matters);

(d) fees, costs and expenses associated with asset management and property management services (which may be payable to or reimbursed to an affiliate of our Manager), including, without limitation, (i) hiring, supervising, and termination of external property management personnel, including, but limited to, property managers, brokers and leasing agents; (ii) negotiating leases; (iii) coordinating development, redevelopment and construction, (iv) zoning and permits; (v) broken deal expenses; (vi) financial performance analysis; (vii) variance analysis; (viii) annual budgeting; (ix) cash forecasting; (x) capital expenditure plan formulation; (xi) asset valuation; and (xii) all other Fund-specific asset and property management services specifically tailored to or associated with Investments;

(e) fees, costs and expenses associated with the special servicing of nonperforming assets;

(f) litigation expenses, including any expenses incurred in connection with any threatened, pending or anticipated litigation, examination or proceeding, including the amount of any settlements or judgments in connection therewith and amounts relating to our indemnification obligations under our operating agreement;

(g) the charges and expenses associated with bookkeeping or the preparation and distribution of financial statements, tax returns, Form 1099s, capital call and distribution notices and reports to our unitholders (including, without limitation, any software or online data portal used in connection with such reporting);

(h) the charges and expenses of maintaining our and our subsidiaries' bank accounts and of any banks, custodians or depositories appointed for the safekeeping of any funds received in connection with subscriptions before the applicable record date for such units or other property of the Fund, including the costs of bookkeeping and accounting services;

(i) all expenses incurred by our Manager or its designee in its capacity as the Fund's manager or any similar role;

(j) the costs and expenses relating to meetings of, or reporting to, our Manager's investment committee, if any, incurred on our behalf;

(k) the costs and expenses of technology related to research and monitoring of our investments, including, without limitation, market information systems and publications, research publications and materials, including, without limitation, new research and quotation equipment and services;

(l) all technology related expenses, including, without limitation, (x) any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors or (y) reasonable expenses of affiliates or (z) technology service providers and related software/hardware utilized in connection with our accounting, investment and operational activities;

(m) travel and entertainment expenses associated with investigating, evaluating, acquiring, making, monitoring, managing or disposing of investments incurred by any person responsible for matters related to the Fund, including personnel of the sponsor and its affiliates, and ordinary travel expenses for third-party legal and other service professionals in connection with services provided to us;

(n) any taxes, fees or other governmental charges levied against us or our subsidiaries and all expenses incurred in connection with any tax filing, tax audit, investigation, settlement or review of the Fund or any of our subsidiaries;

(o) interest on and fees and expenses relating to borrowings of the Fund and its subsidiaries;

(p) expenses related to the formation of any subsidiary or entity formed for the purpose of acquiring or holding any investment;

(q) costs of risk management services and insurance for the Fund, our subsidiaries and their investments, including insurance to protect our sponsor, our Manager and their affiliates in connection with the performance of activities related to us;

(r) expenses incurred in connection with any amendment to our joint venture agreements or any similar arrangements with co-investors or soliciting any consent or approval related thereto;

(s) fees, costs and expenses incurred in connection with communications by us with our investors (including, without limitation, any software or online data portal);

(t) fees, costs and expenses incurred in connection with government and regulatory filings, including, without limitation, this PPM and any supplements or Webpage Updates;

(u) fees, costs and expenses relating to defaulting joint venture partners or co-investors;

(v) expenses incurred in connection with liquidating the Fund or any of our investments;

(w) the costs of any third parties retained to provide services to us or any of our subsidiaries; and

(x) all other expenses not specifically provided for above that are incurred by our Manager (or its affiliates) in connection with operating the Fund, any subsidiary of the Fund organized for the purpose of holding Fund assets, or performing the duties of our Manager as described in this section.

The Company shall not be required to pay, and the Manager shall not be entitled to reimbursement for, (i) ordinary and usual office overhead expenses of the Manager or any of its Affiliates (including rent, etc.), (ii) salaries or other compensation of the employees of the Manager or any of its Affiliate (except as provided pagraph (c) above), or (iii) expenses of the Manager's or any of its Affiliate's registration as an investment adviser or other compliance with the U.S. Investment Advisers Act of 1940, as amended, or any corresponding state law.

Concurrently with the formation of the Company, the Manager may form other investment vehicles that will have similar investment strategies to the Company. Formation Expenses of the Company and corresponding expenses relating to such vehicles shall be allocated among the Company and such vehicles in such manner as the Manager deems equitable. Generally, expenses that relate to a particular investment will be borne by the investment vehicle directly making that investment so that other participating investment vehicles bear their pro rata share, although the Manager may allocate them pro rata among such entities. Generally, expenses that relate only to a particular investment vehicle shall be allocated to such investment vehicle. Each Member other than Affiliates of the Manager shall be solely responsible for all costs and expenses incurred by such Member in considering and maintaining an investment in the Company, including any legal, accounting, advisory or other costs.

Shared Services Agreement

Our Manager has entered into a shared services agreement with our sponsor. Pursuant to this agreement, our Manager is provided with access to, among other things, our sponsor's portfolio management, asset valuation, risk management and asset management services as well as administration services addressing legal, compliance, investor relations and information technologies necessary for the performance by our Manager of its duties under the operating agreement in exchange for a fee representing our Manager's allocable cost for these services. The fee paid by our Manager pursuant to the shared services agreement does not constitute a reimbursable expense under our operating agreement. However, under the shared services agreement, our sponsor is entitled to receive reimbursement of expenses incurred on behalf of us or our Manager that we are required to pay to our Manager under our operating agreement.

Executive Officers of our Manager

As of the date of this PPM, the executive officers of our Manager and their positions and offices are as follows:

Name	Age	Position
Benjamin S. Miller	49	Chief Executive Officer
Brandon T. Jenkins	39	Chief Operating Officer
Bjorn J. Hall	44	General Counsel, Chief Compliance Officer and Secretary
Alison A. Staloch	44	Chief Financial Officer

Benjamin S. Miller currently serves as Chief Executive Officer of our Manager and has served as Chief Executive Officer and a Director of our sponsor since its inception on March 14, 2012. Prior to Rise Companies Corp., Mr. Miller had been the President of one of the largest mixed-use real estate companies in the Washington, DC metro area. Over the course of his 25-year career, Mr. Miller has acquired more than $8 billion of real estate assets—including 37,000 residential units and 5 million square feet of industrial and commercial space. Mr. Miller holds a Bachelor's degree in Economics from the University of Pennsylvania. .

Brandon T. Jenkins currently serves as Chief Operating Officer of our Manager and has served in such capacity with the sponsor since February of 2014, prior to which time he served as Head of Product Development and Director of Real Estate. Previously, Mr. Jenkins has served as Director of Real Estate for WestMill Capital Partners and spent two and a half years as an investment advisor at Marcus & Millichap. Mr. Jenkins earned his Bachelor of Arts from Duke University.

Bjorn J. Hall currently serves as the General Counsel, Chief Compliance Officer and Secretary of our Manager and has served in such capacities with our sponsor since February 2014. Prior to joining our sponsor in February 2014, Mr. Hall was a counsel at the law firm of O'Melveny & Myers LLP, where he was a member of the Corporate Finance and Securities Group. Mr. Hall has a Bachelor of Arts from the University of North Dakota and received a Juris Doctorate from Georgetown University Law Center.

Alison A. Staloch has served as the Chief Financial Officer of our Manager since June 2021 and has served in such capacity with our sponsor since April 2021. Prior to joining our sponsor, Ms. Staloch served as the Chief Accountant of the Division of Investment Management at the SEC from December 2017 to April 2021, and before that, served as Assistant Chief Accountant from November 2015 to November 2017. From 2005 to 2015, Ms. Staloch was with KPMG LLP in the Asset Management practice. Ms. Staloch has a Bachelor of Arts in Psychology from Miami University and received a Master of Accounting from the Ohio State University.

Investment Committee of our Manager

The investment committee of our Manager is a standing committee, established to assist our Manager in fulfilling its oversight responsibilities by (1) considering and approving of each investment made by us, (2) establishing our investment guidelines and overseeing our investments, and the investment activity of other accounts and funds held for our benefit and (3) overseeing the investment activities of certain of our subsidiaries. The investment committee consists of at least three members, including our sponsor's Chief Executive Officer, our sponsor's Chief Operating Officer, and a third member chosen unanimously by the other two members of the investment committee, who will serve until such time as such investment committee member resigns or is replaced. The current investment committee is comprised of Mr. Benjamin S. Miller (our sponsor's Chief Executive Officer), Mr. Brandon Jenkins (our sponsor's Chief Operating Officer), and Mr. R. Whitaker Booth (our sponsor's SVP of Real Estate. In the event that two or more members of the investment committee are interested parties in a transaction, the Independent Representative (defined below) will be required to approve the transaction. See "Conflicts of Interest—Certain Conflict Resolution Measures—Our Policies Relating to Conflicts of Interest".

Compensation of Executive Officers

We do not currently have any employees nor do we currently intend to hire any employees who will be compensated directly by us. Each of the executive officers of our sponsor also serves as an executive officer of our Manager. Each of these individuals receives compensation for his or her services, including services performed for us on behalf of our Manager, from our sponsor. As executive officers of our Manager, these individuals serve to manage our day-to-day affairs, oversee the review, selection and recommendation of investment opportunities, service acquired investments and monitor the performance of these investments to ensure that they are consistent with our investment objective. Although we will indirectly bear some of the costs of the compensation paid to these individuals, through fees we pay to our Manager, we have not paid and not intend to pay any compensation directly to these individuals.

Limited Liability and Indemnification of our Manager and Others

Subject to certain limitations, our operating agreement limits the liability of our Manager, its officers and directors, our sponsor and our sponsor's unitholder and affiliates, for monetary damages and provides that we will indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to our Manager, its officers and directors, our sponsor and our sponsor's unitholder and affiliates.

Our operating agreement provides that to the fullest extent permitted by applicable law our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates are not liable to us. In addition, pursuant to our operating agreement, we have agreed to indemnify our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Company and attorney's fees and disbursements) arising from the performance of any of their obligations or duties in connection with their service to us or the operating agreement, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made party by reason of being or having been the Manager or one of our Manager's directors or officers.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Term and Removal of the Manager

Our operating agreement provides that our Manager will serve as our manager for an indefinite term, but that our Manager may be removed by us, or may choose to withdraw as manager, under certain circumstances.

Our unitholders may only remove our Manager at any time with 30 days prior written notice for "cause," following the affirmative vote of two-thirds of our unitholders. If the Manager is removed for "cause," the Members will have the power to elect a replacement Manager upon the affirmative vote of the holders of a majority of our common units. "Cause" is defined as:

- our Manager's continued breach of any material provision of the operating agreement following a period of 30 days after written notice thereof (or 45 days after written notice of such breach if our Manager, under certain circumstances, has taken steps to cure such breach within 30 days of the written notice);
- the commencement of any proceeding relating to the bankruptcy or insolvency of our Manager, including an order for relief in an involuntary bankruptcy case or our Manager authorizing or filing a voluntary bankruptcy petition;
- our Manager committing fraud against us, misappropriating or embezzling our funds, or acting, or failing to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under the operating agreement; provided, however, that if any of these actions is caused by an employee, personnel and/or officer of our Manager or one of its affiliates and our Manager (or such affiliate) takes all necessary and appropriate action against such person and cures the damage caused by such actions within 30 days of our Manager's actual knowledge of its commission or omission, then our Manager may not be removed; or
- the dissolution of our Manager.

Unsatisfactory financial performance of the Company does not constitute "cause" under the operating agreement.

Our Manager may assign its rights under our operating agreement in its entirety or delegate certain of its duties under the operating agreement to any of its affiliates, including pursuant to the shared services agreement described above under "—Shared Services Agreement" without the approval of our unitholders so long as our Manager remains liable for any such affiliate's performance, and if such assignment or delegation does not require our approval under the Advisers Act. Our Manager may withdraw as our Manager if we become required to register as an investment company under the Investment Company Act, with such withdrawal deemed to occur

immediately before such event. In the event of the removal or withdrawal of our Manager, our Manager will cooperate with us and take all reasonable steps to assist in making an orderly transition of the management function. Our Manager will determine whether any succeeding manager possesses sufficient qualifications to perform the management function.

Holdings of our Common Units

Our sponsor previously acquired 500 common units in connection with our formation in a private placement at $10.00 per unit, for net proceeds to us of $5,000.

Fundrise Platform

We will conduct this offering primarily on the Fundrise Platform, which will host this offering in connection with the distribution of the common units offered pursuant to this PPM. The Fundrise Platform is owned and operated by Fundrise, LLC, a wholly-owned subsidiary of Rise Companies Corp., our sponsor. We will not pay Fundrise, LLC, the owner of the Fundrise Platform, any sales commissions or other remuneration for hosting this offering on the Fundrise Platform. The Fundrise Platform has previously hosted private and public offerings of other affiliates of the sponsor under similar arrangements.

License Agreement

We have entered into a license agreement with our sponsor, pursuant to which our sponsor granted us a non-exclusive, royalty free license to use the name "Fundrise". Other than with respect to this license, we have no legal right to use the "Fundrise" name. In the event that our Manager ceases to manage us, we would be required to change our name to eliminate the use of "Fundrise".

MANAGEMENT COMPENSATION

Our Manager and its affiliates will receive fees and expense reimbursements for services relating to this offering and the investment and management of our assets. The items of compensation are summarized in the following table. Neither our Manager nor its affiliates will receive any selling commissions or dealer manager fees in connection with the offer and sale of our common units.

In addition to the exepense reimbursements listed below, we will reimburse our Manager for all other expenses described in "Management – Expense Reimbursement Policies".

Form of Compensation and Recipient	Determination of Amount	Estimated Amount
	Organization and Offering Stage	
Reimbursement of Organization and Offering Expenses — Manager (1)	Our Manager will pay organization and offering expenses on our behalf in connection with the offering of our units. We will reimburse our Manager for these costs and future organization and offering costs it may incur on our behalf.	Our organization and offering expenses are estimated to be $70,000.
	Acquisition and Development Stage	
Acquisition / Origination Fee — Sponsor or its Affiliate (2)	Up to 2.00% of any amounts funded by us, our sponsor or affiliates of our sponsor to acquire or originate real estate properties, excluding any acquisition and origination expenses and any debt attributable to such investments. To the extent we invest in commercial real estate loans, the borrower will pay up to 2.00% of the amount funded by us, our sponsor or affiliates of our sponsor to acquire or originate such commercial real estate loans. We are not entitled to these fees.	Paid by the co-investors, joint-venture, borrower or property holding entity at closing. Actual amounts are dependent upon the total equity and debt capital we raise; we cannot determine these amounts at the present time.
Reimbursement of Acquisition / Origination Expenses — Manager	We reimburse our Manager for actual expenses incurred in connection with the selection, acquisition or origination of an investment, to the extent not reimbursed by the borrower in connection with any debt investments we may make, whether or not we ultimately acquire or originate the investment.	Actual amounts are dependent upon the offering proceeds we raise (and any leverage we employ); we cannot determine these amounts at the present time.
	Operational Stage	
Asset Management Fee — Manager (3)	Quarterly asset management fee currently equal to an annualized rate of 1.75%. The amount of the asset management fee may vary from time to time, and we will report any changes in the asset management fee. Our Manager may, in its sole discretion, waive its asset management fee, in whole or in part. The Manager will forfeit any portion of the asset management fee that is waived.	Actual amounts are dependent upon the offering proceeds we raise (and any leverage we employ) and the results of our operations; we cannot determine these amounts at the present time.
Reimbursement of Other Operating Expenses — Manager	We reimburse our Manager for out-of-pocket expenses paid to third parties in connection with providing services to us. This does not include the Manager's	Actual amounts are dependent upon the results of our operations; we cannot determine these amounts at the present time.

	overhead, employee costs borne by the Manager, utilities or technology costs. The expense reimbursements that we will pay to our Manager also include expenses incurred by our sponsor in the performance of services under the shared services agreement between our Manager and our sponsor, including any increases in insurance attributable to the management or operation of the Company.	
	Liquidation/Listing Stage	
Management Incentive Fee— Manager	Upon the liquidation of the Company and/or sale of all the Company's assets, the Manager will receive a Management Incentive Fee if the Company has achieved a 10% Preferred Return. The "Preferred Return" hurdle will be met upon the Company distributing to unitholders (i) 100% of the aggregate proceeds raised in the offering plus (ii) a 10% annual, cumulative, non-compounded return on such aggregate proceeds calculated from the earlier of (x) the final closing of the offering or (y) March 31, 2026, as such date may be extended in the discretion of the Manager. After the Preferred Return hurdle is met, 80% of all remaining proceeds from the liquidation of the Company and/or sale of all the Company's assets will be distributed to the unitholders and 20% of such remaining proceeds shall be paid to the Manager.	Actual amounts are dependent upon the results of our operations; we cannot determine these amounts at the present time.

(1) We will start to reimburse our Manager, without interest, for these organization and offering costs incurred both before and after such date. Reimbursement payments will be made in monthly installments, but the aggregate monthly amount reimbursed can never exceed 0.50% of the aggregate gross offering proceeds from this and our prior offering. If the sum of the total unreimbursed amount of such organization and offering costs, plus new costs incurred since the last reimbursement payment, exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject to the 0.50% limit), calculated on an accumulated basis, until our Manager has been reimbursed in full.

(2) The acquisition/origination fee paid to our sponsor by the joint venture, co-investors, borrowers or property holding entity, is a percentage of the purchase price of an investment or the amount funded by us to acquire or originate a loan.

(3) Our Manager in its sole discretion may defer or waive any fee or reimbursements payable to it under the operating agreement. All or any portion of any deferred fees or reimbursements will be deferred without interest and paid when the Manager determines.

As part of its mission to drive down the overall costs regarding the construction, real estate development, special servicing, and sale of assets, the Manager intends to perform some or all of these functions in house in-lieu of outsourcing to a third-party consultant. In the event that the Manager performs these tasks, it will be entitled to receive compensation as described below, which the Manager believes is at or below the cost that would be incurred by retaining an independent third-party.

Form of Compensation and Recipient	**Determination of Amount**	**Estimated Amount**
	Operational Stage	
Construction and Development Fee - Manager or Other Party	A construction oversight and development management fee of up to 5.00% of the total development costs, excluding	Actual amounts are dependent upon the development costs of the individual

	property; however, we do not intend to charge such development management fee unless it is net of the fee being charged by the developer of the project. Our Manager may, in its sole discretion, waive its development management fee, in whole or in part. The Manager will forfeit any portion of the development management fee that is waived.	projects; we cannot determine these amounts at the present time.
Reimbursement of Special Servicing Expenses – Manager or Other Party	We reimburse our Manager for actual expenses incurred on our behalf in connection with the special servicing of non-performing assets, including, but not limited to, reimbursement of non-ordinary expenses and employee time required to special service a non-performing asset. Whether an asset is deemed to be non-performing is in the sole discretion of our Manager.	Actual amounts are dependent upon the occurrence of an asset becoming non-performing, the original value of such asset, and the results of our operations; we cannot determine these amounts at the present time.
Fees from Other Services – Affiliates of our Manager	We may retain certain of our Manager's affiliates, from time to time, for services relating to our investments or our operations, which may include accounting and audit services (including valuation support services), account management services, corporate secretarial services, data management services, directorship services, information technology services, finance/ budget services, human resources, judicial processes, legal services, operational services, risk management services, tax services, treasury services, loan management services, debt servicing, capital markets services, construction management services, property management services, leasing services, transaction support services, transaction consulting services and other similar operational matters. Any compensation paid to our Manager's affiliates for any such services will not reduce the asset management fee. Any such arrangements will be at or below market rates.	Actual amounts depend on to what extent affiliates of our Manager are actually engaged to perform such services.
	Liquidation/Listing Stage	
Disposition Fees – Manager or Other Party	We will reimburse our Manager for actual expenses incurred on our behalf in connection with the liquidation of equity investments in real estate, and we will pay up to 1.50% of the gross proceeds from such sale if our Manager is acting as the real estate developer or is engaged by the developer to sell the project. Whether to liquidate an equity investment in real estate is in the sole discretion of our Manager.	Actual amounts are dependent upon the price at which we sell or otherwise liquidate our investments; we cannot determine these amounts at the present time.

Property Management Fee - Manager or Other Party	For each real estate investment for which the Manager is acting as the property manager (if any), a property management fee of up to 4% of Gross Receipts[(1)] for the then current calendar month; however, we do not intend to charge such property management fee unless it is net of the fees being charged by another property manager of such asset of the project. Our Manager may, in its sole discretion, waive its property management fee, in whole or in part. The Manager will forfeit any portion of the property management fee that is waived.	Actual amounts are dependent upon the Gross Receipts of the individual assets; we cannot determine these amounts at the present time.

(1) "Gross Receipts" shall include unit rents, furniture or equipment rental, parking, forfeited security deposits applied to rental payments, late charges, judgments or awards (net of litigation costs) collected in the enforcement of any lease, income from coin-operated machines, proceeds from rental interruption insurance, application fees, and other miscellaneous income collected at the property, but shall exclude all other receipts, including but not limited to, security deposits (other than forfeited deposits applied to rent), interest earned on property accounts, proceeds of claims on account of insurance policies (other than rental interruption insurance), abatement of taxes, and awards arising out of takings by eminent domain, discounts and dividends on insurance policies and bonus payments by service providers for installation of services or equipment (such as cable television or laundry machines).

PRINCIPAL UNITHOLDERS

The following table sets forth the approximate beneficial ownership of our common units as of the date of this PPM for each person or group that holds more than 5% of our common units, for each director and executive officer of our Manager and for the directors and executive officers of our Manager as a group. To our knowledge, each person that beneficially owns our common units has sole voting and disposition power with regard to such units.

Unless otherwise indicated below, each person or entity has an address in care of our principal executive offices at 11 Dupont Circle, NW, 9th FL, Washington, D.C. 20036.

Name of Beneficial Owner(1)	Number of Units Beneficially Owned	Percent of All Units
Benjamin S. Miller	0	-
Brandon T. Jenkins	0	-
Bjorn J. Hall	0	-
Alison A. Staloch	0	-
All directors and executive officers of our Manager as a group (4 persons)	0	0%

* Represents less than 1% of our outstanding common units.

(1) Under SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to dispose of or to direct the disposition of such security. A person also is deemed to be a beneficial owner of any securities which that person has a right to acquire within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which he or she has no economic or pecuniary interest.

CONFLICTS OF INTEREST

We are subject to various conflicts of interest arising out of our relationship with our Manager and its affiliates. We discuss these conflicts below and conclude this section with a discussion of the corporate governance measures we have adopted to mitigate some of the risks posed by these conflicts. For a discussion of certain risks related to these conflicts see "Risk Factors—Risks Related to Conflicts of Interest".

Our Affiliates' Interests in Other Fundrise Entities

General

The officers and directors of our Manager and the key real estate and debt finance professionals of our sponsor who perform services for us on behalf of our Manager are also officers, directors, managers, and/or key professionals of our sponsor and other Fundrise entities. These persons have legal obligations with respect to those entities that are similar to their obligations to us. In the future, these persons and other affiliates of our sponsor may organize other real estate-related or debt-related programs and acquire for their own account real estate-related investments that may be suitable for us. In addition, our sponsor may grant equity interests in our Manager to certain management personnel performing services for our Manager.

Payment of Certain Fees and Expenses of our Manager

Our Manager is a wholly-owned subsidiary of our sponsor. We pay fees and expenses to our Manager and its affiliates, including our sponsor, that were not determined on an arm's length basis. The asset management fee paid to our Manager is based on our NAV, which will be calculated by our sponsor's internal accountants and asset management team. Our Manager may benefit by us retaining ownership of our assets at times when our unitholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV.

Related Party Loans

If we have sufficient funds to acquire only a portion of a loan or other investment then, in order to cover the shortfall, we may obtain a related party loan from, or issue a participation interest to, an affiliate. Our operating agreement allows us to enter into such related party loans and to issue such participation interests. Each related party loan and participation interest will be an unsecured obligation of ours, that is payable solely to the extent that such related party loan or participation interest remains outstanding. We may also utilize related party loans, from time to time, as a form of leverage to acquire investments. As we sell additional common units in this offering, we will use the proceeds of such sales to pay down the principal and interest of any related party loan or the principal of the outstanding participation interests, as appropriate, reducing the payment obligation of such related party loan or participation interest, and our obligation to the holder of such related party loan or participation interest.

As of the date of this PPM, we have entered into an agreement with National Lending, LLC, an affiliate of our sponsor, in connection with a $15,000,000 unsecured term loan with an annualized interest rate of 5.75% that matures on October 20, 2026. Proceeds from this offering may be used to repay this loan.

Allocation of Investment Opportunities

We rely on our Manager's executive officers and our sponsor's key real estate and debt finance professionals who act on behalf of our Manager to identify suitable investments. Our sponsor and other Fundrise entities also rely on these same key real estate and debt finance professionals. Our sponsor has in the past, and expects to continue in the future, to offer other Fundrise Platform investment opportunities, primarily through the Fundrise Platform, including offerings that acquire or invest in commercial real estate equity investments, including multifamily properties, commercial real estate loans, and other select real estate-related assets. Our sponsor has previously organized, as of the date of this PPM, the following similar programs (eREITs®, eFund™ and interval funds):

- The Flagship Interval Fund, which was formed to invest in a diversified portfolio of private real estate and publicly traded real estate-related investments;

- The Income Interval Fund, which was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments;

- The Growth eREIT®, Growth eREIT® II, Growth eREIT® III, and Development eREIT®, which were formed to originate, invest in and manage a diversified portfolio of commercial real estate properties;

• The Balanced eREIT® II, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in commercial real estate properties and development projects, as well as commercial real estate loans and commercial real estate debt securities;

• The Heartland eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the Houston, TX, Dallas, TX, Austin, TX, Chicago, IL, and Denver, CO metropolitan statistical areas;

• The West Coast eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the Los Angeles, CA, San Francisco, CA, San Diego, CA, Seattle, WA, and Portland, OR metropolitan statistical areas;

• The East Coast eREIT®, which was formed to originate, invest in and manage a diversified portfolio primarily consisting of investments in multifamily rental properties and development projects located primarily in the states of Massachusetts, New York, New Jersey, North Carolina, South Carolina, Georgia and Florida, as well as the metropolitan statistical areas of Washington, DC and Philadelphia, PA;

• The eFund™, which was formed to acquire property for the development of for-sale housing and last mile logistics centers;

• Fundrise Opportunity Fund, LP, which is a private placement that was formed to acquire properties located in "qualified opportunity zones" as designated under the TCJA; and

• Fundrise Opportunistic Credit Fund, LLC, which was formed to acquire private credit investments such as preferred equity positions and asset backed securities primarily in the multifamily and single-family rental markets.

These additional programs may have investment criteria that compete with us.

The approximate cash and cash equivalents balances for the programs with a similar investment objective as of June 30, 2025, is as follows:

Programs	Approximate Cash and Cash Equivalents
Fundrise Income Real Estate Fund, LLC	$ 32,941,653
Fundrise Opportunistic Credit Fund, LLC	$ 6,098,901

If a sale, financing, investment or other business opportunity would be suitable for more than one program, our sponsor will allocate it using its business judgment. Any allocation of this type may involve the consideration of a number of factors that our sponsor determines to be relevant. The factors that our sponsor's real estate and debt finance professionals could consider when determining the entity for which an investment opportunity would be the most suitable include the following:

- the investment objective and criteria of our sponsor and the other Fundrise entities;
- the cash requirements of our sponsor and the other Fundrise entities;
- the effect of the investment on the diversification of our sponsor's or the other Fundrise entities' portfolio by type of investment, and risk of investment;
- the policy of our sponsor or the other Fundrise entities relating to leverage;
- the anticipated cash flow of the asset to be acquired;
- the income tax effects of the purchase on our sponsor or the other Fundrise entities;
- the size of the investment; and
- the amount of funds available to our sponsor or the Fundrise entities.

If a subsequent event or development causes any investment, in the opinion of our sponsor's real estate and debt finance professionals, to be more appropriate for another Fundrise entity, they may offer the investment to such entity.

Except under any policies that may be adopted by our Manager, which policies are designed to minimize conflicts among the programs and other investment opportunities provided on the Fundrise Platform, no program or Fundrise Platform investment opportunity (including the Company) have any duty, responsibility or obligation to refrain from:

- engaging in the same or similar activities or lines of business as any program or Fundrise Platform investment opportunity;
- doing business with any potential or actual tenant, lender, purchaser, supplier, customer or competitor of any program or Fundrise Platform investment opportunity;
- engaging in, or refraining from, any other activities whatsoever relating to any of the potential or actual tenants, lenders, purchasers, suppliers or customers of any program or Fundrise Platform investment opportunity;
- establishing material commercial relationships with another program or Fundrise Platform investment opportunity; or
- making operational and financial decisions that could be considered to be detrimental to another program or Fundrise Platform investment opportunity.

In addition, any decisions by our Manager to renew, extend, modify or terminate an agreement or arrangement, or enter into similar agreements or arrangements in the future, may benefit one program more than another program or limit or impair the ability of any program to pursue business opportunities. In addition, third parties may require as a condition to their arrangements or agreements with or related to any one particular program that such arrangements or agreements include or not include another program, as the case may be. Any of these decisions may benefit one program more than another program.

Furthermore, Fundrise Lending does not receive origination or other fees in connection with the acquisition of third-party originated loans. Therefore, Fundrise Lending may experience a conflict of interest in determining whether to acquire, on our behalf, loans and other assets originated by third parties rather than those originated by Fundrise Lending. However, our objective is to use Fundrise Lending's and its principals' expertise in loan origination. Accordingly, we have and expect to primarily purchase loans originated by Fundrise Lending, LLC, rather than loans originated by third parties. Please note that, in any event, the origination fees are payable by the co-investors, joint venture or borrower at closing.

Allocation of Our Affiliates' Time

We rely on our sponsor's key real estate and debt finance professionals who act on behalf of our Manager, including Mr. Benjamin S. Miller, for the day-to-day operation of our business. Mr. Miller is also the Chief Executive Officer of our sponsor and other Fundrise entities. As a result of his interests in other Fundrise entities, his obligations to other investors and the fact that he engages in and will continue to engage in other business activities on behalf of himself and others, Mr. Miller faces conflicts of interest in allocating his time among us, our Manager and other Fundrise entities and other business activities in which he is involved. However, we believe that our Manager and its affiliates have sufficient real estate and debt finance professionals to fully discharge their responsibilities to the Fundrise entities for which they work.

Receipt of Fees and Other Compensation by our Manager and its Affiliates

Our Manager and its affiliates receive substantial fees from us, which fees are not negotiated at arm's length. These fees could influence our Manager's advice to us as well as the judgment of affiliates of our Manager, some of whom also serve as our Manager's officers and directors and the key real estate and debt finance professionals of our sponsor. Among other matters, these compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of provisions in our operating agreement involving our Manager and its affiliates, or the shared services agreement between our Manager and our sponsor;
- public offerings of equity by us, which will likely entitle our Manager to increased acquisition fees, origination fees, asset management fees and other fees;
- acquisitions of investments and originations of loans at higher purchase prices, which entitle our Manager to higher acquisition fees, origination fees and asset management fees regardless of the quality or performance of the investment or loan and, in the case of acquisitions of investments from other Fundrise entities, might entitle affiliates of our Manager to disposition fees in connection with services for the seller;

- borrowings up to or in excess of our stated borrowing policy to acquire investments and to originate loans, which borrowings will increase asset management fees payable by us to our Manager;

- whether and when we seek to list our common units on a stock exchange or other trading market;

- whether we seek unitholder approval to internalize our management, which may entail acquiring assets (such as office space, furnishings and technology costs) and the key real estate and debt finance professionals of our sponsor who are performing services for us on behalf of our Manager for consideration that would be negotiated at that time and may result in these real estate and debt finance professionals receiving more compensation from us than they currently receive from our sponsor;

- whether and when we seek to sell the Company or its assets; and

- whether and when we merge or consolidate our assets with other companies, including companies affiliated with our Manager.

Duties Owed by Some of Our Affiliates to Our Manager and our Manager's Affiliates

Our Manager's officers and directors and the key real estate and debt finance professionals of our sponsor performing services on behalf of our Manager are also officers, directors, managers and/or key professionals of:

- Rise Companies Corp., our sponsor;

- Fundrise Advisors, LLC, our Manager;

- Fundrise, LLC, the owner of the Fundrise Platform;

- other investment programs sponsored by our sponsor; and

- other Fundrise entities.

As a result, they owe duties to each of these entities, their unitholders, members and limited partners. These duties may from time to time conflict with the duties that they owe to us.

No Independent Underwriter

As we are conducting this offering without the aid of an independent underwriter, you will not have the benefit of an independent due diligence review and investigation of the type normally performed by an independent underwriter in connection with the offering of securities. See "Plan of Distribution."

License Agreement

We have entered into a license agreement with our sponsor, pursuant to which our sponsor granted us a non-exclusive, royalty free license to use the name "Fundrise". See "Management—License Agreement".

Certain Conflict Resolution Measures

Independent Representative

If our sponsor, Manager or their affiliates have a conflict of interest with us that is not otherwise covered by an existing policy we have adopted or a transaction is deemed to be a "principal transaction", the Manager has appointed an independent representative (the "Independent Representative") to protect the interests of the unitholders and review and approve such transactions. Any compensation payable to the Independent Representative for serving in such capacity on our behalf will be payable by us. Principal transactions are defined as transactions between our sponsor, Manager or their affiliates, on the one hand, and us or one of our subsidiaries, on the other hand. Our Manager is only authorized to execute principal transactions with the prior approval of the Independent Representative and in accordance with applicable law. Such prior approval may include but not be limited to pricing methodology for the acquisition of assets and/or liabilities for which there are no readily observable market prices.

On December 2, 2015, our Manager appointed William Thomas Lockard, Jr. to serve as the Independent Representative for the various programs managed by our Manager, to protect the interests of the unitholders and review and approve any transactions in which our sponsor, Manager or their affiliates have a conflict of interest with us or a transaction deemed to be a "principal transaction".

Mr. Lockard was most recently a Managing Director and Head of Municipal Finance for InspereX, a fixed-income broker dealer. He worked for 30 years as a public finance investment banker at closely held San Francisco-based Stone & Youngberg and was a co-founder of 280 CapMarkets, which as of July 1, 2021 merged with Incapital, LLC to form InspereX. Over the course of his banking career he structured more than 500 California local government financings representing more than $6 billion in public infrastructure and housing related projects. Mr. Lockard was a partner in the firm and served on both the firm's board of directors and executive management committee.

Following the sale of Stone & Youngberg to Stifel, Mr. Lockard joined Rise Companies Corp. in 2014 as a Senior Vice President. Beginning in July 2015, Mr. Lockard transitioned from an employee of Rise Companies Corp. to a senior advisor. In December 2015, as noted above, Mr. Lockard agreed to become the Independent Representative and no longer acts as a senior advisor to Rise Companies Corp.

Mr. Lockard earned a bachelor's degree from Stanford University, a master's degree from Claremont Graduate University, and an MBA from the University of Pennsylvania's Wharton School. Mr. Lockard served as a trustee of the University of Pennsylvania. He is a Stanford University Associate. He is a board member of the Salesian Boys' and Girls' Club San Francisco, board president of the Mechanics' Institute San Francisco, and board treasurer of the Working Waterfront Coalition, a not-for-profit martitime job training program. Mr. Lockard has served as treasurer on the boards of the Center for Investigative Reporting, Coro of Northern California and the ACLU of Northern California. Mr. Lockard is a full member of the Urban Land Institute, a member of the San Francisco Golden Gate chapter of Lambda Alpha International land use society, and a member of the Stanford Real Estate Council.

The Manager believes that Mr. Lockard is independent based on the criteria for an "interested person" set forth in Section 2(a)(19) of the Investment Company Act.

Our Policies Relating to Conflicts of Interest

In addition to the provisions in our operating agreement described below and our Manager's investment allocation policies described above, we have adopted the following policies prohibiting us from entering into certain types of transactions with our Manager, our sponsor, their officers or any of their affiliates in order to further reduce the potential for conflicts inherent in transactions with affiliates.

Pursuant to these conflicts of interest policies, we may not engage in the following types of transactions unless such transaction is approved by the Independent Representative:

- sell or lease any investments to our Manager, our sponsor, their officers or any of their affiliates;
- acquire or lease any investments from our Manager, our sponsor, their officers or any of their affiliates; and
- invest in or make mortgage loans in which the transaction is with our Manager, our sponsor, their officers or any of their affiliates, including any mortgage loans that are subordinate to any mortgage or equity interest of our Manager, our sponsor, their officers or any of their affiliates.

In addition, pursuant to these conflicts of interest policies, we will neither make any loans to our Manager, our sponsor, their officers or any of their affiliates nor borrow money from our Manager, our sponsor, their officers or any of their affiliates, except as otherwise provided in the PPM (including the term loan with an affiliate of our Manager as discussed herein) or unless approved by the Independent Representative. These restrictions on loans will only apply to advances of cash that are commonly viewed as loans, as determined by the Manager. By way of example only, the prohibition on loans would not restrict advances of cash for legal expenses or other costs incurred as a result of any legal action for which indemnification is being sought nor would the prohibition limit our ability to advance reimbursable expenses incurred by our Manager, our sponsor, their officers or any of their affiliates.

These conflicts of interest policies may be amended at any time in our Manager's discretion.

Other Operating Agreement Provisions Relating to Conflicts of Interest

Our operating agreement contains many other restrictions relating to conflicts of interest including the following:

Term of our Manager. Our operating agreement provides that our Manager will serve as our manager for an indefinite term, but that our Manager may be removed by us, or may choose to withdraw as manager, under certain circumstances. Our unitholders may remove our Manager at any time with 30 days prior written notice for "cause," following the affirmative vote of two-thirds of our unitholders. Unsatisfactory financial performance does not constitute "cause" under the operating agreement. Our Manager may withdraw as manager if we become required to register as an investment company under the Investment Company Act, with such withdrawal deemed to occur immediately before such event. In the event of the removal of our Manager, our Manager will cooperate with us and take all reasonable steps to assist in making an orderly transition of the management function. Our Manager will determine whether any succeeding manager possesses sufficient qualifications to perform the management function. See "Management—Term and Removal of the Manager".

Other Transactions Involving Affiliates. Before engaging in a transaction involving an affiliate, our Manager must conclude that all other transactions between us and our sponsor, our Manager, any of their officers or directors, or any of their affiliates are fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties. See "Management—Investment Committee of our Manager."

INVESTMENT OBJECTIVE, STRATEGIES AND POLICY

Investment Objective

The Company's investment objective is to seek current income from which to pay attractive, consistent cash distributions while preserving capital. The Company's investment objective may be changed by the Manager without approval of the Company's unitholders. There can be no assurance that the Company will achieve its investment objective.

Principal Investment Strategies

The Company pursues its investment objective by investing its assets to originate, acquire, asset manage, selectively leverage, syndicate and opportunistically sell investments in a variety of commercial and residential real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans), to acquire investments in income generating properties and other real estate that generates current payments, to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through Real Estate Investment Vehicles).

The types of commercial and residential real estate in which the Company may invest include, but are not limited to, the following: (1) rental properties, (2) retail properties, (3) office properties, (4) multifamily properties, (5) single family properties, (6) hospitality properties, (7) industrial properties, (8) healthcare properties, (9) land, (10), self-storage properties, (11) student housing properties, (12) data center properties, and (13) new construction homebuilding.

The Company may also invest in residential and commercial real estate-related debt securities (including CMBS, RMBS, CDOs and REIT senior unsecured debt), and other real estate-related assets. The Company will seek to create and maintain a portfolio of investments that generate a low volatility income stream that provide attractive and consistent cash distributions; provided, however, that though there is no guarantee that the Company will achieve such results. The Company's investment focus will emphasize the payment of current returns to investors and the preservation of invested capital, with a lesser emphasis on seeking capital appreciation. It is expected that the Company's portfolio of investments will be secured primarily by U.S. based collateral and diversified by security type, property type and geographic location.

The Company may selectively employ leverage to enhance total returns to Company unitholders through a combination of senior financing on real estate acquisitions, secured facilities, and capital markets financing transactions. The Company will seek to secure conservatively structured leverage that is long-term, non-recourse, non-mark-to-market financing to the extent obtainable on a cost effective basis. To the extent a higher level of leverage is employed it may come either in the form of GSEs or other long-term, non-recourse, non-mark-to-market financing. The Manager may from time to time modify our leverage policy in its discretion.

In executing on our business strategy, the Company believes that we will benefit from the Manager's affiliation with the Company sponsor given the sponsor's strong track record and extensive experience and capabilities as an online real estate origination and funding platform. These competitive advantages include:

- The Company sponsor's experience and reputation as a leading real estate investment manager, which historically has given it access to a large investment pipeline similar to the Company's targeted assets and the key market data used to underwrite and portfolio manage assets;

- The Company sponsor's direct and online origination capabilities, which are amplified by a proprietary technology platform, business process automation, and a large user base, of which a significant portion are seeking capital for real estate projects;

- The Company sponsor's relationships with financial institutions and other lenders that originate and distribute commercial real estate debt and other real estate-related products and that finance the types of assets the Company intends to acquire and originate;

- The Company sponsor's experienced portfolio management team which actively monitors each investment through an established regime of analysis, credit review and protocol; and

- The Company sponsor's management team which has a successful track record of making residential and commercial real estate investments in a variety of market conditions.

The Company will seek to invest across multiple asset classes including various real estate asset classes, property types, positions in the capital structure such as senior or subordinate mortgage debt, mezzanine debt, preferred equity and common equity, and geographic locations; however, as noted above, the Company anticipates that it will focus its investments primarily in commercial and residential real estate loans and other real estate investments.

The Company may invest in securities of any credit quality, maturity and duration to enhance its income and capital appreciation potential and to provide liquidity to the overall portfolio. This may include, without limit, securities that are rated below investment grade by rating agencies or unrated securities that would be rated below investment grade if they were rated. The Manager expects that a majority of the Company's real estate-related debt investments will be in secured, unrated real estate loans and debt, as well as debt securities that are rated investment grade. Below investment grade securities, which are often referred to as "high yield" securities or "junk bonds," may have speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

Company's Target Investment Portfolio

The Company executes its investment strategy primarily by seeking to invest opportunistically in a broad portfolio of investments across the following primary asset classes:

- Commercial and residential real property;
- Commercial and residential real estate loans; and
- Commercial and residential real estate debt and equity securities.

The Manager has broad discretion to allocate the Company's assets among the three primary asset classes, and other real estate-related assets. There is no maximum or minimum percentage of the Company's assets that may be allocated to any asset class. The Manager is responsible for overseeing the management of the Company's activities, including investment strategies, investment goals, asset allocation, leverage limitations, reporting requirements, and other guidelines in addition to the general monitoring of the Company's portfolios. The Manager will have sole discretion to make all investments in the Fund. When allocating the Company's investments across these asset classes, the Company will take into account the requirements for qualification as a REIT under the Code.

Investments in Commercial and Residential Real Estate Loans

The Company intends to acquire commercial and residential real estate loans by directly originating the loans and by purchasing them from third party sellers. Although the Company generally prefers the benefits of direct origination, the current market conditions have created situations where holders of residential and commercial real estate debt may be in distress and are therefore willing to sell at prices that compensate the buyer for the lack of control typically associated with directly structured investments. The experience of the Manager in making distressed investments greatly augments Company capabilities in this area.

A focus of the Company will be to originate and invest in the following types of real estate loans:

Senior Mortgage Loans. The Company intends to invest in senior mortgage loans that are predominantly three to five year term loans providing capital for the acquisition, refinancing or repositioning of quality real estate and may be fixed or floating rate loans that immediately provide the Company with current income, referred to as current-pay loans. The Company expects that its senior mortgage loans will be primarily backed by properties located in the U.S. The Company may selectively syndicate portions of these loans, including senior or junior participations that will effectively provide permanent financing or optimize returns which may include interest-only portions.

Senior mortgage loans provide for a higher recovery rate and lower defaults than other debt positions due to the lender's favorable control features which at times means control of the entire capital structure. Because of these attributes, this type of investment receives favorable treatment from third party rating agencies and financing sources, which should increase the liquidity of these investments.

Subordinated Mortgage Loans, or B-Notes. The Company may also invest in structurally subordinated first mortgage loans and junior participations in first mortgage loans or participations in these types of assets, commonly referred to as B-Notes, secured by quality real estate properties primarily located in the U.S. The Company may create subordinated mortgage loans by creating participations of the Company's directly originated first mortgage loans generally through syndications of senior interests or co-origination with a senior lender or the Company may buy such assets directly from third party originators. Further, the Company expects that the re-emergence of the CMBS and RMBS market will allow the Company to originate first mortgage loans to property owners with near-term liquidity issues and will allow us to contribute the senior AAA rated proceeds of the origination for inclusion in securitizations while retaining the subordinate debt at attractive returns. Due to the current credit market weakness and resulting dearth of capital available in this part of the capital structure, the Company believes that the opportunities to both directly originate and to buy subordinated mortgage investments from third parties on favorable terms will continue to be attractive.

Investors in subordinated mortgage loans are compensated for the increased risk of such assets from a pricing perspective as compared to first mortgage loans but still benefit from a lien on the related property. Investors typically receive principal and interest payments at the same time as senior debt unless a default occurs, in which case these payments are made only after any senior debt is paid in full. Rights of holders of subordinated mortgage loans are usually governed by participation and other agreements that, subject to certain limitations, typically provide the holders with the ability to cure certain defaults and control certain decisions of holders of senior debt secured by the same properties (or otherwise exercise the right to purchase the senior debt), which provides for additional downside protection and higher recoveries.

Mezzanine Loans. These are loans secured by one or more direct or indirect ownership interests in an entity that directly or indirectly owns residential or commercial real property. The Company may own mezzanine loans directly or may hold a participation in a mezzanine loan or a sub-participation in a mezzanine loan. Mezzanine loans may be either short (three to five year) or longer (up to 10 year) terms and may be fixed or floating rate. These loans are predominantly current-pay loans (although there may be a portion of the interest that accrues if cash flow generated by the related property is not sufficient to pay current interest) and may provide for participation in the value or cash flow appreciation of the underlying property, which participation is known as an "equity kicker" as described below. The Company believes that opportunities to both directly originate and to buy mezzanine loans from third parties on favorable terms will continue to be attractive. In the current market, mezzanine loans can be the key piece of capital to bridge the gap between senior debt and borrower equity during a refinance or acquisition. Therefore, the Company expects to achieve favorable terms — both economic and structural — on the mezzanine loans in which the Company invests.

Investors in mezzanine loans are compensated for the increased risk of such assets from a pricing perspective and still benefit from the right to foreclose, in many instances more efficiently than senior mortgage debt. Upon a default by the borrower under the mezzanine loan, the mezzanine lender generally can take control on an expedited basis of the property-owning entity, subject to the rights of the holders of debt senior in priority on the property. Rights of holders of mezzanine loans are usually governed by intercreditor or interlender agreements that provide such holders with the right to cure certain defaults and control certain decisions of holders of any senior debt secured by the same properties (or otherwise exercise the right to purchase the senior debt), which provides for additional downside protection and higher recoveries.

Nonetheless, these types of investments involve a higher degree of risk relative to a senior mortgage secured by the underlying real property because the investment may become unsecured as a result of foreclosure by the senior lender if the mezzanine lender is unable to cure senior mortgage defaults. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Company may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the mezzanine loan. If a borrower defaults on Company mezzanine loans or debt senior to Company loans, or in the event of a borrower bankruptcy, the Company's mezzanine loan will be satisfied only after the senior debt has been repaid.

Investments in Commercial and Residential Real Estate-Related Debt Securities

The Company may invest in securities of any credit quality, maturity and duration to enhance its income and capital appreciation potential and to provide liquidity to the overall portfolio. This may include securities that are rated below investment grade by rating agencies, that would be rated below investment grade if they were rated, or unrated debt securities. The Manager expects that a majority of the Company's real estate-related debt investments will be in secured, unrated real estate loans and debt, as well as debt securities that are rated investment grade.

In addition to our focus on origination of and investments in residential and commercial real estate and residential and commercial real estate loans, the Company may also invest in residential and commercial real estate-related debt securities such as CMBS, RMBS, CDOs, unsecured debt issued by REITs and interests in other securitized vehicles that own real estate-related debt. While the Company may invest in any residential and commercial real estate-related debt securities, the Company expect that the majority of these investments would be CMBS and RMBS.

CMBS. CMBS are commercial mortgages which are pooled together in a trust. Accordingly, these securities are subject to all of the risks of the underlying mortgage loans. The commercial mortgage security is structured with credit enhancement to protect against potential cash flow delays and shortfalls. This credit enhancement usually takes the form of allocation of loan losses to investors in reverse sequential order (equity to AAA classes), whereas interest distributions and loan prepayments are usually applied sequentially (AAA classes to equity).

The typical commercial mortgage is a five or ten year loan, with a 30-year amortization schedule and a balloon principal payment due on the maturity date. Most fixed-rate commercial loans have strong prepayment protection and require prepayment penalty fees or defeasance. The loans are structured in this manner to maintain the collateral pool's cash flow or to compensate the investors from foregone interest collections.

RMBS. RMBS are residential mortgages which are pooled together in a trust. RMBS directly or indirectly represent participations in, or are secured by, and payable from, mortgage loans secured by residential real property. Compared to more traditional debt securities, interest payments and principal repayments on RMBS are made more frequently (usually monthly), and principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. These differences can result in significantly greater price and yield volatility than is the case with traditional debt securities.

CDOs. CDOs are multiple class debt securities, or bonds, secured by pools of assets, such as mortgage-backed securities, B-Notes, mezzanine loans, REIT debt and credit default swaps. Like typical securities structures, in a CDO, the assets are pledged to a trustee for the benefit of the holders of the bonds. CDOs often have reinvestment periods that typically last for five years during which proceeds from the sale of a collateral asset may be invested in substitute collateral. Upon termination of the reinvestment period, the static pool functions very similarly to a CMBS securitization where repayment of principal allows for redemption of bonds sequentially.

Publicly-Traded REIT Securities. We may also choose to invest in senior unsecured debt securities of publicly-traded equity REITs. Publicly-traded equity REITs typically own large, diversified pools of commercial and residential real estate properties and employ moderate leverage. Most of these companies specialize in particular property types such as regional malls, office properties, apartment properties and industrial warehouses. Corporate bonds issued by these types of REITs are usually rated investment grade and benefit from strong covenant protection.

Ratings of Residential and Commercial Real Estate-Related Debt Securities. For CMBS, RMBS, and CDOs, the securitization process is governed by one or more of the rating agencies, including Fitch, Moody's and Standard & Poor's, who determine the respective bond class sizes, generally based on a sequential payment structure. Bonds that are rated from AAA to BBB by the rating agencies are considered "investment grade." Bond classes that are subordinate to the BBB class are considered "non-investment" grade. The respective bond class sizes are determined based on the review of the underlying collateral by the rating agencies. The payments received from the underlying loans are used to make the payments on the securities. Based on the sequential payment priority, the risk of nonpayment for the AAA securities is lower than the risk of nonpayment for the non-investment grade bonds. Accordingly, the AAA class is typically sold at a lower yield compared to the non-investment grade classes that are sold at higher yields. We may invest in investment grade classes, non-investment grade classes or the equity of securitizations.

Residential and Commercial Properties

The Company may acquire and develop residential and commercial properties for rental operations as multifamily buildings and/or for income producing properties. In each case, these residential and commercial properties must meet the Company's investment objective and may include conventional multifamily properties, such as mid-rise, high-rise, and garden-style properties, as well as single family, new construction homebuilding, student housing, age-restricted properties (typically requiring at least one resident of each unit to be 55 or older), industrial, office, and retail properties. Specifically, the Company may acquire real estate assets that may benefit from enhancement or repositioning and development assets. The Company may purchase any type of property, including properties that require capital improvement or lease-up and land for development or new construction, to enhance unitholder returns. Location, condition, design and amenities are key characteristics for commercial and residential assets. The Company focuses on major metropolitan areas and other markets and submarkets that are deemed likely to benefit from ongoing population shifts and/or that are poised for high growth potential.

The terms and conditions of any lease that the Company enters into with residents may vary substantially; however, it is expected that a majority of the Company's leases will be standardized leases customarily used between landlords and tenants for the specific type and use of the property in the geographic area where the property is located. In the case of apartment communities, such standardized leases generally have terms of one year or less. All prospective residents for our apartment communities are required to submit a credit application.

Residential and commercial real estate investments constitute a growing portion of our sponsor's historical investments, therefore the Company intends to leverage its sponsor's management team's extensive prior experience in the residential and commercial real estate sectors, as well as its sponsor's origination capabilities and extensive financial institution relationships to identify these investment opportunities that are appropriate for the Company's investment portfolio at the appropriate time in the real estate cycle. Certain owners of commercial real property are suffering distress. This fact and reduced demand by buyers for such properties has led to price reduction and as a result, the opportunity for higher returns. Improved economics may present an opportunity to acquire such properties. The Company expect that our acquired properties would have occupancy levels consistent with the performance of the local market and would generate accretive and immediate cash flow. Although current market conditions may allow the Company to acquire properties with little or no leverage, given the stabilized nature of the targeted properties, the Company may apply modest levels of leverage to enhance investment returns. In particular, the Company's sponsor and its real estate professionals who have been performing services for the Company on behalf of the Manager have extensive experience in acquiring, managing and disposing of net lease properties. Net lease properties generally have a small number of tenants with longer leases and few or no landlord responsibilities. The

Company will manage and dispose of any real property assets we acquire in the manner that the Manager determines is most advantageous to the Company.

Other Real Estate Investments

The Company may invest in private issuances of equity or debt securities of public companies; and in a loan, security or other full recourse obligations for which the business of the related obligor is significantly related to real estate.

These investments may or may not have a scheduled maturity and are expected to be of longer duration (five- to ten-year terms) than our typical portfolio investment. Such investments are expected to be fixed rate (if they have a stated investment rate), and may have accrual structures and provide other distributions or equity participations in overall returns above negotiated levels. These investments are also expected to be collateralized or otherwise backed primarily by U.S. real estate collateral.

The Company does not anticipate allocating a large amount of capital or time to these investments initially but as market conditions begin to improve the Company believes that compelling opportunities will arise that should generate significant returns.

Investments in Government Sponsored Programs

If the Company meets the qualifications established by the FDIC, we may elect to invest in any existing or future programs sponsored by the government to facilitate the investment in assets of the type we seek to acquire for the Company's portfolio, to the extent consistent with investment strategies and objectives.

Other Possible Investments

Although the Company expects that most of our investments will be of the types described above, the Company may make other investments. The Company may invest in whatever types of interests in real estate- or debt-related assets that are believed to be in the Company's best interests. Although the Company can purchase any type of interest in real estate- or debt-related assets, the Company's conflicts of interest policy and operating agreement do limit certain types of investments involving the Manager, the Company's sponsor, their officers or any of their affiliates. See "Conflicts of Interest."

Our Projects

Click here: https://fundrise.com/offerings/29/view for the most up to date information regarding projects that we have acquired.

Investment Process Overview

The Manager has the authority to make all the decisions regarding our investments consistent with the investment guidelines and borrowing policies approved by the Manager's investment committee and subject to the limitations in our operating agreement and the direction and oversight of the Manager's investment committee. The Manager's investment committee must approve all investments other than investments in residential and commercial real estate loans and residential and commercial real estate-related debt securities. With respect to investments in residential and commercial real estate loans and residential and commercial real estate-related debt securities, the Manager's investment committee intends to adopt investment guidelines that the Manager must follow when acquiring such assets on our behalf without the approval of the Manager's investment committee. We have not and will not, however, purchase or lease assets in which our Manager, any of our officers or any of their affiliates has an interest without a determination by the Independent Representative that such transaction is fair and reasonable to us and at a price to us that is not materially greater than the cost of the asset to the affiliated seller or lessor. In the event that two or more members of the investment committee are interested parties in a transaction, the Independent Representative will consider and vote upon the approval of the transaction. Our Manager's investment committee will formally review at a duly called meeting our investment guidelines and our investment portfolio on an annual basis or, in each case, more often as they deem appropriate. Changes to our investment guidelines must be approved by the Manager's investment committee.

The Manager will focus on the direct origination and select purchasing of commercial and residential real estate loans. It will source our investments from new or existing customers, former and current financing and investment partners, third party intermediaries, competitors looking to share risk and securitization or lending departments of major financial institutions.

In selecting investments, the Manager will utilize the Company sponsor's established investment and underwriting process, which focuses on ensuring that each prospective investment is being evaluated appropriately. The criteria that the Manager will consider when evaluating prospective investment opportunities include:

- macroeconomic conditions that may influence operating performance;

- real estate market factors that may influence real estate lending and/or economic performance of the underlying real estate collateral;
- fundamental analysis of the underlying real estate collateral, including tenant rosters, lease terms, zoning, operating costs and the asset's overall competitive position in its market;
- the policy of our sponsor or the other Fundrise entities relating to leverage;
- the operating expertise and financial strength of the sponsor or borrower;
- real estate and leasing market conditions affecting the underlying real estate collateral;
- the cash flow in place and projected to be in place over the term of the loan;
- the appropriateness of estimated costs and timing associated with capital improvements of the underlying real estate collateral;
- a valuation of the investment, investment basis relative to its value and the ability to liquidate an investment through a sale or refinancing of the underlying asset;
- review of third-party reports, including appraisals, engineering and environmental reports;
- physical inspections of underlying real estate collateral and analysis of markets; and
- the overall structure of the investment and rights in the loan documentation.

If a potential investment meets the Manager's underwriting criteria, the Manager will review the proposed transaction structure, including security, reserve requirements, cash flow sweeps, call protection and recourse provisions. The Manager will evaluate the asset's position within the overall capital structure and its rights in relation to other capital tranches. The Manager will analyze each potential investment's risk-return profile and review financing sources, if applicable, to ensure that the investment fits within the parameters of financing facilities and to ensure performance of the underlying real estate collateral.

Investment Strategy and Criteria Used in Selecting Investments

Within the Company's investment objective and policies, the Manager will have substantial discretion with respect to the selection of specific investments and the purchase and sale of the Company's assets. The Company believes that successful real estate investment requires the implementation of strategies that permit favorable purchases and originations, effective asset management and timely disposition of those assets. As such, the Manager has developed a disciplined investment approach that combines the experience of the Manager's team of real estate and debt finance professionals with a structure that emphasizes thorough market research, stringent underwriting standards and an extensive down-side analysis of the risks of each investment. The approach also includes active and aggressive management of each asset acquired.

The Manager believes that active management is critical to creating value. The Manager will also develop a well-defined exit strategy for each investment the Company makes. Specifically, the Manager will assign an exit or refinance timeline to each asset the Company acquires prior to its purchase as part of the original business plan for the asset. The Manager will then regularly re-evaluate the exit strategy of each asset in response to the performance of the individual asset, market conditions and the Company's overall portfolio objectives to determine the optimal time to sell the asset.

To execute the Company's disciplined investment approach, the Manager's team of real estate and debt finance professionals take responsibility for the business plan of each investment. The following practices summarize the Company's investment approach:

- *Market Research*. The investment team extensively researches the acquisition and/or origination and underwriting of each transaction, utilizing both real time market data and the transactional knowledge and experience of the team's network of professionals and in market relationships.
- *Underwriting Discipline.* The Company follows a tightly controlled and managed process to examine all elements of a potential investment, including, with respect to real property, its location, income-producing capacity, prospects for long-range appreciation, income tax considerations and liquidity. Only those assets meeting the Company's investment criteria will be accepted for inclusion in the Company's portfolio. In an effort to keep an asset in compliance with those standards,

the underwriting team remains involved through the investment life cycle of the asset and consults with the other internal professionals responsible for the asset. This team of experts reviews and develops comprehensive reports for each asset throughout the holding period.

- *Risk Management.* Risk management is a fundamental principle in the construction of portfolios and in the management of each investment. Diversification of portfolios by investment type, investment size and investment risk is critical to controlling portfolio-level risk. Operating or performance risks arise at the investment level and often require real estate operating experience to cure. The Manager's real estate and debt finance professionals review the operating performance and history of the joint-venture and development partners against projections and provide the oversight necessary to detect and resolve issues as they arise.

- *Asset Management.* Prior to the purchase of an individual asset or portfolio, the Manager closely works with the acquisition and underwriting teams to develop an asset business strategy. This is a forecast of the action items to be taken and the capital needed to achieve the anticipated returns. The Manager reviews asset business strategies regularly to anticipate changes or opportunities in the market during a given phase of a real estate cycle. The Manager has designed this process to allow for realistic yet aggressive enhancement of value throughout the investment period.

On-going monitoring of the Company's investments will be utilized to assist the Manager in maintaining portfolio allocations and managing cash in-flows and outflows. The Manager may strategically rebalance its targeted asset allocation mix according to the current market conditions, but will remain true to its fundamental analysis with respect to each real estate asset class and sector risk, as applicable, over time. The Manager manages investments over a long-term time horizon while being mindful of the historical context of the capital markets. No assurance can be given that any or all investment strategies, or the Company's investment program, will be successful.

The period that the Company will hold its portfolio investments will vary depending on the type of asset, interest rates and other factors. The Manager will develop a well-defined exit strategy for each investment made by the Company. The Manager will continually perform a hold-sell analysis on each asset in order to determine the optimal time to hold the asset and generate a strong return to the unitholders. Economic and market conditions may influence the Company to hold its investments for different periods of time. The Company may sell an asset before the end of the expected holding period if the Manager believes that market conditions have maximized its value to the Company or the sale of the asset would otherwise be in the best interests of unitholders.

Derivatives

Generally, derivatives are financial contracts whose value depends upon, or are derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates and related indexes. Under normal circumstances, the Company will be exposed to the effect of interest rate changes, price changes and currency fluctuations and may seek to limit these risks by following established risk management policies and procedures including the use of derivatives. To mitigate exposure to variability in interest rates, derivatives may be used primarily to fix the rate on debt based on floating-rate indices and manage the cost of borrowing obligations.

The Company may use a variety of commonly used derivative products, including interest rate swaps, caps, collars, floors, options contracts, futures contracts, options (on securities, bonds, currencies, interest rates, indices or swaps), swaps (including interest rate, credit default, equity index and total return swaps) and other swap agreements for investment, hedging and risk management purposes. The Company may also invest in Treasury futures, Eurodollar futures, interest rate swaps, swaptions or similar instruments and combinations thereof. Derivative instruments will be valued at their market value, or in cases where market value is not available, at fair value, as determined in accordance with the Company's valuation procedures. The Company will engage in derivative transactions only to the extent such transactions are consistent with the requirements of the Code for maintaining its qualification as a REIT for U.S. federal income tax purposes. See "U.S. Federal Income Tax Considerations."

Borrowing Policy

The Company believes that our sponsor's ability to obtain both competitive interim and term financings and its relationships with top tier financial institutions should allow the Manager to successfully employ moderate levels of borrowing in order to enhance our returns to unitholders. Although the Company's investment strategy is not contingent on financing our assets in the capital markets, our sponsor's past experience and ability in structuring and managing match-funded, flexible term debt facilities and securitization vehicles should provide the Manager with an advantage in potentially obtaining conservatively structured term financing for many of our investments, to the extent available, through capital markets and other financing transactions, including allowing the Company to be among the first to access the capital markets when conditions permit.

The Company may use leverage to provide additional funds to support our investment activities. The Company expects to utilize debt financing consisting of property level debt (mortgages on our properties that are generally not recourse to the Company) and entity level debt (non-mortgage debt at the Company level). Property level debt will be incurred by special purpose vehicles held or lent to by the Company (including as part of a joint venture or lending agreement with a third party) and secured by real estate owned by such special purpose vehicles. Such special purpose vehicles would own real estate assets and would borrow from a lender using the owned property as mortgage collateral. If any such special purpose vehicle were to default on a loan, the lender's recourse would be to the mortgaged property and the lender would typically not have a claim to other assets of the Company. In addition, the Company may enter into investment management techniques (including reverse repurchase agreements and derivative transactions) that have similar effects as leverage.

Other Operating Policies

Credit Risk Management. The Company may be exposed to various levels of credit and special hazard risk depending on the nature of the Company's underlying assets and the nature and level of credit enhancements supporting the Company's assets. The Manager and its executive officers will review and monitor credit risk and other risks of loss associated with each investment. In addition, the Company will seek to diversify its portfolio of assets to avoid undue geographic, issuer, industry and certain other types of concentrations. The Manager's investment committee will monitor the overall portfolio risk and levels of provision for loss.

Interest Rate Risk Management. To the extent consistent with maintaining the Company's qualification as a REIT, the Company will follow an interest rate risk management policy intended to mitigate the negative effects of major interest rate changes. The Company intends to minimize the Company's interest rate risk from borrowings by attempting to "match-fund", which means the Manager will seek to structure the key terms of the Company's borrowings to generally correspond to the interest rate term of the Company's assets and through hedging activities.

Hedging Activities. The Company may engage in hedging transactions to protect its investment portfolio from interest rate fluctuations and other changes in market conditions. These transactions may include interest rate swaps, the purchase or sale of interest rate collars, caps or floors, options, mortgage derivatives and other hedging instruments. These instruments may be used to hedge as much of the interest rate risk as the Company determines is in the best interest of unitholders, given the cost of such hedges and the need to maintain the Company's qualification as a REIT. The Company may from time to time enter into interest rate swap agreements to offset the potential adverse effects of rising interest rates under certain short-term repurchase agreements. The Company may elect to bear a level of interest rate risk that could otherwise be hedged when the Manager believes, based on all relevant facts, that bearing such risk is advisable or economically unavoidable.

Equity Capital Policies. Under the Company's operating agreement, the Company has authority to issue an unlimited number of additional common units or other securities. In particular, the Manager is authorized to provide for the issuance of an unlimited amount of one or more classes or series of units in the Company, including preferred units, and to fix the number of units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series, without unitholder approval. After your purchase in this offering, the Manager may elect to: (i) sell additional units in this or future offerings or (ii) issue equity interests in private offerings. To the extent the Company issues additional equity interests after your purchase in this offering, your percentage ownership interest in the Company will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, you may also experience dilution in the book value and fair value of your units.

Additional Information Regarding Investment Strategies

The Company may, from time to time, take defensive positions that are inconsistent with the Company's principal investment strategy in attempting to respond to adverse market, economic, political or other conditions. During such times, the Manager may determine that the Company should invest up to 100% of its assets in cash or cash equivalents, including money market instruments, prime commercial paper, repurchase agreements, Treasury bills and other short-term obligations of the U.S. Government, its agencies or instrumentalities. In these and in other cases, the Company may not achieve its investment objective. The Manager may invest the Company's cash balances in any investments it deems appropriate. The Manager expects that such investments will be made, without limitation, in money market funds, repurchase agreements, U.S. Treasury and U.S. agency securities, municipal bonds and bank accounts. Any income earned from such investments is ordinarily reinvested by the Company in accordance with its investment program. Many of the considerations entering into recommendations and decisions of the Manager and the Company's portfolio managers are subjective.

PLAN OF OPERATION

General

We are a newly organized Delaware limited liability company that was formed to originate, invest in and manage a portfolio of residential and commercial real estate investments. Our investment objective is to seek current income from which to pay attractive, consistent cash distributions while preserving capital. We will pursue its investment strategy primarily by seeking to invest substantially all of its assets: to originate, acquire and structure real estate loans (including senior mortgage loans, subordinated mortgage loans (also referred to as B-Notes), mezzanine loans, and participations in such loans); and to acquire other investments through Real Estate Investment Vehicles. Real Estate Investment Vehicles are income generating properties and other real estate that generates current payments, and may also be used to acquire, hold and finance land for future development, and to acquire investments in other residential and commercial real estate (including through co-investment arrangements, joint ventures, and majority-owned subsidiaries with rights to receive preferred economic returns). We intend to elect to be taxed as a REIT under the Code.

Fundrise Advisors, LLC is our Manager. As our Manager, it manages our day-to-day operations and our portfolio of commercial real estate loans, commercial real estate and other real estate-related assets. Our Manager also has the authority to make all of the decisions regarding our investments, subject to the limitation in our operating agreement and the direction and oversight of our Manager's investment committee. Our sponsor will also provide asset management, marketing, investor relations and other administrative services on our behalf.

We intend to elect to be taxed as a REIT under the Code, commencing with our taxable year ending December 31, 2025. Assuming we qualify as a REIT for U.S. federal income tax purposes, we generally will not be subject to U.S. federal income tax to the extent we distribute qualifying dividends to our unitholders. If we fail to qualify as a REIT in any taxable year after electing REIT status, we will be subject to U.S. federal income tax on our taxable income at regular corporate income tax rates and generally will not be permitted to qualify for treatment as a REIT for U.S. federal income tax purposes for four years following the year in which our qualification is denied. Such an event could materially and adversely affect our net income and cash available for distribution. However, we believe that we are organized and will operate in a manner that will enable us to qualify for treatment as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2025, and we intend to operate so as to remain qualified as a REIT for U.S. federal income tax purposes thereafter.

The term of the Fund will expire on the fifth anniversary of the date of this PPM, subject to two one-year extensions at the discretion of our Manager. Unitholders should be prepared to hold their units for the duration of the term of the Fund. If our Manager determines that it is in the best interests of the unitholders to wind down the Fund prior to its stated term, the Fund may sell its assets to other companies managed by our Manager or its affiliates, subject to such transaction(s) being reviewed and approved by the Independent Representative and based on a third-party appraisal.

The Fund is targeting an annual return of 9-11%, inclusive of distributions and capital appreciation.

Competition

Our net income depends, in large part, on our ability to originate investments with attractive risk-adjusted yields. In originating these investments, we compete with mortgage REITs, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, private funds, other lenders, governmental bodies and other entities, as well as online lending platforms that compete with the Fundrise Platform, many of which have greater financial resources and lower costs of capital available to them than we have. In addition, there are numerous mortgage REITs with asset acquisition objectives similar to ours, and others may be organized in the future, which may increase competition for the investments suitable for us. In particular, our investment objective and strategies are similar to other programs our sponsor has previously organized, such as the Fundrise Income Real Estate Fund, LLC, which is also managed by our Manager. Competitive variables include market presence and visibility, size of loans offered and underwriting standards. To the extent that a competitor is willing to risk larger amounts of capital in a particular transaction or to employ more liberal underwriting standards when evaluating potential loans than we are, our investment volume and profit margins for our investment portfolio could be impacted. Our competitors may also be willing to accept lower returns on their investments and may succeed in buying the assets that we have targeted for acquisition. Although we believe that we are well positioned to compete effectively in each facet of our business, there is enormous competition in our market sector and there can be no assurance that we will compete effectively or that we will not encounter increased competition in the future that could limit our ability to conduct our business effectively.

Liquidity and Capital Resources

We are dependent upon the net proceeds from this offering to conduct our proposed operations. As of the date of this PPM, we have entered into an agreement with National Lending, LLC, an affiliate of our sponsor, in connection with a $15,000,000 unsecured

term loan with an annualized interest rate of 5.75% that matures on October 20, 2026 (the "Sponsor Affiliate Loan"). We plan to use the proceeds from this term loan to purchase and originate our initial real estate-related investments and, subsequently, will obtain the capital required to purchase and originate real estate-related investments and conduct our operations from the proceeds of this offering and any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations. For information regarding the anticipated use of proceeds from this offering, see "Estimated Use of Proceeds".

We face additional challenges in order to ensure liquidity and capital resources on a long-term basis. If we are unable to raise substantial additional gross offering proceeds, we will make fewer investments resulting in less diversification in terms of the type, number and size of investments we make and the value of an investment in us will fluctuate with the performance of the specific assets we acquire. Further, we will have certain fixed operating expenses regardless of whether we are able to raise substantial funds in this offering. Our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, reducing our net income and limiting our ability to make distributions.

We have certain fixed operating expenses, regardless of whether we are able to raise substantial funds in this offering. Our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, reducing our net income and limiting our ability to make distributions.

Additionally, because certain of our investments include both current interest payments and interest paid-in kind upon redemption of our investments, there may be differences between net income from operations and cash flow generated from our investments.

In addition to making investments in accordance with our investment objective, we expect to use our capital resources to make certain payments to our Manager. During our organization and offering stage, these payments will include payments for reimbursement of certain organization and offering expenses. During our acquisition and development stage, we expect to make payments to our Manager in connection with the selection and origination or purchase of investments, the management of our assets and costs incurred by our Manager in providing services to us. For a discussion of the compensation to be paid to our Manager, see "Management Compensation".

We intend to elect to be taxed as a REIT commencing with our taxable year ending December 31, 2025. To maintain our qualification as a REIT, we are required to make aggregate annual distributions to our unitholders of at least 90% of our REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain). Our Manager may authorize distributions in excess of those required for us to maintain REIT status depending on our financial condition and such other factors as our Manager deems relevant. Provided we have sufficient available cash flow, we intend to authorize and declare distributions based on daily record dates and pay distributions on a quarterly or other periodic basis. We have not established a minimum distribution level.

Related Party Loans

If we have sufficient funds to acquire only a portion of a loan or other investment then, in order to cover the shortfall, we may obtain a related party loan from, or issue a participation interest to, an affiliate. Our operating agreement allows us to enter into such related party loans and to issue such participation interests. Each related party loan and participation interest will be an unsecured obligation of ours, that is payable solely to the extent that such related party loan or participation interest remains outstanding. As we sell additional common units in this offering, we will use the proceeds of such sales to pay down the principal and interest of any related party loan or the principal of the outstanding participation interests, as appropriate, reducing the payment obligation of such related party loan or participation interest, and our obligation to the holder of such related party loan or participation interest. We may also utilize related party loans, from time to time, as a form of leverage to acquire investments.

In instances where a participation interest is outstanding, payments of the participation interest will be *pari passu* (*i.e.*, of equal seniority) to our right to payment from the underlying asset, and any payments received from the underlying asset will be subsequently distributed *pro rata* (*i.e.*, in equal proportion to their proportionate interest) among us and the participation interest holder. In the event that we sell a sufficient number of common units through this offering to fully extinguish the principal of an outstanding participation interest, we will repay the participation interest, and, other than any accrued but unpaid return due to it from the underlying asset, the holder of the participation interest will no longer hold any obligation of ours with regard to payment. It is anticipated that each participation interest will have a varying return that is dependent upon, and will generally be identical to, the projected return on the underlying asset.

As of the date of this PPM, we have entered into an agreement with National Lending, LLC, an affiliate of our sponsor, in connection with a $15,000,000 term loan with an annualized interest rate of 5.75%, which comes to maturity October 20, 2026. We plan

to use the proceeds from this term loan to purchase and originate our initial real estate-related investments and, subsequently, will obtain the capital required to purchase and originate real estate-related investments and conduct our operations from the proceeds of this offering and any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations.

Market Outlook — Commercial Real Estate Markets

The commercial real estate markets have experienced a notable divergence since 2022 from public equities markets, with a sustained period of significant headwinds from elevated interest rates, compressed valuations and reduced transaction activity. Property values declined broadly across most sectors as cap rates and discount rates expanded to reflect the higher cost of capital, while asset level fundamentals softened with a surge in new supply. This "perfect storm" of hurdles created one of the most challenging periods for real estate equity in over a decade.

Conversely, providers of real estate private credit have generally thrived in this environment. With traditional bank lenders retreating due to regulatory pressures and balance sheet constraints, demand for alternative financing has surged. Developers and sponsors have increasingly turned to private credit providers for bridge loans, construction financing, and gap capital – creating a robust deal pipeline with favorable terms for lenders.

We believe that we are now (for the most part) past the bottom of the cycle for real estate equity valuations. With interest rates stabilizing and property values having reset significantly, forward-looking returns appear compelling. Assets that were previously bid up in the low-rate environment of 2020-2021 have repriced to reflect current financing costs, creating entry points that should generate strong returns as the market normalizes.

Conversely, we also see what may be increasingly overly inflated valuations in the public equities market, with stocks priced at all time highs by many metrics (relative to underlying fundamentals). In addition, there has been an increasing concentration of public equity markets, with a small number of companies accounting for the majority of value of most stock indexes. Generally speaking, history has shown that these indicators often appear in advance of a more significant pull back in the stock market.

Meanwhile, we expect that the private credit opportunity will continue to remain attractive for at least the next year or more. Banks show little appetite to regain market share quickly, constrained by regulatory capital requirements and lingering concerns about commercial real estate exposure. Broadly, there is speculation that traditional bank lenders may never fully return to their previous activity level in many real estate lending markets, which in turn will create a structural shift in real estate financing, with private credit lenders filling a permanent gap in the market rather than just a cyclical one. The ongoing need for transitional financing – whether for property repositioning, lease-up stabilization, or refinancing of maturing loans – continues to support strong deal flow with attractive spreads and protective loan structures. For credit investors, this environment offers the dual benefits of compelling current income and downside protection through senior secured positioning in a repriced real estate market.

Investment Company Act Considerations

We intend to conduct our operations so that neither we, nor any of our subsidiaries, is required to register as investment companies under the Investment Company Act.

Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the 40% test. Excluded from the term "investment securities," among other things, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We anticipate that we will hold real estate and real estate-related assets described below (i) directly, (ii) through wholly-owned subsidiaries, (iii) through majority-owned joint venture subsidiaries, and, (iv) to a lesser extent, through minority-owned joint venture subsidiaries. We will limit what we buy and hold through minority-owned joint venture subsidiaries because assets held in such subsidiaries may be deemed investment securities.

We intend, directly or through our subsidiaries, to originate, invest in and manage a diversified portfolio of commercial real estate investments. We expect to originate, acquire and structure commercial real estate loans (including senior mortgage loans and subordinated mortgage loans, including junior participations (B-Notes) in senior mortgage loans or mezzanine loans and to make other investments in commercial real estate. We may also invest in commercial real estate-related debt securities (including commercial

mortgage-backed securities, or CMBS, collateralized debt obligations, or CDOs, and REIT senior unsecured debt and other real estate-related assets).

We will monitor our compliance with the 40% test and the holdings of our subsidiaries to ensure that we and each of our subsidiaries is in compliance with an applicable exemption or exclusion from registration as an investment company under the Investment Company Act. The securities issued by any wholly-owned or majority-owned subsidiary that we may form and that are excluded from the definition of "investment company" based on Section 3(c)(1) or 3(c)(7) of the Investment Company Act, together with any other investment securities we may own, may not have a value in excess of 40% of the value of our total assets on an unconsolidated basis.

In addition, we believe that neither we nor certain of our subsidiaries will be considered investment companies under Section 3(a)(1)(A) of the Investment Company Act because we and they will not engage primarily or hold themselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we and such subsidiaries will be primarily engaged in non-investment company businesses related to real estate. Consequently, we and our subsidiaries expect to be able to conduct our operations such that none will be required to register as an investment company under the Investment Company Act.

The determination of whether an entity is a majority-owned subsidiary of the Company is made by us. The Investment Company Act defines a majority-owned subsidiary of a person as a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act further defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries. We also treat subsidiaries of which we or our wholly-owned or majority-owned subsidiary is the manager (in a manager-managed entity) or managing member (in a member-managed entity) or in which our agreement or the agreement of our wholly-owned or majority-owned subsidiary is required for all major decisions affecting the subsidiaries (referred to herein as "Controlled Subsidiaries"), as majority-owned subsidiaries even though the interests issued by such Controlled Subsidiaries do not generally meet the definition of voting securities under the Investment Company Act. We reached our conclusion on the basis that the interests issued by the Controlled Subsidiaries are the functional equivalent of voting securities. The determination of whether an entity is a majority-owned subsidiary of the Company is made by us. We have not asked the SEC staff for concurrence of our analysis, our treatment of such interests as voting securities, or whether the Controlled Subsidiaries, or any other of our subsidiaries, may be treated in the manner in which we intend, and it is possible that the SEC staff could disagree with any of our determinations. If the SEC staff were to disagree with our treatment of one or more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets. Any such adjustment in our strategy could have a material adverse effect on us.

Certain of our subsidiaries may rely upon the exclusion from the definition of investment company under Section 3(c)(5)(C) of the Investment Company Act. Section 3(c)(5)(C), as interpreted by the staff of the SEC, requires an entity to invest at least 55% of its assets in "mortgages and other liens on and interests in real estate", which we refer to as "qualifying real estate interests", and at least 80% of its assets in qualifying real estate interests plus "real estate-related assets".

In reliance on published SEC staff guidance, we treat as "qualifying real estate interests" fee interests in real estate, mortgage loans fully secured by real estate, certain mezzanine loans and certain B-Notes. Commercial real estate-related debt securities (including CMBS, CDOs and REIT senior unsecured debt) are treated as "real estate-related assets".

On August 31, 2011, the SEC published a concept release entitled "Companies Engaged in the Business of Acquiring Mortgages and Mortgage Related Instruments" (Investment Company Act Rel. No. 29778). This release notes that the SEC is reviewing the Section 3(c)(5)(C) exclusion relied upon by companies similar to us that invest in mortgage loans. There can be no assurance that the laws and regulations governing the Investment Company Act status of companies similar to ours, or the guidance from the SEC or its staff regarding the treatment of assets as qualifying real estate assets or real estate-related assets, will not change in a manner that adversely affects our operations as a result of this review. To the extent that the SEC or its staff provides more specific guidance regarding any of the matters bearing upon our exclusion from the need to register under the Investment Company Act, we may be required to adjust our strategy accordingly. Any additional guidance from the SEC staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies that we have chosen.

The loss of our exclusion from regulation pursuant to the Investment Company Act could require us to restructure our operations, sell certain of our assets or abstain from the purchase of certain assets, which could have an adverse effect on our financial condition and results of operations.

DESCRIPTION OF OUR COMMON UNITS

The following descriptions of our common units, certain provisions of Delaware law and certain provisions of our certificate of formation and operating agreement are summaries and are qualified by reference to Delaware law, our certificate of formation and our operating agreement. See "Where You Can Find More Information."

General

We are a Delaware limited liability company organized on September 17, 2025 under the Delaware Limited Liability Company Act, or Delaware LLC Act, issuing limited liability company interests. The limited liability company interests in the Company are denominated in common units of limited liability company interests ("common units") and, if created in the future, preferred units of limited liability company interests ("preferred units"). Our operating agreement provides that we may issue an unlimited number of common units with the approval of our Manager and without unitholder approval.

All of the common units offered by this PPM will be duly authorized and validly issued. Upon payment in full of the consideration payable with respect to the common units, as determined by our Manager, the holders of such units will not be liable to us to make any additional capital contributions with respect to such units (except for the return of distributions under certain circumstances as required by Sections 18-215, 18-607 and 18-804 of the Delaware LLC Act). Holders of common units have no conversion, exchange, sinking fund or appraisal rights, no pre-emptive rights to subscribe for any securities of the Company and no preferential rights to distributions.

We have a December 31st fiscal year end. In addition, we intend to elect to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2025.

Distributions

To maintain our qualification as a REIT, we are required to make aggregate annual distributions to our unitholders of at least 90% of our REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain), and to avoid federal income and excise taxes on retained taxable income and gains we must distribute 100% of such income and gains annually. Our Manager may authorize distributions in excess of those required for us to maintain REIT status and/or avoid such taxes on retained taxable income and gains depending on our financial condition and such other factors as our Manager deems relevant. Provided we have sufficient available cash flow, we intend to authorize and declare distributions based on daily record dates and pay distributions on a quarterly or other periodic basis. We have not established a minimum distribution level.

While we are under no obligation to do so, we expect to declare and pay distributions monthly or quarterly in arrears; however, our Manager may declare other periodic distributions as circumstances dictate. In order that investors may generally begin receiving distributions immediately upon our acceptance of their subscription, we expect to authorize and declare distributions based on daily record dates. However, there may also be times when our Manager elects to reduce our rate of distributions in order to preserve or build up a higher level of liquidity at the Company level. .

While we are under no obligation to do so, we expect that our Manager will declare distributions with a daily record date, and pay distributions quarterly in arrears in amounts similar to those previously declared. However, there can be no assurance as to whether distributions will be declared or the amount of such distributions. There may also be times when our Manager elects to reduce our rate of distributions in order to preserve or build up a higher level of liquidity at the Company level.

Distributions will be authorized at the discretion of our Manager, in accordance with our earnings, present and reasonably projected future cash flows and general financial condition. Our Manager's discretion will be directed, in substantial part, by its obligation to cause us to comply with the REIT requirements and to avoid U.S. federal income and excise taxes on retained income and gains.

We are not prohibited from distributing our own securities in lieu of making cash distributions to unitholders. Our operating agreement also gives the Manager the right to distribute other assets rather than cash. The receipt of our securities or assets in lieu of cash distributions may cause unitholders to incur transaction expenses in liquidating the securities or assets. We do not have any current intention to list our common units on a stock exchange or other trading market, nor is it expected that a public market for the common units will develop. We also do not anticipate that we will distribute other assets in kind (other than in the context of a roll up transaction).

Although our goal is to fund the payment of distributions solely from cash flow from operations, we may pay distributions from other sources, including the net proceeds of this offering, cash advances by our Manager, cash resulting from a waiver of fees or reimbursements due to our Manager, borrowings in anticipation of future operating cash flow and the issuance of additional securities, and we have no limit on the amounts we may pay from such other sources. If we fund distributions from financings or the net proceeds

from this offering, we will have less funds available for investment in real estate properties, real estate-related assets and other investments. We expect that our cash flow from operations available for distribution will be lower in the initial stages of this offering until we have raised significant capital and made substantial investments. Further, because we may receive income at various times during our fiscal year and because we may need cash flow from operations during a particular period to fund expenses, we expect that during the early stages of our operations and from time to time thereafter, we may declare distributions in anticipation of cash flow that we expect to receive during a later period and these distributions would be paid in advance of our actual receipt of these funds. In these instances, we expect to look to third party borrowings, our offering proceeds or other sources to fund our distributions. Additionally, we will make certain payments to our Manager and dealer manager for services provided to us. See "Management Compensation." Such payments will reduce the amount of cash available for distributions.

Voting Rights

Our common unitholders have voting rights only with respect to certain matters, as described below. Each outstanding common unit entitles the holder to one vote on all matters submitted to a vote of common unitholders. Generally, matters to be voted on by our unitholders must be approved by either a majority or supermajority, as the case may be, of the votes cast by all common units present in person or represented by proxy. Our operating agreement provides that special meetings of unitholders may be called by our Manager. If any such vote occurs, you will be bound by the majority or supermajority vote, as applicable, even if you did not vote with the majority or supermajority.

The following circumstances will require the approval of holders representing a majority or supermajority, as the case may be, of the common units:

- any amendment to our operating agreement that would adversely change the rights of the common units, other than any amendment to the definition of "Market Price" in our operating agreement (*majority of affected class/series*);
- removal of our Manager as the manager of the Company for "cause" as described under "Management—Term and Removal of the Manager" (*two-thirds*); and
- the dissolution of the Company (only if the Manager has been removed for "cause") (*majority*).

General Procedures

Announcements; Notices. In the case of specified dispositions or a redemption, we will provide specified information to holders of common units.

Meetings. Our operating agreement provides that special meetings of unitholders may only be called by our Manager. There will be no annual or regular meetings of the Members.

Fractional Units. Our Manager does not have to issue or deliver any fractional units to any holder of common units upon any redemption or distribution. Instead of issuing fractional units, we may pay cash for the fractional unit in an amount equal to the fair market value of the fractional unit, without interest.

Payment of Taxes. If any person exchanging a certificate representing common units wants us to issue a certificate in a different name than the registered name on the old certificate, that person must pay any transfer or other taxes required by reason of the issuance of the certificate in another name or establish, to the satisfaction of us or our agent, that the tax has been paid or is not applicable.

Liquidation Rights

In the event of a liquidation, termination or winding up of the Company, whether voluntary or involuntary, we will first pay or provide for payment of our debts and other liabilities, including the liquidation preferences of any class of preferred units. Thereafter, holders of our common units will share in our funds remaining for distribution pro rata in accordance with their respective interests in the Company, taking into account our Manager's incentive fee.

Preferred Units

Section 215(e) of the Delaware LLC Act also specifically authorizes the creation of ownership interests of different classes of limited liability company interests, having such relative rights, powers and duties as the limited liability company agreement may provide, and may make provision for the future creation in the manner provided in the limited liability company agreement of additional classes of membership interests. In accordance with this provision, our operating agreement provides that our Manager is authorized to

provide for the issuance from time to time of an unlimited amount of one or more classes or series of preferred units of limited liability company interests ("preferred units"). Unless otherwise required by law or by any stock exchange, if applicable, any such authorized preferred units will be available for issuance without further action by our common unitholders. Our Manager is authorized to fix the number of preferred units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series and without unitholder approval. As of the date of this PPM, no preferred units are outstanding and we have no current plans to issue any preferred units.

We could issue a class or series of preferred units that could, depending on the terms of the class or series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of holders of common units might believe to be in their best interests or in which holders of common units might receive a premium for their common units.

Operating Agreement

Non-Member Manager

- Our operating agreement designates Fundrise Advisors, LLC, an affiliate of our sponsor, as our non-member manager. Our Manager is generally not entitled to vote on matters submitted to our unitholders, although its approval is required with respect to certain amendments to the operating agreement that would adversely affect its rights. Our Manager does not have any distribution, redemption, conversion or liquidation rights by virtue of its status as the Manager.

- Our operating agreement further provides that the Manager, in exercising its rights in its capacity as the Manager, is entitled to consider only such interests and factors as it desires, including its own interests, and has no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any of our unitholders and is not subject to any different standards imposed by our operating agreement, the Delaware LLC Act or under any other law, rule or regulation or in equity.

Organization and Duration

We were formed on September 17, 2025, as Fundrise Opportunistic Credit Fund II, LLC, a Delaware limited liability company. We will remain in existence until dissolved in accordance with our operating agreement.

Purpose

Under our operating agreement, we are permitted to engage in any business activity that lawfully may be conducted by a limited liability company organized under Delaware law and, in connection therewith, to exercise all of the rights and powers conferred upon us pursuant to the agreement relating to such business activity; provided, however, that, our Manager may only revoke or otherwise terminate our REIT election, without approval of our unitholders, if it determines that it is no longer in our best interests to qualify as a REIT.

Agreement to be Bound by our Operating Agreement; Power of Attorney

By purchasing a common unit, you will become a unitholder of the Company and will be bound by the provisions of, and deemed to be a party to, our operating agreement. Pursuant to our operating agreement, each unitholder and each person who acquires a common unit from a unitholder grants to our Manager a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants our Manager the authority to make certain amendments to, and to execute and deliver such other documents as may be necessary or appropriate to carry out the provisions or purposes of, our operating agreement.

No Fiduciary Relationship with our Manager

We operate under the direction of our Manager, which is responsible for directing the management of our business and affairs, managing our day-to-day affairs, and implementing our investment strategy. Our Manager performs its duties and responsibilities pursuant to our operating agreement. Our Manager maintains a contractual, as opposed to a fiduciary relationship, with us and our unitholders. Furthermore, we have agreed to limit the liability of our Manager and to indemnify our Manager against certain liabilities.

Limited Liability and Indemnification of our Manager and Others

Subject to certain limitations, our operating agreement limits the liability of our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates, for monetary damages and provides that we will indemnify and pay or reimburse reasonable

expenses in advance of final disposition of a proceeding to our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates.

Our operating agreement provides that to the fullest extent permitted by applicable law our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates are not liable to us. In addition, pursuant to our operating agreement, we have agreed to indemnify our Manager, its officers and directors, our sponsor and our sponsor's unitholders and affiliates, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Company and attorney's fees and disbursements) arising from the performance of any of their obligations or duties in connection with their service to us or the operating agreement, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made party by reason of being or having been the manager or one of our Manager's directors or officers.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Amendment of Our Operating Agreement; Exclusive Authority of our Manager to Amend our Operating Agreement

Amendments to our operating agreement may be proposed only by or with the consent of our Manager. Our Manager will not be required to seek approval of the unitholders to adopt or approve any amendment to our operating agreement, except to the extent that such amendment would limit the rights of the holders of any class or series of units or would otherwise have an adverse effect on such holders. In such a case, the proposed amendment must be approved in writing by holders representing a majority of the class or series of units so affected.

Termination and Dissolution

We will continue as a limited liability company until terminated under our operating agreement. We will dissolve upon: (1) the election of our Manager to dissolve us; (2) the sale, exchange or other disposition of all or substantially all of our assets; (3) the entry of a decree of judicial dissolution of the Company; or (4) at any time that we no longer have any unitholders, unless our business is continued in accordance with the Delaware LLC Act.

Books and Reports

We are required to keep appropriate books of our business at our principal offices. The books are maintained for both tax and financial reporting purposes on a basis that permits the preparation of financial statements in accordance with GAAP. For financial reporting purposes and U.S. federal income tax purposes, our fiscal year and our tax year are the calendar year.

Determinations by our Manager

Any determinations made by our Manager under any provision described in our operating agreement are final and binding on our unitholders, except as may otherwise be required by law, or as a result of any determination by our Manager to revoke or otherwise terminate our REIT election, without approval of our unitholders, if the Manager determines that it is no longer in our best interests to qualify as a REIT. We prepare a statement of any determination by our Manager respecting the fair market value of any properties, assets or securities, and file the statement with the Company secretary.

Restrictions on Ownership and Transfer

In order for us to qualify as a REIT under the Code, units of the Company must be owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding units may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). To qualify as a REIT, we must satisfy other requirements as well. See "Certain U.S. Federal Income Tax Considerations—Requirements for Qualification as a REIT."

To assist us in qualifying as a REIT, our operating agreement, subject to certain exceptions, contains restrictions on the number and value of our common units and the number and value of units of the Company that a person may own. Our operating agreement provides that generally no person may own, or be deemed to own by virtue of certain attribution provisions of the Code, either more than 9.8% in value or in number of our common units, whichever is more restrictive, or more than 9.8% in value or in number of our units, whichever is more restrictive. Accordingly, no person may own, or be deemed to own, more than 9.8% in value or in number of our units, whichever is more restrictive. We refer to these limits collectively as the "ownership limit." An individual

or entity that becomes subject to the ownership limit or any of the other restrictions on ownership and transfer of the units of the Company described below is referred to as a "prohibited owner" if, had the violative transfer or other event been effective, the individual or entity would have been a beneficial owner or, if appropriate, a record owner of units.

The applicable constructive ownership rules under the Code are complex and may cause our units owned actually or constructively by a group of individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% by value or number of our common units, whichever is more restrictive, or 9.8% by value or number of our units, whichever is more restrictive (or the acquisition of an interest in an entity that owns, actually or constructively, our units by an individual or entity), could, nevertheless, cause that individual or entity, or another individual or entity, to own constructively in excess of the ownership limit.

Our Manager may, in its sole discretion, subject to such conditions as it may determine and the receipt of certain representations and undertakings, prospectively or retroactively, waive the ownership limit or establish a different limit on ownership, or excepted holder limit, for a particular unitholder if the unitholder's ownership in excess of the ownership limit would not result in the Company being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise would result in us failing to qualify as a REIT. As a condition of its waiver or grant of an excepted holder limit, our Manager may, but is not required to, require an opinion of counsel or IRS ruling satisfactory to our Manager in order to determine or ensure our qualification as a REIT. In addition, our Manager will reject any investor's subscription in whole or in part if it determines that such subscription would violate such ownership limits.

In connection with granting a waiver of the ownership limit, creating an excepted holder limit or at any other time, our Manager may from time to time increase or decrease the ownership limit for all other individuals and entities unless, after giving effect to such increase, five or fewer individuals could beneficially or constructively own in the aggregate, more than 49.9% in value of the units then outstanding of the Company or the Company would otherwise fail to qualify as a REIT. Prior to the modification of the ownership limit, our Manager may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure our qualification as a REIT. A reduced ownership limit will not apply to any person or entity whose percentage ownership of our common units or units of the Company, as applicable, is in excess of such decreased ownership limit until such time as such individual's or entity's percentage ownership of our common units or units of the Company, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of our common units or units of the Company, as applicable, in excess of such percentage ownership of our common units or units of the Company will be in violation of the ownership limit.

Our operating agreement further prohibits:

- any person from beneficially or constructively owning, applying certain attribution rules of the Code, units of the Company that would result in the Company being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT; and

- any person from transferring our units if such transfer would result in our units being owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our units that will or may violate the ownership limit or any of the other foregoing restrictions on ownership and transfer of our units, or who would have owned our units transferred to a trust as described below, must immediately give us written notice of the event, or in the case of an attempted or proposed transaction, must give at least 15 days' prior written notice to us and provide us with such other information as we may request in order to determine the effect of such transfer on our qualification as a REIT. The foregoing restrictions on ownership and transfer of our units will not apply if our Manager determines that it is no longer in our best interests to attempt to qualify, or to qualify, as a REIT or that compliance with the restrictions and limitations on ownership and transfer of our units as described above is no longer required in order for us to qualify as a REIT.

If any transfer of our units would result in our units being beneficially owned by fewer than 100 persons, such transfer will be null and void and the intended transferee will acquire no rights in such units. In addition, if any purported transfer of our units or any other event would otherwise result in any person violating the ownership limit or an excepted holder limit established by our Manager or in the Company being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT, then that number of units (rounded up to the nearest whole unit) that would cause us to violate such restrictions will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us and the intended transferee will acquire no rights in such units. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the prohibited owner, prior to our discovery that the units had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand for distribution to

the beneficiary by the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit or the Company being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT, then our operating agreement provides that the transfer of the units will be null and void.

Units of the Company transferred to the trustee are deemed offered for sale to us, or our designee, at a price per unit equal to the lesser of (1) the price paid by the prohibited owner for the units (or, if the event that resulted in the transfer to the trust did not involve a purchase of such units at market price, the last reported NAV value for our common units on the day of the event which resulted in the transfer of such units to the trust) and (2) the last reported NAV value of our common units on the date we accept, or our designee accepts, such offer (or $10.00 if no NAV has been reported). We may reduce the amount payable by the amount of any dividend or other distribution that we have paid to the prohibited owner before we discovered that the units had been automatically transferred to the trust and that are then owed to the trustee as described above, and we may pay the amount of any such reduction to the trustee for the benefit of the charitable beneficiary. We have the right to accept such offer until the trustee has sold the units held in the trust as discussed below. Upon a sale to us, the interest of the charitable beneficiary in the units sold terminates, the trustee must distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee with respect to such units will be paid to the charitable beneficiary.

If we do not buy the units, the trustee must, as soon as practicable after receiving notice from us of the transfer of units to the trust, sell the units to a person or entity designated by the trustee who could own the units without violating the ownership limit or the other restrictions on ownership and transfer of units of the Company. After the sale of the units, the interest of the charitable beneficiary in the units transferred to the trust will terminate and the trustee must distribute to the prohibited owner an amount equal to the lesser of (1) the price paid by the prohibited owner for the units (or, if the event which resulted in the transfer to the trust did not involve a purchase of such units at market price, the last reported NAV value for our common units on the day of the event which resulted in the transfer of such units to the trust) and (2) the sales proceeds (net of commissions and other expenses of sale) received by the trust for the units. The trustee may reduce the amount payable to the prohibited owner by the amount of any dividend or other distribution that we paid to the prohibited owner before we discovered that the units had been automatically transferred to the trust and that are then owed to the trustee as described above. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the beneficiary of the trust, together with any dividends or other distributions thereon. In addition, if, prior to discovery by us that our units have been transferred to a trust, such units are sold by a prohibited owner, then such units will be deemed to have been sold on behalf of the trust and to the extent that the prohibited owner received an amount for or in respect of such units that exceeds the amount that such prohibited owner was entitled to receive, such excess amount will be paid to the trustee upon demand. The prohibited owner has no rights in the units held by the trustee.

The trustee will be designated by us and will be unaffiliated with us and with any prohibited owner. Prior to the sale of any units by the trust, the trustee will receive, in trust for the beneficiary of the trust, all dividends and other distributions paid by us with respect to the units held in trust and may also exercise all voting rights with respect to the units held in trust. These rights will be exercised for the exclusive benefit of the beneficiary of the trust. Any dividend or other distribution paid prior to our discovery that our units have been transferred to the trust will be paid by the recipient to the trustee upon demand.

Subject to Delaware law, effective as of the date that the units have been transferred to the trust, the trustee will have the authority, at the trustee's sole discretion:

- to rescind as void any vote cast by a prohibited owner prior to our discovery that the units have been transferred to the trust; and
- to recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.

However, if we have already taken irreversible company action, then the trustee may not rescind and recast the vote.

In addition, if our Manager determines in good faith that a proposed transfer or other event would violate the restrictions on ownership and transfer of our units, our Manager may take such action as it deems advisable to refuse to give effect to or to prevent such transfer, including, but not limited to, causing us to redeem our units, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Every owner of 5% or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of our units, within 30 days after the end of each taxable year, must give us written notice, stating the unitholder's name and address, the number of units of each class of the Company that the unitholder beneficially owns and a description of the manner in which the units are held. Each such owner must provide to us in writing such additional information as we may request in order to determine the effect, if any, of the unitholder's beneficial ownership on our qualification as a REIT and to ensure compliance with the ownership limit. In addition, each unitholder must provide to us in writing such information as we may request in good faith in order

to determine our qualification as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Any certificates representing our units will bear a legend referring to the restrictions described above.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change in control that might involve a premium price for the common units or otherwise be in the best interest of the holders of the common units.

REIT Election

Our operating agreement provides that our Manager may revoke or otherwise terminate our REIT election, without the approval of our unitholders, if it determines that it is no longer in our best interests to qualify as a REIT.

Personal Conduct Repurchase Right

Our operating agreement provides that we may elect to repurchase, at a price equal to $10.00 per unit or, if our Manager has determined that it would be more appropriate to reflect changes in value of the Company, the NAV per unit as of the date the units are repurchased, all of the common units held by an investor in the event that such investor fails to conform its personal conduct to common and accepted standards of good citizenship or conducts itself in a way that reflects poorly upon us, as determined by the Manager in its sole and absolute discretion. The purchase price will be payable to the investor in a single payment, with the payment becoming due fifteen (15) business days following the date on which we provide notice to the investor of our decision to repurchase the common units.

Prospect of Roll-Up/Public Listing

Our Manager may determine that it is in our best interest to (i) contribute to, or convert the Company into, an alternative vehicle, through consolidation, merger or other similar transaction with other companies, some of which may be managed by our Manager or its affiliates (a "Roll-Up") or (ii) list our units (or units of the Roll-Up vehicle) on a national securities exchange. In connection with a Roll-Up, unitholders may receive from the Roll-Up vehicle cash, stock, securities or other interests or assets of such vehicle, on such terms as our Manager deems fair and reasonable, provided, however, that our Manager will be required to obtain approval of unitholders holding a majority of the outstanding common units if required by applicable laws or regulations.

Arbitration Provision

Under the Arbitration Provision contained in our operating agreement, either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a claim be final and binding arbitration. We have not determined whether we will exercise our right to demand arbitration but reserve the right to make that determination on a case by case basis as claims arise. In this regard, the Arbitration Provision is similar to a binding arbitration provision as we are likely to invoke the Arbitration Provision to the fullest extent permissible. The Arbitration Provision applies to claims under the U.S. federal securities laws and to all claims that are related to the Company, including with respect to this offering, our holdings, our common units, our ongoing operations and the management of our investments, among other matters.

Any arbitration brought pursuant to the Arbitration Provision must be conducted in the State of Virginia, in the Washington, D.C. metropolitan area. The term "Claim" as used in the Arbitration Provision is very broad and includes any past, present, or future claim, dispute, or controversy involving you (or persons claiming through or connected with you), on the one hand, and us (or persons claiming through or connected with us), on the other hand, relating to or arising out of your subscription agreement, the Fundrise Platform, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except an individual Claim that you may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court) the validity or enforceability of the Arbitration Provision, any part thereof, or the entire subscription agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of the Arbitration Provision is to be given the broadest possible interpretation that will permit it to be enforceable. Based on discussions with and research performed by the Company's counsel, we believe that the Arbitration Provision is enforceable under federal law, the laws of the State of Delaware, the laws of Washington, D.C., or under any other applicable laws or regulations. However, the issue of enforceability is not free from doubt and to the extent that one or more of the provisions in our subscription agreement or our operating agreement with respect to the Arbitration Provision or otherwise requiring you to waive certain rights were to be found by a court to be unenforceable, we would abide by such decision.

Before purchasing units, a potential investor must acknowledge, understand, and agree that: (a) arbitration is final and binding on the parties; (b) the parties are waiving their right to seek remedies in court, including the right to jury trial; (c) pre-arbitration discovery is generally more limited than and potentially different in form and scope from court proceedings; (d) the Arbitration Award is not

required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of a ruling by the arbitrators is strictly limited; and (e) the panel of arbitrators may include a minority of persons engaged in the securities industry. The Arbitration Provision limits the rights of an investor to many legal remedies and rights otherwise available. See "How to Subscribe—Arbitration Provision."

BY AGREEING TO BE SUBJECT TO THE ARBITRATION PROVISION IN OUR OPERATING AGREEMENT, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

Anti-Takeover Effects of Our Operating Agreement and Delaware Law

The following is a summary of certain provisions of our operating agreement and Delaware law that may be deemed to have the effect of discouraging, delaying or preventing transactions that involve an actual or threatened change of control of the Company. These provisions include the following:

Authorized but Unissued Units

Our operating agreement authorizes us to issue additional common units or other securities of the Company for the consideration and on the terms and conditions established by our Manager without the approval of our unitholders. In particular, our Manager is authorized to provide for the issuance of an unlimited amount of one or more classes or series of units of the Company, including preferred units, and to fix the number of units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series. Our ability to issue additional units and other securities could render more difficult or discourage an attempt to obtain control over us by means of a tender offer, merger or otherwise.

Delaware Business Combination Statute—Section 203

We are a limited liability company organized under Delaware law. Some provisions of Delaware law may delay or prevent a transaction that would cause a change in our control. Section 203 of the DGCL, which restricts certain business combinations with interested unitholders in certain situations, does not apply to limited liability companies unless they elect to utilize it. Our operating agreement does not currently elect to have Section 203 of the DGCL apply to us. In general, this statute prohibits a publicly held Delaware corporation from engaging in a business combination with an interested unitholder for a period of three years after the date of the transaction by which that person became an interested unitholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a business combination includes a merger, asset sale or other transaction resulting in a financial benefit to the interested unitholder, and an interested unitholder is a person who, together with affiliates and associates, owns, or within three years prior did own, 15% or more of voting units. Our Manager may elect to amend our operating agreement at any time to have Section 203 apply to us.

Valuation Policies

For purposes of calculating our asset management fee, our sponsor's internal accountants and asset management team will calculate our NAV per unit using a process that reflects (1) estimated values of each of our commercial real estate assets and investments, as determined by such asset management team, including related liabilities, based upon (a) market capitalization rates, comparable sales information, interest rates, net operating income, (b) with respect to debt, default rates, discount rates and loss severity rates, (c) for properties that have development or value add plans, progress along such development or value add plan, and (d) in certain instances reports of the underlying real estate provided by an independent valuation expert, (2) the price of liquid assets for which third party market quotes are available, (3) accruals of our periodic distributions and (4) estimated accruals of our operating revenues and expenses.

Note, however, that the determination of our NAV is not based on, nor intended to comply with, fair value standards under GAAP, and our NAV may not be indicative of the price that we would receive for our assets at current market conditions. In instances where our Manager determines that an appraisal of the underlying real estate asset is necessary, including, but not limited to, instances where our Manager is unsure of its ability on its own to accurately determine the estimated values of our commercial real estate assets and investments, or instances where third party market values for comparable properties are either nonexistent or extremely inconsistent, we will engage an independent valuation expert with expertise in appraising commercial real estate loans and assets. The independent valuation expert is not responsible for, nor prepares, our NAV per unit. If a material event occurs that our Manager believes may materially affect the value of any of our commercial real estate assets and investments, including related liabilities, our Manager anticipates informing the independent valuation expert so that, if appropriate, the valuation may adjust compared to the most recent valuations provided in the applicable report, if any, to account for the estimated impact. Our sponsor's internal accountants determine our NAV per unit by dividing our NAV by the number of our common units outstanding as of the end of such period, prior to giving effect to any unit purchases or redemptions to be effected for such period.

As there is no market value for our common units as they are not expected to be listed or traded on any stock exchange or other marketplace, our goal is to provide a reasonable estimate of the value of our units for purposes of calculating our asset management fee. See "Management Compensation" for a more detailed explanation of the fees and expenses payable to our Manager and its affiliates.. However, the majority of our assets consist of commercial real estate loans and, as with any commercial real estate valuation protocol, the conclusions reached by our sponsor's internal asset management team or internal accountants, as the case may be, will be based on a number of judgments, assumptions and opinions about future events that may or may not prove to be correct. The use of different judgments, assumptions or opinions would likely result in different estimates of the value of our commercial real estate assets and investments. In addition, for any given period as determined by our Manager in its sole discretion, our published NAV per unit may not fully reflect certain material events, to the extent that the financial impact of such events on our portfolio is not immediately quantifiable. As a result, the calculation of our NAV per unit may not reflect the precise amount that might be paid for your units in a market transaction, and any potential disparity in our NAV per unit may be in favor of either unitholders who redeem their units, or unitholders who buy new units, or existing unitholders. However, to the extent quantifiable, if a material event occurs in between updates of NAV that would cause our NAV per unit to change by 5% or more from the last disclosed NAV, we will disclose the updated price and the reason for the change in an PPM supplement or Webpage Update as promptly as reasonably practicable, and will update the NAV information provided on our website.

Our Sponsor's Asset Management Team

The portfolios included in the Fundrise Platform investment opportunities are diversified by investment size, security type, property type and geographic region. As a result of the depth and thoroughness of its underwriting process, the extensive investing experience of its management team and its strong performance record in managing a diverse portfolio of assets, we believe our sponsor has earned a reputation as a leading real estate manager, which has allowed it to access funding from a broad base of investors.

Unit Price Adjustments

As of the date of this PPM, the per unit purchase price for our common units is $10.00. The price per unit will be adjusted by our Manager in its sole discretion. Investors will pay the most recent announced purchase price as of the date of their subscription.

Any subscriptions that we receive will be executed at the purchase price in effect at the time such subscription is received. Thus, even if settlement occurs in the following period, the purchase price for the units will be the price in effect at the time the subscription was received. See "Description of Our Common Units – Unit Price Adjustments" for more details.

Reports to Unitholders

Our operating agreement allows our Manager, at its discretion, to prepare an annual report and deliver it to our common unitholders within 120 days after the end of each fiscal year, commencing December 31, 2025. Our Manager is required to take reasonable steps to ensure that the annual report complies with our operating agreement provisions and with applicable securities laws.

We may update this PPM if any material developments occur that our Manager determines should be included in a PPM supplement, a Webpage Update, or otherwise. We will post updated PPMs, PPM supplements, and Webpage Updates to our website.

We will provide such periodic updates electronically through the Fundrise Platform website at www.fundrise.com, and documents will be provided electronically. You may access and print all periodic updates provided through our website. As periodic updates become available, we will notify you of this by sending you an e- mail message that will include instructions on how to retrieve the periodic updates. If our e-mail notification is returned to us as "undeliverable," we will contact you to obtain your updated e-mail address. We will provide you with paper copies at any time upon request. The contents of the Fundrise Platform website are not incorporated by reference in or otherwise a part of this PPM.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relating to our qualification and taxation as a REIT and the acquisition, holding, and disposition of our common units. For purposes of this section, references to "we," "us" or "the Company" mean only Fundrise Fundrise Opportunistic Credit Fund II, LLC and not its subsidiaries or other lower-tier entities, except as otherwise indicated. This summary is based upon the Code, the current, temporary, and proposed regulations promulgated by the U.S. Treasury Department, current administrative interpretations and practices of the IRS (including administrative interpretations and practices expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings) and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax considerations described below. No advance ruling has been or will be sought from the IRS regarding any matter discussed in this summary. Thus, it is possible that the IRS could challenge the statements in this discussion, which statements do not bind the IRS or the courts and that a court could agree with the IRS. The summary is also based upon the assumption that the operation of the Company, and of any subsidiaries and other lower-tier affiliated entities, will be in accordance with its applicable organizational documents and as described in this PPM. This summary is for general information only, and does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular unitholder in light of its investment or tax circumstances or to unitholders subject to special tax rules, such as:

- U.S. expatriates;
- persons who mark-to-market our common units;
- subchapter S corporations;
- U.S. unitholders who are U.S. persons (as defined below) whose functional currency is not the U.S. dollar;
- financial institutions;
- insurance companies;
- broker-dealers;
- REITs;
- regulated investment companies;
- trusts and estates;
- holders who receive our common units through the exercise of employee stock options or otherwise as compensation;
- persons holding our common units as part of a "straddle," "hedge," "short sale," "conversion transaction," "synthetic security" or other integrated investment;
- non-corporate taxpayers subject to the alternative minimum tax provisions of the Code;
- persons holding our common units through a partnership or similar pass-through entity;
- persons holding a 10% or more (by vote or value) beneficial interest in the Company;
- tax-exempt organizations, except to the extent discussed below in "—Treatment of Tax-Exempt U.S. Unitholders"; and
- non-U.S. persons (as defined below), except to the extent discussed below in "—Taxation of Non-U.S. Unitholders."

This summary does not address state, local, estate, alternative minimum or non-U.S. tax considerations, the application of any income tax treaties to unitholders or Section 451(b) of the Code. This summary assumes that unitholders will hold our common units as capital assets, within the meaning of Section 1221 of the Code, which generally means as property held for investment.

For the purposes of this summary, a "U.S. person" is a beneficial owner of our common units who for U.S. federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of a political subdivision thereof (including the District of Columbia);
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- any trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

For the purposes of this summary, (1) a "U.S. unitholder" is a beneficial owner of our common units who is a U.S. person, (2) a "tax-exempt U.S. unitholder" is a beneficial owner of our common units that is a U.S. person who is exempt from U.S. federal income tax under Section 401(a) or 501(a) of the Code and (3) a "non-U.S. unitholder" is a beneficial owner of our common units who is (A) a nonresident alien individual that does not spend 183 days or more in the United States (and is not otherwise treated as a U.S. resident under the "substantial presence" test) and does not have a "tax home" in the United States or (B) a non-U.S. corporation for U.S. federal income tax purposes. The term "corporation" includes any entity treated as a corporation for U.S. federal income tax purposes, and the term "partnership" includes any entity treated as a partnership for U.S. federal income tax purposes.

THE U.S. FEDERAL INCOME TAX TREATMENT OF HOLDERS OF OUR COMMON UNITS DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. IN ADDITION, THE TAX CONSEQUENCES OF HOLDING OUR COMMON UNITS TO ANY PARTICULAR UNITHOLDER WILL DEPEND ON THE UNITHOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF OUR COMMON UNITS.

Taxation of the Company

We intend to elect to be treated as a REIT under the Code, commencing with the taxable year ending December 31, 2025. A REIT generally is not subject to U.S. federal income tax on the income that it distributes to its unitholders if it meets the applicable REIT distribution and other requirements for qualification. We believe that we have been organized, owned and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our proposed ownership, organization and method of operation will enable us to meet the requirements for qualification and taxation as a REIT under the Code. However, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations (including with respect to matters that we may not control or for which it is not possible to obtain all the relevant facts) and the possibility of future changes in our circumstances or applicable law, no assurance can be given by us that we will so qualify for any particular year or that the IRS will not challenge our conclusions with respect to our satisfaction of the REIT requirements.

Qualification and taxation as a REIT depends on our ability to meet, on a continuing basis, through actual results of operations, distribution levels, diversity of unit ownership and various qualification requirements imposed upon REITs by the Code, discussed below. In addition, our ability to qualify as a REIT may depend in part upon the operating results, organizational structure and entity classification for U.S. federal income tax purposes of certain entities in which we invest, which we may not control. Our ability to qualify as a REIT also requires that we satisfy certain asset and income tests, some of which depend upon the fair market values of assets directly or indirectly owned by us or which serve as security for loans made by us. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy the requirements for qualification and taxation as a REIT.

Taxation of REITs in General

Provided that we qualify as a REIT, we will generally be entitled to a deduction for dividends that we pay and, therefore, will not be subject to U.S. federal corporate income tax on our net taxable income that is currently distributed to our unitholders. This treatment substantially eliminates the "double taxation" at the corporate and unitholder levels that results generally from investment in a corporation. Rather, income generated by a REIT is generally taxed only at the unitholder level, upon distributions by the REIT.

Even if we qualify for taxation as a REIT, however, we will be subject to U.S. federal income taxation as follows:

- We will be taxed at regular U.S. federal corporate rates on any undistributed "REIT taxable income", which is generally the taxable income of the REIT subject to specified adjustments including a deduction for dividends paid.

- If we have net income from "prohibited transactions," which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See "—Prohibited Transactions" and "—Foreclosure Property" below.

- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or from certain leasehold terminations as "foreclosure property," we may thereby avoid (1) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction) and (2) treating any income from such property as non-qualifying for purposes of the REIT gross income tests discussed below, provided however, that the gain from the sale of the property or net income from the operation of the property that would not otherwise qualify for the 75% gross income test but for the foreclosure property election will be subject to U.S. federal corporate income tax at the highest applicable rate (currently 21%).

- If we fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a 100% tax on an amount equal to (1) the greater of (A) the amount by which we fail the 75% gross income test or (B) the amount by which we fail the 95% gross income test, as the case may be, multiplied by (2) a fraction intended to reflect profitability.

- If we fail to satisfy any of the REIT asset tests, as described below, other than a failure of the 5% or 10% REIT asset tests that do not exceed a statutory *de minimis* amount as described more fully below, but our failure is due to reasonable cause and not due to willful neglect and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of (i) $50,000 or (ii) the product of the highest corporate tax rate multiplied by the net income generated by the non-qualifying assets during the period in which we failed to satisfy the asset tests.

- If we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a gross income or asset test requirement) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.

- If we fail to distribute during each calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year and (3) any undistributed taxable income from prior periods (or the required distribution), we will be subject to a 4% excise tax on the excess of the required distribution over the sum of (A) the amounts actually distributed (taking into account excess distributions from prior years), plus (B) retained amounts on which income tax is paid at the corporate level.

- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of our unitholders, as described below in "—Requirements for Qualification as a REIT."

- A 100% excise tax may be imposed on some items of income and expense that are directly or constructively paid between us and any TRS and any other TRSs we may own if and to the extent that the IRS successfully adjusts the reported amounts of these items because the reported amounts were not consistent with arm's length amounts.

- If we fail to qualify for taxation as a REIT because we fail to distribute by the end of the relevant year any earnings and profits we inherit from a taxable C corporation during the year (e.g., by tax-free merger or tax-free liquidation), and the failure is not due to fraud with intent to evade tax, we generally may retain our REIT status by paying a special distribution, but we will be required to pay an interest charge on 50% of the amount of undistributed non-REIT earnings and profits.

- If we acquire appreciated assets from a corporation that is not a REIT in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the non-REIT corporation, we may be subject to tax on such appreciation at the highest U.S. federal corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the 5-year period following their acquisition from the non-REIT corporation.

- We may elect to retain and pay U.S. federal income tax on our net long-term capital gain. In that case, a unitholder would include its proportionate unit of our undistributed long-term capital gain in its income (to the extent we make a timely designation of such gain to the unitholder), would be deemed to have paid the tax that it paid on such gain, and would be allowed a credit for its proportionate unit of the tax deemed to have been paid, and an adjustment would be made to increase the unitholder's basis in our common units.

- We may own subsidiaries that will elect to be treated as TRSs and we may hold investments through such TRSs, the earnings of which will be subject to U.S. federal corporate income tax.

- We will generally be subject to tax on the portion of any excess inclusion income derived from an investment in residual interests in real estate mortgage investment conduits ("REMICs") or "taxable mortgage pools" to the extent our common units are held in record name by specified tax exempt organizations not subject to tax on unrelated business tax income ("UBTI") or non-U.S. sovereign investors.

In addition, we may be subject to a variety of taxes other than U.S. federal income tax, including state, local, and non-U.S. income, franchise property and other taxes.

Requirements for Qualification as a REIT

We intend to elect to be taxable as a REIT for U.S. federal income tax purposes for our taxable year ending December 31, 2025 and for all subsequent taxable years. In order to have so qualified, we meet the requirements discussed below (or as in effect for prior years), relating to our organization, ownership, sources of income, nature of assets and distributions of income to unitholders.

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable units or by transferable certificates of beneficial interest;

(3) that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT under Sections 856 through 860 of the Code;

(4) that is neither a financial institution nor an insurance company subject to specific provisions of the Code;

(5) commencing with its second REIT taxable year, the beneficial ownership of which is held by 100 or more persons during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months;

(6) in which, during the last half of each taxable year, commencing with its second REIT taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" as defined in the Code to include specified entities (the "5/50 Test");

(7) that makes an election to be a REIT for the current taxable year or has made such an election for a previous taxable year that has not been terminated or revoked and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status;

(8) that has no earnings and profits from any non-REIT taxable year at the close of any taxable year;

(9) that uses the calendar year for U.S. federal income tax purposes; and

(10) that meets other tests described below, including with respect to the nature of its income and assets and the amount of its distributions.

For purposes of condition (1), "directors" generally means persons treated as "directors" for purposes of the Investment Company Act, which we believe includes our Manager. Our units are generally freely transferable, and we believe that the restrictions on ownership and transfers of our units do not prevent us from satisfying condition (2). Although we are organized as a limited liability company, for U.S. federal income tax purposes we will elect to be classified as a corporation in compliance with condition (3). We believe that the units sold in this offering will allow us to timely comply with condition (6). However, depending on the number of unitholders who subscribe for units in this offering and the timing of subscriptions, we may need to conduct an additional offering of

preferred units to timely comply with (5). For purposes of determining common unit ownership under conditions (5) and (6) above, a certain stock bonus, pension, or profit-sharing plan, a supplemental unemployment compensation benefits plan, a private foundation and a portion of a trust permanently set aside or used exclusively for charitable purposes generally are each considered an individual. A trust that is a qualified trust under Code Section 401(a) generally is not considered an individual, and beneficiaries of a qualified trust generally are treated as holding units of a REIT in proportion to their actuarial interests in the trust for purposes of condition (6) above.

To monitor compliance with the unit ownership requirements, we are generally required to maintain records regarding the actual ownership of our units, and failure to comply could result in monetary penalties. Provided we comply with these record keeping requirements and that we would not otherwise have reason to believe we fail the 5/50 Test after exercising reasonable diligence, we will be deemed to have satisfied the 5/50 Test. In addition, our operating agreement provides restrictions regarding the ownership and transfer of our units, which are intended to assist us in satisfying the unit ownership requirements described above.

For purposes of condition (9) above, we use a calendar year for U.S. federal income tax purposes.

Effect of Subsidiary Entities

Ownership of Partnership Interests

In the case of a REIT that is a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, the REIT is deemed to own its proportionate share of the partnership's assets and to earn its proportionate share of the partnership's gross income based on its *pro rata* share of capital interests in the partnership for purposes of the asset and gross income tests applicable to REITs, as described below. However, solely for purposes of the 10% value test, described below, the determination of a REIT's interest in partnership assets will be based on the REIT's proportionate interest in any securities issued by the partnership, excluding for these purposes, certain excluded securities as described in the Code. For purposes of determining the amount of the REIT's taxable income that must be distributed, or is subject to tax, the REIT's share of partnership income is determined under the partnership tax provisions of the Code and will reflect any special allocations of income or loss that are not in proportion to capital interests. Income earned through partnerships retains its character for U.S. federal income tax purposes when allocated among its partners. We intend to obtain covenants from any partnerships in which we invest but do not control to operate in compliance with the REIT requirements, but we may not control any particular partnership into which we invest, and thus no assurance can be given that any such partnerships will not operate in a manner that causes us to fail an income or asset test requirement. In general, partnerships are not subject to U.S. federal income tax. However, if a partnership in which we invest is audited, it may be required to pay the hypothetical increase in partner level taxes (including interest and penalties) resulting from an adjustment of partnership tax items on the audit, unless the partnership elects an alternative method under which the taxes resulting from the adjustment (and interest and penalties) are assessed at the partner level. It is possible that partnerships in which we directly and indirectly invest may be subject to U.S. federal income tax, interest and penalties in the event of a U.S. federal income tax audit.

Disregarded Subsidiaries

If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is disregarded for U.S. federal income tax purposes, and all assets, liabilities and items of income, deduction and credit of the subsidiary are treated as assets, liabilities and items of income, deduction and credit of the REIT itself, including for purposes of the gross income and asset tests applicable to REITs, as summarized below. A qualified REIT subsidiary is any corporation, other than a TRS, that is wholly owned by a REIT, by other disregarded subsidiaries of a REIT or by a combination of the two. Single member limited liability companies or other domestic unincorporated entities that are wholly owned by a REIT are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT gross income and asset tests unless they elect TRS status. Disregarded subsidiaries, along with partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary ceases to be wholly owned by us (for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours), the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income tests applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the value or voting power of the outstanding securities of another corporation. See "—Asset Tests" and "—Gross Income Tests."

Taxable REIT Subsidiaries

A REIT, in general, may jointly elect with a subsidiary corporation, whether or not wholly owned, to treat the subsidiary corporation as a TRS. The separate existence of a TRS or other taxable corporation, unlike a disregarded subsidiary as discussed above, is not ignored for U.S. federal income tax purposes. Accordingly, such an entity would generally be subject to U.S. federal income tax

on its taxable income, which may reduce the cash flow generated by us and our subsidiaries in the aggregate and our ability to make distributions to our unitholders.

A REIT is not treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by the subsidiary is an asset in the hands of the REIT, and the REIT generally recognizes dividend income when it receives distributions of earnings from the subsidiary. This treatment can affect the gross income and asset test calculations that apply to the REIT, as described below. Because a parent REIT does not include the assets and income of its TRSs in determining the parent REIT's compliance with the REIT requirements, such entities may be used by the parent REIT to undertake indirectly activities that the REIT rules might otherwise preclude the parent REIT from doing directly or through pass-through subsidiaries, hold assets that would not qualify as good REIT assets under the REIT asset tests if held directly by us, or participate in income that would not qualify under the REIT gross income income tests if earned directly by us. If dividends are paid to us by one or more domestic TRSs we may own, then a portion of the dividends that we distribute to unitholders who are taxed at individual rates generally will be eligible for taxation at preferential qualified dividend income tax rates rather than at ordinary income rates. See "—Taxation of Taxable U.S. Unitholders" and "—Annual Distribution Requirements."

We may hold any equity interests we receive in our borrowers or certain other investments through one or more TRSs. While we intend to manage the size of our TRSs and dividends from our TRSs in a manner that permits us to qualify as a REIT, it is possible that the equity investments appreciate to the point where our TRSs exceed the thresholds mandated by the REIT rules. In such cases, we could lose our REIT status if we are unable to satisfy certain exceptions for failing to satisfy the REIT income and asset tests. In any event, any earnings attributable to equity interests held in TRSs or origination activity conducted by TRSs will be subject to U.S. federal corporate income tax.

To the extent we hold an interest in a non-U.S. TRS, we may be required to include our portion of its earnings in our income irrespective of whether or not such non-U.S. TRS has made any distributions. Any such income will not be qualifying income for purposes of the 75% gross income test but based on IRS guidance are expected to be qualifying income for purposes of the 95% gross income test.

Taxable Mortgage Pools

We may enter into transactions that could result in us being considered to own interests in one or more taxable mortgage pools. An entity, or a portion of an entity, is classified as a taxable mortgage pool under the Code if:

- substantially all of its assets consist of debt obligations or interests in debt obligations;
- more than 50% of those debt obligations are real estate mortgage loans or interests in real estate mortgage loans as of specified testing dates;
- the entity has issued debt obligations that have two or more maturities; and
- the payments required to be made by the entity on its debt obligations "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets.

A taxable mortgage pool generally is treated as a corporation for U.S. federal income tax purposes. However, special rules apply to a REIT, a portion of a REIT, or a qualified REIT subsidiary that is a taxable mortgage pool. If a REIT owns, directly or indirectly through one or more qualified REIT subsidiaries or other entities that are disregarded as a separate entity for U.S. federal income tax purposes, 100% of the equity interests in the taxable mortgage pool, the taxable mortgage pool will be a qualified REIT subsidiary and, therefore, ignored as an entity separate from the REIT for U.S. federal income tax purposes and would not generally affect the tax qualification of the REIT. Rather, the consequences of the taxable mortgage pool classification would generally, except as described below, be limited to the REIT's unitholders. See "—Excess Inclusion Income."

If we own less than 100% of the ownership interests in a subsidiary that is a taxable mortgage pool, the foregoing rules would not apply. Rather, the subsidiary would be treated as a corporation for U.S. federal income tax purposes, and could be subject to corporate income tax. In addition, this characterization would alter our REIT income and asset test calculations and could adversely affect our compliance with those requirements.

Certain Equity Investments and Kickers

We expect to hold certain equity investments (with rights to receive preferred economic returns) in entities treated as partnerships for U.S. federal income tax purposes and may hold "kickers" in entities treated as partnerships for U.S. federal income tax purposes (and may hold such a kicker outside of a TRS). When we hold investments treated as equity in partnerships, as discussed

above, for purposes of the REIT income and asset tests we are required to include our proportionate share of the assets and income of the partnership, based on our share of partnership capital, as if we owned such share of the issuer's assets directly. As a result, any nonqualifying income generated, or nonqualifying assets held, by the partnerships in which we hold such equity could jeopardize our compliance with the REIT income and asset tests. We intend to obtain covenants from our equity issuers (including a kicker issuer if the kicker is held outside of a TRS) to operate in compliance with the REIT requirements, but we generally will not control such issuers, and thus no assurance can be given that any such issuers will not operate in a manner that causes us to fail an income or asset test requirement. Moreover, at least one IRS internal memorandum would treat the preferred return on certain equity investments as interest income for purposes of the REIT income tests, which treatment would cause such amounts to be nonqualifying income for purposes of the 75% gross income test. Although we do not believe that interest income treatment is appropriate, and that analysis was not followed in subsequent IRS private letter rulings, the IRS could re-assert that position. In addition, if the underlying property is dealer property and our equity investment (with rights to receive preferred economic returns) is treated as equity for U.S. federal income tax purposes, our gains from the sale of the property would be subject to 100% tax.

In some, or many, cases, the proper characterization of certain equity investments (with rights to receive preferred economic returns) as unsecured indebtedness or as equity for U.S. federal income tax purposes may be unclear. Characterization of such an equity investment as unsecured debt for U.S. federal income tax purposes would subject the investment to the various asset test limitations on investments in unsecured debt, and our preferred return would be treated as non-qualifying income for purposes of the 75% gross income test (but we would not have to include our share of the underlying assets and income of the issuer in our tests). Thus, if the IRS successfully challenged our characterization of an investment as equity for U.S. federal income tax purposes, or successfully treated a preferred return as interest income, we could fail an income or asset test. In that event, we could face substantial penalty taxes to cure the resulting violations, as described in "Failure to Qualify" below, or, if we were deemed to have acted unreasonably in making the investment, lose our REIT status. Conversely, we also could fail an applicable income or asset test if we have treated a preferred equity investment as indebtedness for U.S. federal income tax purposes and the IRS successfully characterizes the investment as equity for U.S. federal income tax purposes.

Gross Income Tests

In order to maintain our qualification as a REIT, we annually must satisfy two gross income tests. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions" and certain hedging and foreign currency transactions, must generally be derived from investments relating to real property or mortgages on real property, including "rents from real property," dividends received from and gains from the disposition of other shares of REITs, interest income derived from mortgage loans secured by real property or by interests in real property, and gains from the sale of real estate assets, including personal property treated as real estate assets, as discussed below (but not including certain debt instruments of publicly-offered REITs that are not secured by mortgages on real property or interests in real property), as well as income from certain kinds of temporary investments. Interest and gain on debt instruments that are not secured by mortgages on real property or interests in real property are not qualifying income for purposes of the 75% income test. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions and certain hedging and foreign currency transactions, must generally be derived from some combination of income that qualifies under the 75% income test described above, as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property.

Interest Income

Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test to the extent that the obligation is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, it will be treated as a wholly qualifying real estate asset (as discussed below under " – Asset Tests") and all interest will be qualifying income for the purposes of the 75% income test if the fair market value of such personal property does not exceed 15% of the total fair market value of all such property, even if the real property collateral value is less than the outstanding principal balance of the loan. For a mortgage loan that is secured by both real property and other property but is not described in the preceding sentence, if the highest outstanding balance of the loan during a taxable year exceeds the fair market value of the real property on the date of our commitment to make or purchase the mortgage loan, the interest income will be apportioned between the real property and the other property, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. With respect to loans to develop or improve real property, we are permitted to include as real property collateral for the foregoing apportionment purposes the sum of the fair market value of the undeveloped land plus the reasonably estimated cost of the improvements or developments (other than personal property) which will secure the loan and which are to be constructed from the proceeds of the loan. The failure of a loan to qualify as an obligation secured by a mortgage on real property within the meaning of the REIT rules could adversely affect our ability to qualify as a REIT.

In the event a mortgage loan is modified, with the exception of loans secured by both real property and personal property in which the fair market value of the personal property does not exceed 15% of the total fair market value of all such property, we may be

required to retest the loan under the apportionment rules discussed above by comparing the outstanding balance of the modified loan to the fair market value of the collateral real property at the time of modification.

Even if a loan is not secured by real property or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test.

To the extent that the terms of a loan provide for contingent interest that is based on the cash proceeds realized upon the sale of the property securing the loan (or a shared appreciation provision), income attributable to the participation feature will be treated as gain from sale of the underlying property for purposes of the income tests, and generally will be qualifying income for purposes of both the 75% and 95% gross income tests, provided that the property is not inventory or dealer property in the hands of the borrower or us.

To the extent that we derive interest income from a loan where all or a portion of the amount of interest payable is contingent, such income generally will qualify for purposes of the gross income tests only if it is based upon the gross receipts or sales and not the net income or profits of any person. This limitation does not apply, however, to a mortgage loan where the borrower derives substantially all of its income from the property from the leasing of substantially all of its interest in the property to tenants, to the extent that the rental income derived by the borrower would qualify as rents from real property had it been earned directly by us.

Any amount includible in our gross income with respect to a regular or residual interest in a REMIC generally is treated as interest on an obligation secured by a mortgage on real property. If, however, less than 95% of the assets of a REMIC consists of real estate assets (determined as if we held such assets), we will be treated as receiving directly our proportionate share of the income of the REMIC for purposes of determining the amount that is treated as interest on an obligation secured by a mortgage on real property.

Among the assets we may hold are certain mezzanine loans secured by equity interests in a pass-through entity that directly or indirectly owns real property, rather than a direct mortgage on the real property. The IRS issued Revenue Procedure 2003-65, which provides a safe harbor pursuant to which a mezzanine loan, if it meets each of the requirements contained in the Revenue Procedure, will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from it will be treated as qualifying mortgage interest for purposes of the 75% gross income test. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. Structuring a mezzanine loan to meet the requirements of the safe harbor may not always be practical, and the mezzanine loans that we acquire may not meet all of the requirements for reliance on this safe harbor. Hence, there can be no assurance that the IRS will not challenge the qualification of such assets as real estate assets or the interest generated by these loans as qualifying income under the 75% gross income test. To the extent we make corporate mezzanine loans or acquire other commercial real estate corporate debt, such loans will not qualify as real estate assets and interest income with respect to such loans will not be qualifying income for purposes of the 75% gross income test.

We may hold indirect participation interests in some loans, rather than direct ownership of the loan. The borrower on the underlying loan is typically not a party to the participation agreement. The performance of this investment depends upon the performance of the underlying loan and, if the underlying borrower defaults, the participant typically has no recourse against the originator of the loan. The originator often retains a senior position in the underlying loan and grants junior participations which absorb losses first in the event of a default by the borrower. We generally expect to treat our participation interests as an undivided ownership interest in the underlying loan, and thus as a qualifying real estate asset for purposes of the REIT asset tests that also generates qualifying mortgage interest for purposes of the 75% gross income test, to the extent that the loan underlying the participation is a qualifying real estate asset that generates qualifying income for such purposes. The appropriate treatment of participation interests for U.S. federal income tax purposes is not entirely certain, however, and no assurance can be given that the IRS will not challenge our treatment of our participation interests. In the event of a determination that such participation interests do not qualify as real estate assets, or that the income that we derive from such participation interests does not qualify as mortgage interest for purposes of the REIT asset and income tests, we could be subject to a penalty tax, or could fail to qualify as a REIT.

We expect that any mortgage backed securities that we invest in will be treated either as interests in a grantor trust or as interests in a REMIC for U.S. federal income tax purposes and that all interest income from such mortgage backed securities will be qualifying income for the 95% gross income test. In the case of mortgage backed securities treated as interests in grantor trusts, we would be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. The interest on such mortgage loans, and any mortgage loans that we own directly, would be qualifying income for purposes of the 75% gross income test to the extent that the obligation is adequately secured by real property, as discussed above. In the case of mortgage backed securities treated as interests in a REMIC for U.S. federal income tax purposes, income derived from REMIC interests will generally be treated as qualifying income for purposes of the 75% and 95% gross income tests. However, if less than 95% of the assets of the REMIC are real estate assets, then only a proportionate part of our interest in the REMIC and income derived from the interest will qualify for purposes of the 75% gross income test. We expect that any interest income from mortgage backed securities that are not treated as an interest in a grantor trust or an interest in a REMIC will not be qualifying income for purposes of the 75% gross income test. Mortgage loans that may be held by a grantor trust or REMIC may not necessarily qualify as “real estate assets” for purposes of the REIT rules. As a result, it may be difficult, if not impossible, to determine whether income from certain CMBS investments will be qualifying 75% gross income. In

addition, some REMIC securitizations include imbedded interest swap or cap contracts or other derivative instruments that potentially could produce non-qualifying income for the holder of the related REMIC securities.

Fee Income

We may receive various fees and expense reimbursements from borrowers in connection with originating loans. Fees that are for entering into agreements to make loans are qualifying income for both gross income tests. Other fees that are treated as "points" are treated as additional interest on the loan and are qualifying or nonqualifying based on whether the loan is a real estate asset. However, fees for services will not be qualifying income for purposes of both the 75% and 95% gross income tests. In addition, certain expense reimbursements received from the borrower, and even certain expenses paid by the borrower directly to a third party service provider, may result in nonqualifying income for both gross income tests to the extent such amounts are reimbursements for expenses that benefit us. Any fees earned by a TRS will not be included for purposes of the gross income tests but the use of a TRS to originate loans to avoid such nonqualifying income may increase the taxes paid by the TRS.

Dividend Income

We may receive material distributions from our TRSs. These distributions are generally classified as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions generally constitute qualifying income for purposes of the 95% gross income test, but not the 75% gross income test.

If we invest in an entity treated as a "passive investment foreign company" or "controlled foreign corporation" for U.S. federal income tax purposes, which could include a CDO investment, we could be required to include our portion of its earnings in our income prior to the receipt of any distributions. Any such income inclusions would not be treated as qualifying income for purposes of the 75% gross income test but based on IRS guidance are expected to be qualifying income for purposes of the 95% gross income test.

Treatment of Certain Debt Instruments as Equity

We may hold loans with relatively high loan-to-value ratios and/or high yields. Additionally, we may receive equity interests in our borrowers in connection with originating our loans. These features can cause a loan to be treated as equity for U.S. federal income tax purposes. Although we intend to structure each of our loans so that the loan should be respected as debt for U.S. federal income tax purposes, there can be no assurance that the IRS will not challenge our treatment of one or more of our loans as debt for U.S. federal income tax purposes. In the event the IRS were successful in such a challenge, we generally would be required to include our share of the gross assets and gross income of the borrower in our REIT asset and income tests. Inclusion of such items could jeopardize our REIT status. All or a portion of the income from such loans could be viewed as guaranteed payments under the partnership tax rules, in which case such income may not be qualifying income for the REIT income tests. Moreover, to the extent our borrowers hold their assets as dealer property or inventory, if we are treated as holding equity in a borrower for U.S. federal income tax purposes, our share of gains from sales by the borrower would be subject to the 100% tax on prohibited transactions (except to the extent earned through a TRS).

Hedging Transactions

We may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swap agreements, interest rate cap agreements, options, forward rate agreements or similar financial instruments. Except to the extent provided by Treasury Regulations, any income from a hedging transaction, including gain from the sale or disposition of such a transaction, will not constitute gross income for purposes of the 75% or 95% gross income test if (i) we enter into the hedging transaction in the normal course of business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, and the hedge is clearly identified as specified in Treasury regulations before the close of the day on which it was acquired, originated, or entered into, (ii) we enter into the hedging transaction primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% gross income tests and the hedge is clearly identified as such before the close of the day on which it was acquired, originated, or entered into, or (iii) we enter into the hedging transaction that hedges against transactions described in clause (i) or (ii) and is entered into in connection with the extinguishment of debt or sale of property that are being hedged against by the transactions described in clauses (i) or (ii) and the hedge complies with certain identification requirements. To the extent that we enter into other types of hedging transactions, including hedges of interest rates on debt we acquire as assets, or do not make proper tax identifications, as applicable, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the 75% and 95% gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize its qualification as a REIT. No assurances can be given, however, that our hedging activities will not give rise to income that does not qualify for purposes of either or both of the gross income tests and that such income will not adversely affect our ability to satisfy the REIT qualification requirements. Hedging transactions could also have implications under the REIT asset tests.

Rents from Real Property

We expect to acquire interests in real property, including through majority-owned subsidiaries with rights to receive preferred economic returns and through equity participations. However, to the extent that we own real property or interests therein, rents we receive qualify as "rents from real property" in satisfying the gross income tests described above, only if several conditions are met, including the following. If rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under any particular lease (determined based on the fair market values as of the beginning and end of the taxable year), then all of the rent attributable to such personal property will not qualify as rents from real property. The determination of whether an item of personal property constitutes real or personal property under the REIT provisions of the Code is subject to both legal and factual considerations and therefore can be subject to different interpretations.

In addition, in order for rents received by us to qualify as "rents from real property," the rent must not be based in whole or in part on the income or profits derived by any person from such real property. However, an amount will not be excluded from rents from real property solely by reason of being based on a fixed percentage or percentages of sales or if it is based on the net income of a tenant which derives substantially all of its income with respect to such property from subleasing of substantially all of such property, to the extent that the rents paid by the subtenants would qualify as rents from real property, if earned directly by us. Moreover, for rents received to qualify as "rents from real property," we generally must not furnish or render certain services to the tenants of such property, other than through an "independent contractor" who is adequately compensated and from which we derive no income or through a TRS. We are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property. In addition, we may directly or indirectly provide non-customary services to tenants of our properties without disqualifying all of the rent from the property if the payment for such services or, if greater, 150% of our cost of providing such services, does not exceed 1% of the total gross income from the property. In such a case, only the amounts for non-customary services are not treated as rents from real property and the provision of the services does not disqualify the related rent.

Rental income will qualify as rents from real property only to the extent that we do not directly or constructively own, (1) in the case of any tenant which is a corporation, stock possessing 10% or more of the total combined voting power of all classes of stock entitled to vote, or 10% or more of the total value of shares of all classes of stock of such tenant, or (2) in the case of any tenant which is not a corporation, an interest of 10% or more in the assets or net profits of such tenant.

Phantom Income

Due to the nature of the assets in which we may invest, we may be required to recognize taxable income from those assets in advance of our receipt of cash flow on or proceeds from disposition of such assets, and may be required to report taxable income in early periods that exceeds the economic income ultimately realized on such assets. For example, we may originate debt instruments or mortgage backed securities at a discount from face value. To the extent we originate any instruments at a discount or purchase such instruments at a discount in connection with their original issuance, the discount will be "original issue discount" if it exceeds certain de minimis amounts, which must be accrued on a constant yield method even though we may not receive the corresponding cash payment until maturity. We may also acquire debt instruments that provide for interest that accrues or is payable in kind, in which case we will be required to include that income for tax purposes as it accrues rather than when it is paid in cash. To the extent we purchase debt instruments at a discount after their original issuance, the discount may represent "market discount." Unlike original issue discount, market discount is not required to be included in income on a constant yield method. However, we will be required to treat a portion of any principal payments as ordinary income in an amount equal to the market discount that has accrued while we held the debt instrument. If we ultimately collect less on a debt instrument than our purchase price and any original issue discount or accrued market discount that we have included in income, there may be limitations on our ability to use any losses resulting from that debt instrument.

We may make loans that provide us with rights to participate in the appreciation of the collateral real property securing our debt instrument at specified times or that provide for other contingent payments based on the borrower's performance. In circumstances where such equity features are part of the loan and not treated as a separate equity investment, we generally will be required to accrue for tax purposes the projected increase in the yield on the loan attributable to the participation feature or contingent payments over the term of the loan, even though we do not receive any cash attributable to the participation feature or contingent payments until some point in the future, if ever. In circumstances where our equity participation is structured as a separate interest from the loans, we will be required to allocate the amount we pay for the loan and the equity interest between those securities and, depending on the circumstances, such allocation may result in additional discount on the loan that must be accrued for tax purposes over the life of the loan (even though no corresponding cash payment is made until later).

We may also acquire debt instruments below par that are subsequently modified by agreement with the borrower. Under applicable Treasury Regulations, these modifications may be treated as a taxable event in which we exchange the old debt instrument for a new debt instrument, the value of which may be treated as equal to the face amount of the new debt instrument. Because our tax

basis in such debt instruments may be substantially less than the face value, we could have significant income without any corresponding receipt of cash. Such a modification also may require us to retest the status of the modified loan for purposes of determining whether the loan is fully secured by real property.

In addition, in the event that any debt instruments acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to accrue the unpaid interest as taxable income.

Finally, we may be required under the terms of our indebtedness to use cash received from interest payments to make nondeductible principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to our unitholders.

Due to each of these potential timing differences between income recognition or expense deduction and cash receipts or disbursements, there is a significant risk that we may have substantial taxable income in excess of cash available for distribution. In that event, we may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which this "phantom income" is recognized. See "—Annual Distribution Requirements."

Failure to Satisfy the Gross Income Tests

We intend to monitor our sources of income, including any non-qualifying income received by us, and manage our assets so as to ensure our compliance with the gross income tests. We cannot assure you, however, that we will be able to satisfy the gross income tests. If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify as a REIT for the year if we are entitled to relief under applicable provisions of the Code. These relief provisions will generally be available if our failure to meet these tests was due to reasonable cause and not due to willful neglect and, following the identification of such failure, we set forth a description of each item of our gross income that satisfies the gross income tests in a schedule for the taxable year filed in accordance with the Treasury Regulations. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances involving us, we will not qualify as a REIT. As discussed above under "—Taxation of REITs in General," even where these relief provisions apply, a tax would be imposed upon the profit attributable to the amount by which we fail to satisfy the particular gross income test.

Asset Tests

At the close of each calendar quarter, we must also satisfy five tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, and U.S. Government securities. For this purpose, real estate assets include loans secured by mortgages on real property or on interests in real property to the extent described below, certain mezzanine loans and mortgage backed securities as described below, debt instruments issued by publicly offered REITs, interests in real property (such as land, buildings, leasehold interests in real property and personal property leased with real property if the rents attributable to the personal property would be rents from real property under the income tests discussed above), shares in other qualifying REITs and stock or debt instruments held for less than one year purchased with the proceeds from an offering of our common units or certain debt. Second, not more than 25% of our assets may be represented by securities other than those in the 75% asset test. Third, of the assets that do not qualify for purposes of the 75% test and that are not securities of our TRSs: (i) the value of any one issuer's securities owned by us may not exceed 5% of the value of our gross assets, and (ii) we generally may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. Fourth, the aggregate value of all securities of TRSs held by us may not exceed 20% of the value of our gross assets. Fifth, not more than 25% of the value of our gross assets may be represented by debt instruments issued by publicly offered REITs that are not secured by mortgages on real property or interests in real property.

Securities for purposes of the asset tests may include debt securities that are not fully secured by a mortgage on real property (or treated as such). However, the 10% value test does not apply to certain "straight debt" and other excluded securities, as described in the Code, including any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, (1) a REIT's interest as a partner in a partnership is not considered a security for purposes of applying the 10% value test; (2) any debt instrument issued by a partnership (other than straight debt or other excluded security) will not be considered a security issued by the partnership if at least 75% of the partnership's gross income is derived from sources that would qualify for the 75% REIT gross income test; and (3) any debt instrument issued by a partnership (other than straight debt or other excluded security) will not be considered a security issued by the partnership to the extent of the REIT's interest as a partner in the partnership.

For purposes of the 10% value test, "straight debt" means a written unconditional promise to pay on demand on a specified date a sum certain in money if (1) the debt is not convertible, directly or indirectly, into stock and (2) the interest rate and interest payment dates are not contingent on profits, the borrower's discretion, or similar factors other than certain contingencies relating to the timing and amount of principal and interest payments, as described in the Code. In the case of an issuer which is a corporation or a

partnership, securities that otherwise would be considered straight debt will not be so considered if we, and any of our "controlled taxable REIT subsidiaries" as defined in the Code, hold any securities of the corporate or partnership issuer which (A) are not straight debt or other excluded securities (prior to the application of this rule), and (B) have an aggregate value greater than 1% of the issuer's outstanding securities (including, for the purposes of a partnership issuer, our interest as a partner in the partnership). As a result, the straight debt exception would not be available to us with respect to a loan where we also hold an equity participation in the borrower through a TRS.

Notwithstanding the foregoing, as discussed above under " – Gross Income Tests – Interest Income," a mortgage loan secured by both real property and personal property will be treated as a wholly qualifying real estate asset if the fair market value of such personal property does not exceed 15% of the total fair market value of all such property, even if the real property collateral is less than the outstanding principal balance on the loan. Otherwise, a real estate mortgage loan that we own generally will be treated as a real estate asset for purposes of the 75% REIT asset test if, on the date that we acquire or originate the mortgage loan, the value of the real property securing the loan is equal to or greater than the principal amount of the loan. Existing IRS guidance provides that certain rules described above that are applicable to the gross income tests may apply to determine what portion of a mortgage loan will be treated as a real estate asset if the mortgage loan is secured both by real property and other assets. Under special guidance issued by the IRS, if the value of the mortgage loan exceeds the greater of the current value of the real property securing the loan and the value of the real property securing the loan at the time we committed to acquire the loan, such excess will not be a qualifying real estate asset. Furthermore, we may be required to retest modified loans to determine if the modified loan is adequately secured by real property as of the modification date if the modification results in a taxable exchange. However, under special guidance issued by the IRS, if a loan modification occurred as a result of default or we reasonably believed that there was a significant risk of default and the modification reduced such risk, we generally would not be required to retest such modified loan.

As discussed above under "—Gross Income Tests," certain loans that we might originate could be at risk of being treated as equity interests in the borrower for U.S. federal income tax purposes. In such cases, we would likely be treated as owning our proportionate share of the borrower's assets (if the borrower is a pass-through entity) or as owning corporate stock (if the borrower is a corporation), which could adversely affect our ability to comply with the asset tests.

As discussed above under "—Gross Income Tests," there may be circumstances in which our mezzanine loans do not comply with the safe harbor under Revenue Procedure 2003-65. To the extent that any of our mezzanine loans do not meet all of the requirements for reliance on the safe harbor set forth in the Revenue Procedure, such loans may not be real estate assets and could adversely affect our REIT status.

As discussed above under "—Gross Income Tests," participation interests in loans that we acquire may not be treated as direct interests in the underlying mortgage loan, which may cause the participation interest to not qualify as a real estate asset. While we intend that any such participation interests will be structured in a manner so as to be treated for REIT purposes as equivalent to a direct interest in the loan, and therefore, as a real estate asset, there can be no guarantee that such treatment is respected by the IRS.

Regular or residual interests in REMICs are generally treated as a real estate asset. If, however, less than 95% of the assets of a REMIC consists of real estate assets (determined as if we held such assets), we will be treated as owning our proportionate share of the assets of the REMIC. The IRS has issued guidance providing that, among other things, if a REIT holds a regular or residual interest in an "eligible REMIC" that informs the REIT that at least 80% of the REMIC's assets constitute real estate assets, then the REIT may treat 80% of the value of the interest in the REMIC as a real estate asset for the purpose of the REIT asset tests. The remaining 20% of the value of the REIT's interest in the REMIC would not qualify as a real estate asset for purposes of the REIT asset tests and could adversely affect our ability to qualify as a REIT. In the case of interests in grantor trusts, we will be treated as owning an undivided beneficial interest in the mortgage loans held by the grantor trust. Such mortgage loans will generally qualify as real estate assets for purposes of the 75% asset test to the extent they are secured by real property. Investments in mortgage backed securities that are not interests in a grantor trust or REMIC or government securities will not be treated as qualifying assets for purposes of the 75% asset test and will be subject to the 5% asset test, the 10% value test, the 10% vote test and the 25% securities test described above.

We may enter into repurchase agreements under which we will nominally sell certain of our assets to a counterparty and simultaneously enter into an agreement to repurchase the sold assets. We generally believe that we will be treated for U.S. federal income tax purposes as the owner of the assets that are the subject of any such repurchase agreement and the repurchase agreement will be treated as a secured lending transaction notwithstanding that we may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could successfully assert that we did not own the assets during the term of the repurchase agreement, which could impact our REIT status.

We believe that our loan holdings and other assets will be structured in a manner that will comply with the foregoing REIT asset requirements and we intend to monitor compliance on an ongoing basis. There can be no assurance, however, that we will be successful in this effort. In this regard, to determine compliance with these requirements, we will need to estimate the value of our assets (or the value of the collateral securing our loans). We may not obtain independent appraisals to support our conclusions concerning the

values of our assets, or in many cases, the values may not be susceptible to a precise determination and are subject to change in the future. In some cases, we may rely on our own valuation that differs from the value determined by an appraiser. There can be no assurance that the IRS will not disagree with the determinations and assert that a different value is applicable, in which case we might not satisfy the 75% asset test and the other asset tests and could fail to qualify as a REIT.

Failure to Satisfy Asset Tests

After initially meeting the asset tests at the close of any quarter, we will not lose our qualification as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy the asset tests because we acquire assets during a quarter, we can cure this failure by disposing of sufficient non-qualifying assets within 30 days after the close of that quarter. If we fail the 5% asset test, or the 10% vote or value asset tests at the end of any quarter and such failure is not cured within 30 days thereafter, we may dispose of sufficient assets (generally within six months after the last day of the quarter in which the identification of the failure to satisfy these asset tests occurred) to cure such a violation that does not exceed the lesser of 1% of our assets at the end of the relevant quarter or $10 million. If we fail any of the other asset tests or our failure of the 5% and 10% asset tests is in excess of the de minimis amount described above, as long as such failure was due to reasonable cause and not willful neglect, we are permitted to avoid disqualification as a REIT, after the 30 day cure period, by taking steps, including the disposition of sufficient assets to meet the asset test (generally within six months after the last day of the quarter in which we identified the failure to satisfy the REIT asset test), in which case we also must pay a tax equal to the greater of (x) $50,000 or (y) the amount determined by multiplying the net income generated during a specified period by the assets that cause the failure by the highest U.S. federal income tax rate applicable to corporations.

Annual Distribution Requirements

In order to qualify as a REIT, for each taxable year, we are required to distribute dividends, other than capital gain dividends, to our unitholders in an amount at least equal to:

(a) the sum of:

- 90% of our "REIT taxable income" (computed without regard to our deduction for dividends paid and our net capital gains); and
- 90% of the net income (after tax), if any, from foreclosure property (as described below); minus

(b) the sum of specified items of non-cash income that exceeds a percentage of our income.

These distributions must be paid in the taxable year to which they relate or in the following taxable year if such distributions are declared in October, November or December of the taxable year, are payable to unitholders of record on a specified date in any such month and are actually paid before the end of January of the following year. Such distributions are treated as both paid by us and received by each unitholder on December 31 of the year in which they are declared. In addition, at our election, a distribution for a taxable year may be declared before we timely file our tax return for the year and be paid with or before the first regular dividend payment after such declaration, provided that such payment is made during the 12-month period following the close of such taxable year. These distributions are taxable to our unitholders in the year in which paid, even though the distributions relate to our prior taxable year for purposes of the 90% distribution requirement.

In order for distributions to be counted towards our distribution requirement and to give rise to a tax deduction by us, they must not be "preferential dividends." A dividend is not a preferential dividend if it is *pro rata* among all outstanding units of stock within a particular class and is in accordance with the preferences among different classes of stock as set forth in the organizational documents. To avoid paying preferential dividends, we must treat every unitholder of the class of units with respect to which we make a distribution the same as every other unitholder of that class, and we must not treat any class of units other than according to its dividend rights as a class. Under certain technical rules governing deficiency dividends, we could lose our ability to cure an under-distribution in a year with a subsequent year deficiency dividend if we pay preferential dividends. Preferential dividends potentially include "dividend equivalent redemptions." Accordingly, we intend to pay dividends pro rata within each class, and to abide by the rights and preferences of each class of our units if there is more than one, and will seek to avoid dividend equivalent redemptions. (See "— Taxation of Taxable U.S. Unitholders — Redemptions of Common Units" below for a discussion of when redemptions are dividend equivalent and measures we intend to take to avoid them.) If we were to establish a distribution reinvestment plan, pursuant to IRS guidance such plan should not give rise to a preferential dividend so long as there is not a more than five percent discount in the purchase price under such plan. In addition, the IRS is authorized to provide alternative remedies to cure a failure to comply with the preferential dividend rules, but as of the date hereof, no such authorized procedures have been promulgated.

To the extent that we distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax at ordinary U.S. federal corporate tax rates on the retained portion. In addition, we may elect to retain, rather than distribute, our net long-term capital gains and pay tax on such gains. In this case, we could elect to have our unitholders include their proportionate share of such undistributed long-term capital gains in income and receive a corresponding credit or refund, as the case may be, for their proportionate share of the tax paid by us. Our unitholders would then increase the adjusted basis of their stock in us by the difference between the designated amounts included in their long-term capital gains and the tax deemed paid with respect to their proportionate units.

If we fail to distribute during each calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year and (3) any undistributed taxable income from prior periods, we will be subject to a 4% excise tax on the excess of such required distribution over the sum of (x) the amounts actually distributed (taking into account excess distributions from prior periods) and (y) the amounts of income retained on which we have paid corporate income tax. We intend to make timely distributions so that we are not subject to the 4% excise tax.

It is possible that we, from time to time, may not have sufficient cash from operations to meet the distribution requirements, for example, due to timing differences between the actual receipt of cash and the inclusion of the corresponding items in income by us for U.S. federal income tax purposes prior to receipt of such income in cash or non-deductible expenditures. See "—Gross Income Tests—Phantom Income" above. In the event that such shortfalls occur, to meet our distribution requirements it might be necessary to arrange for short-term, or possibly long-term, borrowings, use cash reserves, liquidate non-cash assets at rates or times that we regard as unfavorable or pay dividends in the form of taxable stock dividends. In the case of a taxable stock dividend, unitholders would be required to include the dividend as income and would be required to satisfy the tax liability associated with the distribution with cash from other sources.

We may be able to rectify a failure to meet the distribution requirements for a year by paying "deficiency dividends" to unitholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In this case, we may be able to avoid losing our qualification as a REIT or being taxed on amounts distributed as deficiency dividends. However, we will be required to pay interest and a penalty based on the amount of any deduction taken for deficiency dividends.

In the event that we undertake a transaction (such as a tax-free merger) in which we succeed to earnings and profits of a taxable corporation, in addition to the distribution requirements above we also must distribute such non-REIT earnings and profits to our unitholders by the close the taxable year of the transaction. Such additional dividends are not deductible against our REIT taxable income. We may be able to rectify a failure to distribute any such non-REIT earnings and profits by making distributions in a later year comparable to deficiency dividends noted above and paying an interest charge.

Liquidating distributions generally will be treated as dividends for purposes of the above rules to the extent of current earnings and profits in the year paid provided we complete our liquidation within 24 months following our adoption of a plan of liquidation. Compliance with this 24 month requirement could require us to sell assets at unattractive prices, distribute unsold assets to a "liquidating trust" for the benefit of our unitholders, or terminate our status as a REIT. The U.S. federal income tax treatment of a beneficial interest in a liquidating trust would vary significantly from the U.S. federal income treatment of ownership of our units.

Excess Inclusion Income

If we directly or indirectly acquire a residual interest in a REMIC or equity interests in a taxable mortgage pool, a portion of our income from such arrangements may be treated as "excess inclusion income." See "—Effect of Subsidiary Entities—Taxable Mortgage Pools." We are required to allocate any excess inclusion income to our unitholders in proportion to their dividends. We would be subject to U.S. corporate tax to the extent of any excess inclusion income from the REMIC residual interest or taxable mortgage pool that is allocable to the percentage of our units held in record name by "disqualified organizations," which are generally certain cooperatives, governmental entities and tax-exempt organizations that are exempt from tax on UBTI. Our operating agreement allows us to deduct such taxes from the distributions otherwise payable to the responsible disqualified organizations. Because this tax would be imposed on the Company, however, unless we can recover the tax out of distributions to the disqualified holders, all of our investors, including investors that are not disqualified organizations, would bear a portion of the tax cost associated with the classification of the Company or a portion of our assets as a taxable mortgage pool.

Unitholders who are not disqualified organizations will have to treat our dividends as excess inclusion income to the extent of their allocable units of our excess inclusion income. This income cannot be offset by net operating losses of our unitholders. If the unitholder is a tax-exempt entity and not a disqualified organization, then this income is fully taxable as UBTI under Section 512 of the Code. If the unitholder is a foreign person, it would be subject to U.S. federal income tax withholding on this income without reduction or exemption pursuant to any otherwise applicable income tax treaty. If the unitholder is a REIT, a regulated investment company, common trust fund or other pass-through entity, the unitholder's allocable share of our excess inclusion income could be considered excess inclusion income of such entity.

Prohibited Transactions

Net income we derive from a prohibited transaction outside of a TRS is subject to a 100% tax unless the transaction qualifies for a statutory safe harbor discussed below. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property) that is held as inventory or primarily for sale to customers, in the ordinary course of a trade or business by a REIT. For purposes of this 100% tax, income earned from a shared appreciation provision in a mortgage loan (see below) is treated as if the REIT sold an interest in the underlying property (thus subjecting such income to 100% tax if we hold the shared appreciation mortgage outside of a TRS and the underlying property is inventory or held for sale). The 100% tax will not apply to gains from the sale of property held through a TRS or other taxable corporations (which are taxed at regular corporate rates). Thus, we intend to conduct our operations so that loans or other assets owned by us (or assets that are the subject of a shared appreciation provision that we own) that are inventory or held primarily for sale to customers in the ordinary course of business are held through a TRS. However, whether property is held as inventory or "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances, and no assurance can be given that we will be successful in isolating all investments subject to the 100% tax in our TRSs or that we will not engage in prohibited transactions outside of our TRSs. With respect to kickers treated as equity for U.S. federal income tax purposes, as well as any loans treated as equity interests in our borrowers for U.S. federal income tax purposes (see, "—Gross Income Tests—Treatment of Certain Debt Instruments as Equity"), our income from such interests may be income from a prohibited transaction subject to the 100% tax if the underlying real property is treated as held as inventory or primarily for sale to customers.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (1) that is acquired by a REIT as a result of the REIT having bid on the property at foreclosure or having otherwise reduced the property to ownership or possession by agreement or process of law after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and secured by the property, (2) for which the related loan or lease was acquired by the REIT at a time when default was not imminent or anticipated and (3) for which such REIT makes a proper election to treat the property as foreclosure property. REITs generally are subject to tax at the highest U.S. federal corporate rate on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election is in effect will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or property held for sale in the hands of the selling REIT.

Shared Appreciation Mortgages/Equity Participations

In connection with our acquisition and/or origination of loans, we could obtain rights to share in the appreciation of the underlying collateral real property securing the mortgage loan. These participation features may be structured as "shared appreciation provisions" that are in connection with the loan itself or as a severable contingent right on the collateral. The participation features are sometimes referred to as "kickers." To the extent the shared appreciation provision is in connection with the loan secured by real property, any income derived from the shared appreciation provision will be treated as gain from the sale of the collateral property for REIT income test purposes and for purposes of determining whether such income is income from a prohibited transaction. However, this treatment will not impact the character of the shared appreciation payment as contingent interest for other tax purposes. To the extent a participation feature is structured as a severable contingent right in the collateral property, or otherwise does not meet the definition of "shared appreciation provision," we may either be treated as owning an equity interest in the collateral property for the REIT income and asset tests or as holding a loan that provides for interest based on net profits, which would not be qualifying income for both the 75% and 95% REIT income tests. We may hold severable contingent rights through a TRS, in which case they will be subject to corporate tax but will not generate non-qualifying income (except to the extent of TRS dividends for the 75% income test) or non-qualifying assets (except to the extent of the additional value in the TRS stock).

Failure to Qualify

In the event that we violate a provision of the Code that would result in our failure to qualify as a REIT, we may nevertheless qualify as a REIT under specified relief provisions available to us to avoid such disqualification if (i) the violation is due to reasonable cause and not due to willful neglect, (ii) we pay a penalty of $50,000 for each failure to satisfy a requirement for qualification as a REIT and (iii) the violation does not include a violation under the gross income or asset tests described above (for which other specified relief provisions are available). This cure provision reduces the instances that could lead to our disqualification as a REIT for violations due to reasonable cause. If we fail to qualify for taxation as a REIT in any taxable year and none of the relief provisions of the Code apply, we will be subject to U.S. federal corporate income tax. Distributions to our unitholders in any year in which we are not a REIT will not be deductible by us, nor will they be required to be made. In this situation, to the extent of current or accumulated earnings and profits, and, subject to limitations of the Code, distributions to our unitholders will generally be taxable as qualified dividend income. Subject

to certain limitations, dividends in the hands of our corporate U.S. unitholders may be eligible for the dividends received deduction. Unless we are entitled to relief under the specific statutory provisions, we will also be disqualified from re-electing to be taxed as a REIT for the four taxable years following a year during which qualification was lost. It is not possible to state whether, in all circumstances, we will be entitled to statutory relief.

Taxation of Taxable U.S. Unitholders

This section summarizes the taxation of U.S. unitholders that are not tax exempt organizations.

Distributions

Provided that we qualify as a REIT, distributions made to our taxable U.S. unitholders out of our current or accumulated earnings and profits, and not designated as capital gain dividends, will generally be taken into account by them as ordinary dividend income and will not be eligible for the dividends received deduction for corporations. Dividends received from REITs are generally not eligible to be taxed at the preferential qualified dividend income rates applicable to individual U.S. unitholders who receive dividends from taxable subchapter C corporations. However, for taxable years before January 1, 2026, non-corporate U.S. unitholders may deduct 20% of "qualified REIT dividends". Qualified REIT dividends eligible for this deduction generally will include our dividends received by a non-corporate U.S. unitholder that we do not designate as capital gain dividends and that are not qualified dividend income. If we fail to qualify as a REIT, such unitholders may not claim this deduction with respect to dividends paid by us. As discussed above, if we realize excess inclusion income from a residual interest in REMIC or a taxable mortgage pool and allocate such excess inclusion income to a taxable U.S. unitholder, that income cannot be offset by net operating losses of such unitholder.

Distributions from us that are designated as capital gain dividends will be taxed to U.S. unitholders as long-term capital gains, to the extent that they do not exceed our actual net capital gain for the taxable year, without regard to the period for which the U.S. unitholder has held our common units. To the extent that we elect under the applicable provisions of the Code to retain our net capital gains, U.S. unitholders will be treated as having received, for U.S. federal income tax purposes, our undistributed capital gains as well as a corresponding credit or refund, as the case may be, for taxes paid by us on such retained capital gains. U.S. unitholders will increase their adjusted tax basis in our common units by the difference between their allocable share of such retained capital gain and their share of the tax paid by us. Corporate U.S. unitholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Currently, long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. unitholders who are individuals and 21% for corporations. Currently, capital gains attributable to the sale of depreciable real property held for more than 12 months generally are subject to a 25% maximum U.S. federal income tax rate for U.S. unitholders who are individuals, to the extent of previously claimed depreciation deductions.

Distributions from us in excess of our current or accumulated earnings and profits will not be taxable to a U.S. unitholder to the extent that they do not exceed the adjusted tax basis of the U.S. unitholder's common units in respect of which the distributions were made, but rather will reduce the adjusted tax basis of these units. To the extent that such distributions exceed the adjusted tax basis of a U.S. unitholder's common units, they will be treated as gain from the disposition of the units and thus will be included in income as long-term capital gain, or short-term capital gain if the units have been held for one year or less.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses, subject to limitations, may reduce the amount of distributions that must be made in order to comply with the REIT distribution requirements. See "—Taxation of the Company" and "—Annual Distribution Requirements." Such losses, however, are not passed through to U.S. unitholders and do not offset income of U.S. unitholders from other sources, nor do they affect the character of any distributions that are actually made by us.

Dispositions of Our Common Units

In general, capital gains recognized by individuals and other non-corporate U.S. unitholders upon the sale or disposition of our common units will be subject to tax at capital gains rates, if such units were held for more than one year, and will be taxed at ordinary income rates if such units were held for one year or less. Gains recognized by U.S. unitholders that are corporations are subject to U.S. federal corporate income tax, whether or not classified as long-term capital gains.

Capital losses recognized by a U.S. unitholder upon the disposition of our common units held for more than one year at the time of disposition will be considered long-term capital losses (or short-term capital losses if the units have not been held for more than one year), and are generally available only to offset capital gain income of the U.S. unitholder but not ordinary income (except in the case of individuals, who may offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of our common units by a U.S. unitholder who has held the units for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of distributions received from us that were required to be treated by the U.S. unitholder as long-term capital gain.

Redemptions of Common Units

A redemption of units will be treated under Section 302 of the Code as a taxable distribution unless the redemption satisfies one of the tests set forth in Section 302(b) of the Code enabling the redemption to be treated as a sale or exchange of the redeemed units. A redemption that is not treated as a sale or exchange will be taxed in the same manner as regular distributions (e.g., ordinary dividend income to the extent paid out of earnings and profits unless properly designated as a capital gain dividend), and a redemption treated as a sale or exchange will be taxed in the same manner as other taxable sales discussed above.

The redemption will be treated as a sale or exchange if it (i) is "substantially disproportionate" with respect to the unitholder, (ii) results in a "complete termination" of the unitholder's interest in us, or (iii) is "not essentially equivalent to a dividend" with respect to the unitholder, all within the meaning of Section 302(b) of the Code. In determining whether any of these tests have been met, units considered to be owned by the unitholder by reason of certain constructive ownership rules set forth in the Code, as well as units actually owned, must generally be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code is satisfied with respect to any particular redemption will depend upon the facts and circumstances as of the time the determination is made and the constructive ownership rules are complicated, prospective unitholders are advised to consult their tax advisers to determine such tax treatment.

If a redemption of units is treated as a distribution that is taxable as a dividend, the amount of the distribution would be measured by the amount of cash and the fair market value of the property received by the redeeming unitholder. In addition, although guidance is sparse, the IRS could take the position that unitholders who do not participate in any redemption treated as a dividend should be treated as receiving a constructive stock distribution taxable as a dividend in the amount of the increased percentage ownership in us as a result of the redemption, even though such unitholder did not actually receive cash or other property as a result of such redemption. The amount of any such constructive dividend would be added to the nonredeeming unitholder's basis in his units. It also is possible that under certain technical rules relating to the deduction for dividends paid, the IRS could take the position that redemptions taxed as dividends impair our ability to satisfy our distribution requirements under the Code. If we redeem units, dividend equivalent redemptions could be treated as preferential.

Liquidating Distributions

Once we have adopted (or are deemed to have adopted) a plan of liquidation for U.S. federal income tax purposes, liquidating distributions received by a U.S. unitholder with respect to our common units will be treated first as a recovery of the unitholder's basis in the units (computed separately for each block of units) and thereafter as gain from the disposition of our common units. In general, the U.S. federal income tax rules applicable to REITs likely will require us to complete our liquidation within 24 months following our adoption of a plan of liquidation. Compliance with this 24 month requirement could require us to distribute unsold assets to a "liquidating trust. " Each unitholder would be treated as receiving a liquidating distribution equal to the value of the liquidating trust interests received by the unitholder. The U.S. federal income tax treatment of ownership an interest in any such liquidating trust would differ materially from the U.S. federal income tax treatment of an investment in our units.

Medicare Tax on Unearned Income

U.S. unitholders that are individuals, estates or trusts may be required to pay an additional 3.8% tax on, among other things, dividends on our common units (without regard to the 20% deduction on ordinary REIT dividends) and capital gains from the sale or other disposition of stock. U.S. unitholders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our common units.

Treatment of Tax-Exempt U.S. Unitholders

U.S. tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they are subject to taxation on their UBTI. While many investments in real estate may generate UBTI, the IRS has ruled that regular distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and provided that (1) a tax-exempt U.S. unitholder has not held our common units as "debt financed property" within the meaning of the Code (that is, where the acquisition or holding of the property is financed through a borrowing by the tax-exempt unitholder) and (2) we do not hold REMIC residual interests or interests in a taxable mortgage pool that give rise to "excess inclusion income," distributions from us and income from the sale of our common units generally should not give rise to UBTI to a tax-exempt U.S. unitholder. Excess inclusion income from REMIC residual interests or interests in a taxable mortgage pool, if any, that we allocate to a tax-exempt U.S. unitholder will be treated as UBTI (or, in the case of a disqualified organization, taxable to us).

Tax-exempt U.S. unitholders that are social clubs, voluntary employee benefit associations, or supplemental unemployment benefit trust plans exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9), or (c)(17) of the Code, respectively, are subject to different UBTI rules, which generally will require them to characterize distributions from us as UBTI.

A pension trust (1) that is described in Section 401(a) of the Code, (2) is tax-exempt under Section 501(a) of the Code, and (3) that owns more than 10% of our common units could be required to treat a percentage of the dividends from us as UBTI if we are a "pension-held REIT." We will not be a pension-held REIT unless (1) either (A) one pension trust owns more than 25% of the value of our common units, or (B) a group of pension trusts, each individually holding more than 10% of the value of our common units, collectively owns more than 50% of such common units; and (2) we would not have satisfied the 5/50 Test but for a special rule that permits us to "look-through" such trusts to the ultimate beneficial owners of such trusts in applying the 5/50 Test.

In general, the U.S. federal income tax rules applicable to REITs will require us to complete our liquidation within 24 months following our adoption of a plan of liquidation. Compliance with this 24 month requirement could require us to distribute unsold assets to a liquidating trust. The U.S. federal income tax treatment of ownership an interest in any such liquidating trust would differ materially from the U.S. federal income tax treatment of an investment in our common units, including the potential incurrence of income treated as UBTI.

Tax-exempt U.S. unitholders are urged to consult their tax advisors regarding the U.S. federal, state, local and non-U.S. tax consequences of owning our common units.

U.S. Taxation of Non-U.S. Unitholders

General

In general, non-U.S. unitholders are not considered to be engaged in a U.S. trade or business solely as a result of their ownership of our common units. In cases where a non-U.S. unitholder's investment in our common units is, or is treated as, effectively connected with the non-U.S. unitholder's conduct of a U.S. trade or business, dividend income received in respect of our common units and gain from the sale of our common units generally will be "income effectively connected to a U.S. trade of business" ("ECI") subject to U.S. federal income tax at graduated rates in the same manner as if the non-U.S. unitholder were a U.S. unitholder, and such dividend income may also be subject to the 30% branch profits tax (subject to possible reduction under a treaty) on the income after the application of the income tax in the case of a non-U.S. unitholder that is a corporation. The remaining discussion below assumes the dividends and gain generated in respect of our common units is not effectively connected to a U.S. trade or business of the non-U.S. unitholder.

FIRPTA

Under the Foreign Investment in Real Property Tax Act ("FIRPTA"), gains from U.S. real property interests ("USRPIs") are generally treated as ECI subject to U.S. federal income tax at graduated rates in the same manner as if the non-U.S. unitholder were a U.S. unitholder (and potentially branch profits tax to non-U.S. unitholders that are corporations), and will generate return filing obligations in the United States for such non-U.S. unitholders. USRPIs for purposes of FIRPTA generally include interests in real property located in the United States and loans that provide the lender with a participation in the profits, gains, appreciation (or similar arrangements) of real property located in the United States. Loans secured by real property located in the United States that do not provide the lender with a participation in profits, gains, appreciation (or similar arrangements) of the real property are generally not treated as USRPIs.

In addition, stock of a domestic corporation (including a REIT such as us) will be a USRPI if at least 50% of its real property assets and assets used in a trade or business are USRPIs at any time during a prescribed testing period. We expect that our USRPIs will exceed 50% of our assets. Notwithstanding the foregoing rule, our common units will not be a USRPI (i) if we are "domestically-controlled", or (ii) with respect to a selling non-U.S. unitholder if the units sold are of a class that is regularly traded on an established securities market and the selling non-U.S. unitholder owned, actually or constructively, 10% or less of our outstanding stock of that class at all times during a specified testing period (generally the lesser of the five year period ending on the date of disposition or the period of our existence). Special rules apply with respect to a selling non-U.S. unitholder that is a "qualified shareholder" (as described below) or a "qualified foreign pension fund" (as described below).

A domestically controlled REIT is a REIT in which, at all times during a specified testing period (generally the lesser of the five year period ending on the date of disposition of the REIT's common units or the period of the REIT's existence), less than 50% in value of its outstanding common units is held directly or indirectly by foreign persons. For these purposes, a person holding less than 5% of our common units for five years will be treated as a U.S. person unless we have actual knowledge that such person is not a U.S. person.

Our units are not currently traded on an established securities market, and we have no current intent to list our units for trading. We also cannot assure you that we will be domestically-controlled at all times in the future. Thus, we cannot assure you that our common units are not or will not become USRPIs in the future.

Ordinary Dividends

The portion of dividends received by non-U.S. unitholders payable out of our earnings and profits that are not attributable to gains from sales or exchanges of USRPIs, and that we do not designate as a capital gains dividend, will generally be subject to U.S. federal withholding tax at the rate of 30%, unless reduced or eliminated by an applicable income tax treaty. Under some treaties, however, lower rates generally applicable to dividends do not apply to dividends from REITs (or are not as favorable for REIT dividends as compared to dividends from non-REITs). In addition, any portion of the dividends paid to non-U.S. unitholders that is treated as excess inclusion income from REMIC residual interests or interests in a taxable mortgage pool will not be eligible for exemption from the 30% withholding tax or a reduced treaty rate.

Non-Dividend Distributions

A non-U.S. unitholder should not incur tax on a distribution not attributable to gain from our sale or exchange of a USRPI and in excess of our current and accumulated earnings and profits if the excess portion of the distribution does not exceed the adjusted basis of its common units. Instead, the excess portion of the distribution will reduce the adjusted basis of its common units. A non-U.S. unitholder generally will not be subject to U.S. federal income tax on a distribution that exceeds both our current and accumulated earnings and profits and the adjusted basis of its stock unless our common units constitute USRPIs and no other exception applies to the selling non-U.S. unitholder. If our common units constitute a USRPI, and no other exception applies to the selling non-U.S. unitholder, distributions in excess of both our earnings and profits and the non-U.S. unitholder's basis in our common units will be treated as ECI subject to U.S. federal income tax. Regardless of whether the distribution exceeds basis, we may be required to withhold 15% of any distributions to non-U.S. unitholders in excess of our current year and accumulated earnings and profits. The withheld amounts will be credited against any U.S. tax liability of the non-U.S. unitholder, and may be refundable to the extent such withheld amounts exceed the unitholder's actual U.S. federal income tax liability. Even in the event our common units are not USRPIs, we may choose to withhold on the entire amount of any distribution at the same rate as we would withhold on a dividend because we may not be able to determine at the time we make a distribution whether or not the distribution will exceed our current and accumulated earnings and profits. However, a non-U.S. unitholder may obtain a refund of amounts that we withhold if we later determine that a distribution in fact exceeded our current and accumulated earnings and profits, to the extent such withheld amounts exceed the unitholder's actual U.S. federal income tax liability.

Capital Gain Dividends and Distributions of FIRPTA Gains

Subject to the exceptions that may apply if our common units are regularly traded on an established securities market and the special rules for a non-U.S. unitholder that is a "qualified shareholder" or a "qualified foreign pension fund," each as described below, under a FIRPTA "look-through" rule, any of our distributions to non-U.S. unitholders of gain attributable to the sale of a USRPI will be treated as ECI regardless of whether our common units constitute a USRPI. Amounts treated as ECI under the look-through rule may also be subject to the 30% branch profits tax (subject to possible reduction under a treaty), after the application of the income tax to such ECI, in the case of a non-U.S. unitholder that is a corporation. Although the coordination rules are not entirely clear, we believe we will be required to withhold at a 21% rate on any distributions treated as ECI under the look-through rule. In addition, we may be required to withhold tax at the highest U.S. federal corporate income tax rate on the maximum amount that could have been designated as capital gains dividends. Capital gain dividends received by a non-U.S. unitholder that are attributable to dispositions of our assets other than USRPIs are not subject to U.S. federal income tax. This FIRPTA look through rule also applies to distributions in redemption of units and liquidating distributions, to the extent they represent distributions of gain attributable to the sale of a USRPI.

A distribution that would otherwise have been treated as gain from the sale of a USRPI under the FIRPTA look-through rule will not be treated as ECI, and instead will be treated as otherwise described herein without regard to the FIRPTA look-through rule, if (1) the distribution is received with respect to a class of stock that is regularly traded on an established securities market located in the United States, and (2) the recipient non-U.S. unitholder does not own more than 10% of that class of stock at any time during the one-year period ending on the date on which the distribution is received. We currently are not publicly traded and such rules will not apply unless and until our common units become "regularly traded" on an established securities exchange in the future.

Dispositions of Our Common Units

A sale of our common units by a non-U.S. unitholder generally will not be subject to U.S. federal income tax unless our common units are a USRPI. Subject to the exceptions that may apply if our common units were regularly traded on an established securities market (as described above), if our common units are a USRPI, gain from the sale of our common units would be ECI to the non-U.S. unitholder unless such non-U.S. unitholder were a "qualified shareholder" or "qualified foreign pension fund," each as

described below. If our common units are not a USRPI, gain from the sale of our common units would not be subject to U.S. federal income tax.

To the extent our common units are held directly (or indirectly through one or more partnerships) by a "qualified shareholder", our common units will not be treated as a USRPI. Thus, gain from the sale or exchange of our common units (including any distributions treated as gain recognized from the sale or exchange of our common units) will not be subject to tax unless such gain is treated as effectively connected with the qualified shareholder's conduct of a U.S. trade or business. Further, to the extent such treatment applies, any distribution to such unitholder will not be treated as gain recognized from the sale or exchange of a USRPI (and capital gain dividends and non-dividend distributions to such unitholder may be treated as ordinary dividends). For these purposes, a qualified shareholder is generally a non-U.S. unitholder that (i)(A) is eligible for treaty benefits under an income tax treaty with the United States that includes an exchange of information program, and the principal class of interests of which is listed and regularly traded on one or more stock exchanges as defined by the treaty, or (B) is a foreign limited partnership organized in a jurisdiction with an exchange of information agreement with the United States and that has a class of regularly traded limited partnership units (having a value greater than 50% of the value of all partnership units) on the New York Stock Exchange or Nasdaq, (ii) is a "qualified collective investment vehicle" (within the meaning of Section 897(k)(3)(B) of the Code) and (iii) maintains records of persons holding 5% or more of the class of interests described in clauses (i)(A) or (i)(B) above. However, in the case of a qualified shareholder having one or more "applicable investors", the exception described in the first sentence of this paragraph will not apply to the applicable percentage of the qualified shareholder's common units (with "applicable percentage" generally meaning the percentage of the value of the interests in the qualified shareholder held by applicable investors after applying certain constructive ownership rules). The applicable percentage of the amount realized by a qualified shareholder on the disposition of our common units or with respect to a distribution from us attributable to gain from the sale or exchange of a USRPI will be treated as amounts realized from the disposition of USRPI. Such treatment will also apply to applicable investors in respect of distributions treated as a sale or exchange of our units with respect to a qualified shareholder. For these purposes, an "applicable investor" is a person (other than a qualified shareholder) who generally holds an interest in the qualified shareholder and holds more than 10% of our common units applying certain constructive ownership rules.

Generally, for FIRPTA purposes, and subject to the discussion below regarding "qualified holders," neither a "qualified foreign pension fund" (as defined below) nor any entity all of the interests of which are held by a qualified foreign pension fund will be treated as a non-U.S. unitholder, thereby exempting such entities from tax under FIRPTA. Accordingly, the U.S. federal income tax treatment of ordinary dividends received by qualified foreign pension funds and entities wholly owned by qualified foreign pension funds will generally be determined without regard to the FIRPTA rules discussed above, and their gain from the sale or exchange of our stock, as well as our capital gain dividends and distributions treated as gain from the sale or exchange of our stock, will generally not be subject to U.S. federal income tax unless such gain is treated as effectively connected with the qualified foreign pension fund's (or the wholly owned entity's) conduct of a U.S. trade or business. A "qualified foreign pension fund" is an organization or arrangement (i) created or organized under the laws of a foreign country, (ii) established to provide retirement or pension benefits to current or former employees (including self-employed individuals) or their designees by either (A) a foreign country (or one or more political subdivision thereof) as a result of services rendered by such employees to their employers, or (B) one or more employers in consideration for services rendered by such employees to such employers, (iii) which does not have a single participant or beneficiary that has a right to more than 5% of its assets or income, (iv) which is subject to government regulation and with respect to which annual information about its beneficiaries is provided, or is otherwise available, to relevant local tax authorities in the country in which it is established or operates and (v) with respect to which, under its local laws, (A) contributions that would otherwise be subject to tax are deductible or excluded from its gross income or taxed at a reduced rate, or (B) taxation of its investment income is deferred, or such income is excluded from its gross income or taxed at a reduced rate. Under Treasury Regulations, subject to the discussion below regarding "qualified holders," a "qualified controlled entity" also is not generally treated as a foreign person for purposes of FIRPTA. A qualified controlled entity generally includes a trust or corporation organized under the laws of a foreign country all of the interests of which are held by one or more qualified foreign pension funds either directly or indirectly through one or more qualified controlled entities.

Treasury Regulations further require that a qualified foreign pension fund or qualified controlled entity will not be exempt from FIRPTA with respect to dispositions of USRPIs or REIT distributions attributable to the same unless the qualified foreign pension fund or qualified controlled entity is a "qualified holder." To be a qualified holder, a qualified foreign pension fund or qualified controlled entity must satisfy one of two alternative tests at the time of the disposition of the USRPI or the REIT distribution. Under the first test, a qualified foreign pension fund or qualified controlled entity is a qualified holder if it owned no USRPIs as of the earliest date during an uninterrupted period ending on the date of the disposition or distribution during which it qualified as a qualified foreign pension fund or qualified controlled entity. Alternatively, if a qualified foreign pension fund or qualified controlled entity held USRPIs as of the earliest date during the period described in the preceding sentence, it can be a qualified holder only if it satisfies certain testing period requirements. Treasury Regulations also provide that a foreign partnership all of the interests of which are held by qualified holders, including through one or more partnerships, may certify its status as such and will not be treated as a foreign person for purposes of withholding under FIRPTA.

Redemptions and Liquidating Distributions

A redemption of common units by a non-U.S. unitholder will be treated as a regular distribution or as a sale or exchange of the redeemed units under the same rules of Section 302 of the Code that apply to U.S. unitholders and which are discussed above under "Taxation of Taxable U.S. Unitholders—Redemptions of Common Units." Except as otherwise provided under the FIRPTA look-through rule as discussed below, (i) if our common units are a USRPI, gain from a redemption treated as a sale or exchange of our common units would be ECI to the non-U.S. unitholder unless such non-U.S. unitholder were a qualified shareholder or qualified foreign pension fund, as described above, and (ii) if our common units are not a USRPI, gain from a redemption treated as a sale or exchange of our common units would not be subject to U.S. federal income tax.

Once we have adopted (or are deemed to have adopted) a plan of liquidation for U.S. federal income tax purposes, liquidating distributions received by a non-U.S. unitholder with respect to our common units will be treated first as a recovery of the unitholder's basis in the common units (computed separately for each block of units) and thereafter as gain from the disposition of our common units except as otherwise required under the FIRPTA look-through rule. Subject to the FIRPTA look-through rule, (i) if our common units are a USRPI, gain from a liquidating distribution with respect our common units would be ECI to the non-U.S. unitholder unless such non-U.S. unitholder were a qualified shareholder or qualified foreign pension fund, as described above, and (ii) if our common units are not a USRPI, gain from a liquidating distribution with respect to our common units would not be subject to U.S. federal income tax. In general, the U.S. federal income tax rules applicable to REITs will require us to complete our liquidation within 24 months following our adoption of a plan of liquidation. Compliance with this 24 month requirement could require us to distribute unsold assets to a "liquidating trust. " The U.S. federal income tax treatment of ownership an interest in any such liquidating trust would differ materially from the U.S. federal income tax treatment of an investment in our common units, including the potential incurrence of income treated as ECI and the likely requirement to file U.S. federal income tax returns.

The IRS takes the view that under the FIRPTA look-through rule, but subject to the exceptions described above that may apply to a holder of no more than 10% of our common units if our common units are regularly traded on an established securities market, to a qualified shareholder or to a qualified foreign pension fund, distributions in redemption of our common units and liquidating distributions to non-U.S. unitholders will be treated as ECI and subject to withholding at the highest U.S. federal corporate income rate, and also potentially subject to branch profits tax in the case of corporate non-U.S. unitholders, to the extent that the distributions are attributable to gain from the sale of a USRPI, regardless of whether our common units are USRPIs and regardless of whether the distribution is otherwise treated as a sale or exchange.

Backup Withholding and Information Reporting

We report to our U.S. unitholders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. Under the backup withholding rules, a U.S. unitholder may be subject to backup withholding with respect to dividends paid unless the holder is a corporation or comes within other exempt categories and, when required, demonstrates this fact or provides a taxpayer identification number or social security number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A U.S. unitholder that does not provide his or her correct taxpayer identification number or social security number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. In addition, we may be required to withhold a portion of dividends or capital gain distribution to any U.S. unitholder who fails to certify their non-foreign status.

We must report annually to the IRS and to each non-U.S. unitholder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. unitholder resides under the provisions of an applicable income tax treaty. A non-U.S. unitholder may be subject to backup withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our common units within the United States is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. unitholder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or the holder otherwise establishes an exemption. Payment of the proceeds of a sale of our common units conducted through certain U.S. related financial intermediaries is subject to information reporting (but not backup withholding) unless the financial intermediary has documentary evidence in its records that the beneficial owner is a non-U.S. unitholder and specified conditions are met or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Foreign Accounts and FATCA

Federal legislation commonly referred to as "FATCA" currently imposes withholding taxes on certain U.S. source passive payments to "foreign financial institutions" and certain other non-U.S. entities. Under this legislation, the failure to comply with additional certification, information reporting and other specified requirements could result in withholding tax being imposed on payments of dividends to U.S. unitholders who own our common units through foreign accounts or foreign intermediaries and certain non-U.S. unitholders. The legislation imposes a 30% withholding tax on dividends on our common units paid to a foreign financial institution or to a foreign entity other than a financial institution, unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign entity is not a financial institution and either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. If the payee is a foreign financial institution (that is not otherwise exempt), it must either (1) enter into an agreement with the U.S. Treasury Department requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements or (2) in the case of a foreign financial institution that is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA, comply with the revised diligence and reporting obligations of such intergovernmental agreement. Prospective investors should consult their tax advisors regarding this legislation.

State, Local and Non-U.S. Taxes

We and our unitholders may be subject to state, local or non-U.S. taxation in various jurisdictions, including those in which it or they transact business, own property or reside. The state, local or non-U.S. tax treatment of us and our unitholders may not conform to the U.S. federal income tax treatment discussed above. Any non-U.S. taxes incurred by us would not pass through to unitholders as a credit against their U.S. federal income tax liability. Prospective unitholders should consult their tax advisors regarding the application and effect of state, local and non-U.S. income and other tax laws on an investment in our common units.

Legislative or Other Actions Affecting REITs

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. No assurance can be given as to whether, when, or in what form, U.S. federal income tax laws applicable to us and our unitholders may be enacted. Changes to the U.S. federal income tax laws and interpretations of U.S. federal income tax laws could adversely affect an investment in our common units.

THE FOREGOING DISCUSSION IS NOT INTENDED TO BE A COMPLETE ANALYSIS OF ALL POSSIBLE TAX CONSIDERATIONS IN ACQUIRING, HOLDING AND DISPOSING OF UNITS AND, THEREFORE, IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING. FURTHERMORE, THE DISCUSSION IS NOT INTENDED TO BE LEGAL OR TAX ADVICE. ACCORDINGLY, YOU ARE STRONGLY URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE POSSIBLE TAX CONSEQUENCES OF AN INVESTMENT IN UNITS.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), provides a broad statutory framework for governing U.S. corporate retirement and other employee benefit plans. ERISA and the rules and regulations of the Department of Labor (the "DOL") under ERISA should be considered by fiduciaries of employee benefit plans subject to the provisions of Title I of ERISA ("ERISA Plans") and their legal advisors. In particular, a fiduciary of an ERISA Plan should consider whether an investment in our common units (or, in the case of a participant-directed defined contribution plan (a "Participant-Directed Plan"), making our common units available for investment under the Participant-Directed Plan) satisfies the requirements set forth in Part 4 of Subtitle B of Title I of ERISA, including the requirements that (1) the investment satisfy the prudence and diversification standards of ERISA, (2) the investment be in the best interests of the participants and beneficiaries of the ERISA Plan, (3) the investment be permissible under the terms of the ERISA Plan's investment policies and governing instruments and (4) the investment does not give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

In determining whether an investment in our common units (or making our units available as an investment option under a Participant-Directed Plan) is prudent for ERISA purposes, a fiduciary of an ERISA Plan should consider all relevant facts and circumstances including, without limitation, possible limitations on the transferability of our common units, whether the investment provides sufficient liquidity in light of the foreseeable needs of the ERISA Plan (or the participant account in a Participant-Directed Plan), and whether the investment is reasonably designed, as part of the ERISA Plan's portfolio, to further the ERISA Plan's purposes, taking into consideration the risk of loss and the opportunity for gain (or other return) associated with the investment. It should be noted that we invest our assets in accordance with the investment objective and guidelines described herein, and that neither our Manager nor any of its affiliates has any responsibility for developing any overall investment strategy for any ERISA Plan (or the participant account in a Participant-Directed Plan) or for advising any ERISA Plan (or participant in a Participant-Directed Plan) as to the advisability or prudence of an investment in us. Rather, it is the obligation of the appropriate fiduciary for each ERISA Plan (or participant in a Participant-Directed Plan) to consider whether an investment in our common units by the ERISA Plan (or making such units available for investment under a Participant-Directed Plan, in which event it is the obligation of the participant to consider whether an investment in our common units is advisable), when judged in light of the overall portfolio of the ERISA Plan, will meet the prudence, diversification and other applicable requirements of ERISA.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as those plans that are not subject to ERISA, but that are subject to Section 4975 of the Code, such as individual retirement accounts ("IRAs") and non-ERISA Keogh plans (collectively with ERISA Plans, "Plans"), and certain persons (referred to as "parties in interest" for purposes of ERISA or "disqualified persons" for purposes of the Code) having certain relationships to Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction might have to be rescinded. In addition, a fiduciary who causes an ERISA Plan to engage in a non-exempt prohibited transaction may be personally liable for any resultant loss incurred by the ERISA Plan and may be subject to other remedies.

A Plan that proposes to invest in our common units (or to make our units available for investment under a Participant-Directed Plan) may already maintain a relationship with our Manager or one or more of its affiliates, as a result of which our Manager or such affiliate may be a "party in interest" under ERISA or a "disqualified person" under the Code, with respect to such Plan (e.g., if our Manager or such affiliate provides investment management, investment advisory or other services to that Plan). ERISA (and the Code) prohibits plan assets from being used for the benefit of a party in interest (or disqualified person).. ERISA (and the Code) also prohibits a fiduciary from using its position to cause the Plan to make an investment from which the fiduciary, its affiliates or certain parties in which it has an interest would receive a fee or other consideration or benefit. In this circumstance, Plans that propose to invest in our common units should consult with their counsel to determine whether an investment in our common units would result in a transaction that is prohibited by ERISA or Section 4975 of the Code.

If our assets were considered to be assets of a Plan (referred to herein as "Plan Assets"), our management might be deemed to be fiduciaries of the investing Plan. In this event, the operation of the Company could become subject to the restrictions of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and/or the prohibited transaction rules of Section 4975 of the Code.

The DOL has promulgated a final regulation under ERISA, 29 C.F.R. § 2510.3-101 (as modified by Section 3(42) of ERISA, the "Plan Assets Regulation"), that provides guidelines as to whether, and under what circumstances, the underlying assets of an entity will be deemed to constitute Plan Assets for purposes of applying the fiduciary requirements of Title I of ERISA (including the prohibited transaction rules of Section 406 of ERISA) and the prohibited transaction provisions of Code Section 4975.

Under the Plan Assets Regulation, the assets of an entity in which a Plan or IRA makes an equity investment will generally be deemed to be assets of such Plan or IRA unless the entity satisfies one of the exceptions to this general rule. Generally, the exceptions require that the investment in the entity be one of the following:

- in securities issued by an investment company registered under the Investment Company Act;
- in "publicly offered securities," defined generally as interests that are "freely transferable," "widely held" and registered with the SEC;
- in an "operating company" which includes "venture capital operating companies" and "real estate operating companies;" or
- in an entity in which equity participation by "benefit plan investors" is not significant.

The units will constitute an "equity interest" for purposes of the Plan Assets Regulation, and the units may not constitute "publicly offered securities" for purposes of the Plan Assets Regulation. In addition, the units will not be issued by a registered investment company.

The 25% Limit. Under the Plan Assets Regulation, and assuming no other exception applies, an entity's assets would be deemed to include "plan assets" subject to ERISA and/or Section 4975 of the Code on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by "benefit plan investors" (the "25% Limit"). For purposes of this determination, the value of equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee with respect to such assets (or any affiliate of such a person) is disregarded. The term "benefit plan investor" is defined in the Plan Assets Regulation as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (b) any plan that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in the entity (to the extent of such plan's investment in the entity). Thus, while our assets would not be considered to be "plan assets" for purposes of ERISA or Section 4975 of the Code so long as the 25% Limit is not exceeded, there can be no guarantee that the 25% Limit will not be exceeded at all times. Our operating agreement provides that if benefit plan investors exceed the 25% Limit, we may redeem their interests at a price equal to the then current NAV per unit. We have not determined whether to rely on this aspect of the Plan Assets Regulation.

Operating Companies. Under the Plan Assets Regulation, an entity is an "operating company" if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a real estate operating company ("REOC") or a venture capital operating company ("VCOC"). An entity is a REOC if: (i) on its "initial valuation date and on at least one day within each annual valuation period," at least 50% of the entity's assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors) are invested in real estate that is managed or developed and with respect to which such entity has the right to substantially participate directly in management or development activities; and (ii) such entity in the ordinary course of its business is engaged directly in the management and development of real estate during the 12-month period. The "initial valuation date" is the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity's "annual valuation period" is a pre-established period not exceeding 90 days in duration, which begins no later than the anniversary of the entity's initial valuation date. Certain examples in the Plan Assets Regulation clarify that the management and development activities of an entity looking to qualify as a REOC may be carried out by independent contractors (including, in the case of a partnership, affiliates of the general partner) under the supervision of the entity. An entity will qualify as a VCOC if (i) on its initial valuation date and on at least one day during each annual valuation period, at least 50% of the entity's assets, valued at cost, consist of "venture capital investments," and (ii) the entity, in the ordinary course of business, actually exercises management rights with respect to one or more of its venture capital investments. The Plan Assets Regulation defines the term "venture capital investments" as investments in an operating company (other than a VCOC) with respect to which the investor obtains management rights.

If the 25% Limit is exceeded and we do not exercise our right to redeem benefit plan investors as described above, we will undertake commercially reasonable efforts to operate in a manner that will enable us to qualify as a VCOC or a REOC or to meet such other exception as may be available to prevent our assets from being treated as assets of any investing Plan for purposes of the Plan Assets Regulation. Accordingly, we believe, on the basis of the Plan Assets Regulation, that our underlying assets should not constitute "plan assets" for purposes of ERISA. However, no assurance can be given that this will be the case.

If our assets are deemed to constitute "plan assets" under ERISA, certain of the transactions in which we might normally engage could constitute a non-exempt "prohibited transaction" under ERISA or Section 4975 of the Code. In such circumstances, in our sole discretion, we may void or undo any such prohibited transaction, and we may require each investor that is a "benefit plan investor" to redeem their units upon terms that we consider appropriate.

Prospective investors that are subject to the provisions of Title I of ERISA and/or Code Section 4975 should consult with their counsel and advisors as to the provisions of Title I of ERISA and/or Code Section 4975 relevant to an investment in our common units.

As discussed above, although IRAs and non-ERISA Keogh plans are not subject to ERISA, they are subject to the provisions of Section 4975 of the Code, prohibiting transactions with "disqualified persons" and investments and transactions involving fiduciary conflicts. A prohibited transaction or conflict of interest could arise if the fiduciary making the decision to invest has a personal interest in or affiliation with the Company or any of its respective affiliates. In the case of an IRA, a prohibited transaction or conflict of interest that involves the beneficiary of the IRA could result in disqualification of the IRA. A fiduciary for an IRA who has any personal interest in or affiliation with the Company or any of its respective affiliates, should consult with his or her tax and legal advisors regarding the impact such interest may have on an investment in our units with assets of the IRA.

Units sold by us may be purchased or owned by investors who are investing Plan assets. Our acceptance of an investment by a Plan should not be considered to be a determination or representation by us or any of our respective affiliates that such an investment is appropriate for a Plan. In consultation with its advisors, each prospective Plan investor should carefully consider whether an investment in the Company is appropriate for, and permissible under, the terms of the Plan's governing documents.

Governmental plans, foreign plans and most church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Code Section 4975, may nevertheless be subject to local, foreign, state or other federal laws that are substantially similar to (or wholly different than) the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel and advisors before deciding to invest in our common units.

Form 5500. Plan administrators of ERISA Plans that acquire units may be required to report compensation, including indirect compensation, paid in connection with the ERISA Plan's investment in units on Schedule C of Form 5500 (Annual Return/Report of Employee Benefit Plan). The descriptions in this memorandum of fees and compensation, including the fees paid to the Manager, are intended to satisfy the disclosure requirement for "eligible indirect compensation," for which an alternative reporting procedure on Schedule C of Form 5500 may be available.

PLAN OF DISTRIBUTION

We are currently offering up to $500,000,000 in our common units pursuant to this PPM. We may increase the offering size at any time if we so elect. Our common units being offered hereby will be primarily offered by associated persons of ours through the Fundrise Platform at www.fundrise.com. In conducting this offering, such persons of Fundrise Opportunistic Credit Fund II, LLC intend to rely on the exemption from registration contained in Exchange Act Rule 3a4-1. For additional information about the Fundrise Platform, please see "Offering Summary—About the Fundrise Platform."

This PPM, supplements and Webpage Updates hereto will be furnished to prospective investors upon their request via electronic PDF format and will be available for viewing and download 24 hours per day, 7 days per week on the Fundrise Platform website.

In order to subscribe to purchase our common units, a prospective investor must electronically complete, sign and deliver to us an executed subscription agreement like the one attached to this PPM as Appendix A, and wire funds for its subscription amount in accordance with the instructions provided therein.

Settlement may occur up to 45 days after a prospective investor submits a subscription agreement, depending on the volume of subscriptions received. An investor will become a member of the Company, including for tax purposes, and the units will be issued, as of the date of settlement. Settlement will not occur until an investor's funds have cleared and the Manager accepts the investor as a member. The number of units issued to an investor will be calculated based on the price per unit in effect on the date we receive the subscription.

We reserve the right to reject any investor's subscription in whole or in part for any reason, including if we determine in our sole and absolute discretion that such investor is not an "accredited investor" under Rule 501(a) of Regulation D. If the offering terminates or if any prospective investor's subscription is rejected, all funds received from such investors will be returned without interest or deduction.

To the extent that the funds are not ultimately received by us or are subsequently withdrawn by the subscriber, whether due to an ACH chargeback or otherwise, the subscription agreement will be considered terminated, and the subscriber will not be entitled to any units subscribed for or dividends that may have accrued.

State Law Exemption and Offerings to "Accredited Investors"; Additional Information for Verification Purposes

Our common units are being offered and sold only to "accredited investors" under Rule 501(a) of Regulation D. This offering will be exempt from state "Blue Sky" law review, subject to certain state filing requirements and anti- fraud provisions, to the extent that our common units offered hereby are offered and sold only to "accredited investors" or at a time when our common units are listed on a national securities exchange.

Because Rule 506(c) of Regulation D requires verification of an investor's status as an "accredited investor," we will either engage an independent third-party verification provider to perform such verifications or undertake to perform such verification ourselves. We or such independent third-party verification provider may contact you directly, and you must promptly work with the verification provider to complete the verification process. If we use third-party verification, the cost of such verification will be paid by each investor.

Certificates Will Not be Issued

We will not issue certificates. Instead, our common units will be recorded and maintained on the Company's membership register.

Transferability of our Common Units

Our common units are generally freely transferable by our unitholders subject to any restrictions imposed by applicable securities laws or regulations, compliance with the transfer provisions of our operating agreement related to REIT compliance ownership limits and analogous regulatory compliance and receipt of appropriate documentation. However, all of our common units will be "restricted securities" within the meaning of Rule 144 under the Securities Act and therefore may not be transferred by a holder thereof within the United States or to a "U.S. person" unless such transfer is made pursuant to registration under the Securities Act, pursuant to an exemption therefrom, or in a transaction outside the United States pursuant to the resale provisions of Regulation S. The transfer of any our common units in violation of the operating agreement will be deemed invalid, null and void, and of no force or effect. Any

person to whom our common units are attempted to be transferred in violation of the operating agreement will not be entitled to vote on matters coming before the unitholders, receive distributions from the Company or have any other rights in or with respect to our common units. We will not have the ability to reject a transfer of our common units where all applicable transfer requirements, including those imposed under the transfer provisions of our operating agreement, are satisfied.

No Escrow

The proceeds of this offering will not be placed into an escrow account and there is no minimum amount of our common units we need to sell.

Advertising, Sales and other Promotional Materials

In addition to this PPM, subject to limitations imposed by applicable securities laws, we expect to use additional advertising, sales and other promotional materials in connection with this offering. These materials may include information relating to this offering, the past performance of our sponsor and its affiliates, property brochures, articles and publications concerning real estate, or public advertisements and audio-visual materials, in each case only as authorized by us. In addition, the sales material may contain certain quotes from various publications without obtaining the consent of the author or the publication for use of the quoted material in the sales material.

Although these materials will not contain information in conflict with the information provided by this PPM and will be prepared with a view to presenting a balanced discussion of risk and reward with respect to our common units, these materials will not give a complete understanding of this offering, us or our common units and are not to be considered part of this PPM. This offering is made only by means of this PPM and prospective investors must read and rely on the information provided in this PPM in connection with their decision to invest in our common units.

Side Letters

We or the Manager may enter into side letters (each, a "Side Letter") with one or more investors pursuant to which we or the Manager agrees to modify the terms of such investors investment in the Company from the terms described in this PPM and consequently such modified terms of investment may be more advantageous to those investors as compared to the terms set forth in this PPM, our operating agreement, the Subscription Agreement or related documents. In no event will such a Side Letter or similar agreement affect the rights or obligations of any investor who is not a party thereto.

HOW TO SUBSCRIBE

Subscription Procedures

Investors seeking to purchase our common units who satisfy the "accredited investor" standards should proceed as follows:

- Read this entire PPM and any supplements accompanying, or Webpage Updates incorporated in, this PPM.
- Electronically complete and execute a copy of the subscription agreement. A specimen copy of the subscription agreement, including instructions for completing it, is included in this PPM as Appendix A.
- Electronically provide ACH instructions to us for the full purchase price of our common units being subscribed for; note, however, for subscriptions in excess of $500,000, we will require that the purchase price of our common units be provided via bank wire.

By executing the subscription agreement and paying the total purchase price for our common units subscribed for, each investor agrees to accept the terms of the subscription agreement and attests that the investor meets the minimum standards of an "accredited investor". Subscriptions will be binding upon investors but will be effective only upon our acceptance and we reserve the right to reject any subscription in whole or in part.

Subscriptions will be binding upon investors and will be accepted or rejected within 45 days of receipt by us.

We will not draw funds from any subscriber until the date your subscription is accepted. If we accept your subscription, we will email you a confirmation.

To the extent that the funds are not ultimately received by us or are subsequently withdrawn by the subscriber, whether due to an ACH chargeback or otherwise, the subscription agreement will be considered terminated, and the subscriber will not be entitled to any units subscribed for or dividends that may have accrued.

Minimum Purchase Requirements

You must initially purchase at least $50,000 worth of common units in this offering. If you have satisfied the applicable minimum purchase requirement, any additional purchase must be in amounts of at least $10,000 (rounded up to the price for the nearest number of whole units). However, the Manager may revise the minimum purchase requirements in the future or elect to waive the minimum purchase requirement, such as for individuals who participate in different plans established by our Manager. In addition, in order to help protect us from the risk of chargebacks, we intend to require that any subscription in excess of $500,000 of our units be funded through a bank wire transfer and not an ACH electronic fund transfer.

Residents of the State of Washington

For investors and potential investors who are residents of the State of Washington, please send all correspondence, including any questions or comments, to washingtonstate@fundrise.com.

Arbitration Provisions

By purchasing units in this offering, investors agree to be bound by the Arbitration Provisions contained in our subscription agreement and our operating agreement. Such Arbitration Provisions apply to claims under the U.S. federal securities laws and to all claims that are related to the Company, including with respect to this offering, our holdings, our common units, our ongoing operations and the management of our investments, among other matters, and limit the ability of investors to bring class action lawsuits or similarly seek remedy on a class basis. Furthermore, because the Arbitration Provision is contained in our operating agreement, such Arbitration Provision will also apply to any purchasers of units in a secondary transaction.

By agreeing to be subject to the Arbitration Provisions contained in our subscription agreement and our operating agreement, you are severely limiting your rights to seek redress against us in court. For example, you may not be able to pursue litigation for any claim in state or federal courts against us, our Manager, our sponsor, or their respective directors or officers, including with respect to securities law claims, and any awards or remedies determined by the arbitrators may not be appealed. In addition, arbitration rules generally limit discovery, which could impede your ability to bring or sustain claims, and the ability to collect attorneys' fees or other damages may be limited in the arbitration, which may discourage attorneys from agreeing to represent parties wishing to commence such a proceeding.

Specifically, under the Arbitration Provisions, either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a claim be final and binding arbitration. We have not determined whether we will exercise our right to demand arbitration but reserve the right to make that determination on a case by case basis as claims arise. In this regard, the Arbitration Provisions are similar to a binding arbitration provision as we are likely to invoke the Arbitration Provisions to the fullest extent permissible. The Arbitration Provisions apply to claims under the U.S. federal securities laws and to all claims that are related to the Company, including with respect to this offering, our holdings, our common units, our ongoing operations and the management of our investments, among other matters.

Any arbitration brought pursuant to the Arbitration Provisions must be conducted in the State of Virginia, in the Washington, D.C. metropolitan area. The term "Claim" as used in the Arbitration Provisions is very broad and includes any past, present, or future claim, dispute, or controversy involving you (or persons claiming through or connected with you), on the one hand, and us (or persons claiming through or connected with us), on the other hand, relating to or arising out of your subscription agreement, the Fundrise Platform, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except an individual Claim that you may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court) the validity or enforceability of the Arbitration Provisions, any part thereof, or the entire subscription agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of the Arbitration Provisions are to be given the broadest possible interpretation that will permit it to be enforceable. Based on discussions with and research performed by the Company's counsel, we have no reason to believe that the Arbitration Provisions are not enforceable under federal law, the laws of the State of Delaware, the laws of Washington, D.C., or under any other applicable laws or regulations. However, to the extent that one or more of the provisions in our subscription agreement or our operating agreement with respect to the Arbitration Provisions or otherwise requiring you to waive certain rights were to be found by a court to be unenforceable, we would abide by such decision.

Before purchasing units, a potential investor must acknowledge, understand, and agree that: (a) arbitration is final and binding on the parties; (b) the parties are waiving their right to seek remedies in court, including the right to jury trial; (c) pre-arbitration discovery is generally more limited than and potentially different in form and scope from court proceedings; (d) the Arbitration Award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of a ruling by the arbitrators is strictly limited; and (e) the panel of arbitrators may include a minority of persons engaged in the securities industry. The Arbitration Provisions limit the rights of an investor to many legal remedies and rights otherwise available.

Waiver of Section 18-305 Rights

By purchasing units in this offering, investors agree to be bound by the Waiver Provisions contained in our subscription agreement and our operating agreement. Such Waiver Provisions limit the ability of our unitholders to make a request to review and obtain information relating to and maintained by the Company and Fundrise, including, but not limited to, names and contact information of our unitholders, information listed in Section 18-305 of the Delaware Limited Liability Company Act, as amended, and any other information deemed to be confidential by the Manager in its sole discretion. Furthermore, because the Waiver Provision is contained in our operating agreement, such Waiver Provision will also apply to any purchasers of units in a secondary transaction.

Through the Company's required disclosures, periodic reports and obligation to provide annual reports and tax information to its unitholders, much of the information listed in Section 18-305 of the Delaware Limited Liability Company Act will be available to unitholders notwithstanding the Waiver Provisions. While the intent of such Waiver Provisions is to protect your personally identifiable information from being disclosed pursuant to Section 18-305, by agreeing to be subject to the Waiver Provisions, you are severely limiting your right to seek access to the personally identifiable information of other unitholders, such as names, addresses and other information about unitholders and the Company that the Manager deems to be confidential. As a result, the Waiver Provisions could impede your ability to communicate with other unitholders, and such provisions, on their own, or together with the effect of the Arbitration Provisions, may impede your ability to bring or sustain claims against the Company, including under applicable securities laws.

Based on discussions with and research performed by the Company's counsel, we believe that the Waiver Provisions are enforceable under federal law, the laws of the State of Delaware, the laws of Washington, D.C., or under any other applicable laws or regulations. However, to the extent that one or more of the provisions in our subscription agreement with respect to the Waiver Provisions were to be found by a court to be unenforceable, we would abide by such decision.

BY AGREEING TO BE SUBJECT TO THE WAIVER PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

APPENDIX A

FORM OF SUBSCRIPTION AGREEMENT
FOR ACCREDITED INVESTORS

FUNDRISE OPPORTUNISTIC CREDIT FUND II, LLC
A DELAWARE LIMITED LIABILITY COMPANY

This is a Subscription for Common
Units of
Fundrise Opportunistic Credit Fund II, LLC ("***Fundrise***")

THIS SUBSCRIPTION AGREEMENT (this "***Agreement***" or this "***Subscription***") is made and entered into as of _____, by and between the undersigned (the "***Subscriber***", "***Investor***", "***undersigned***", or "***you***") and **Fundrise Opportunistic Credit Fund II, LLC**, a Delaware limited liability company ("***Fundrise***", "***we***", "***us***", "***our***", or the "***Company***"), with reference to the facts set forth below.

WHEREAS, subject to the terms and conditions of this Agreement, the Subscriber wishes to irrevocably subscribe for and purchase (subject to acceptance of such subscription by Fundrise) certain Common Units (the "***Common Units***"), as set forth in Section 1 and on the signature page hereto, offered pursuant to the most recent PPM of Fundrise (the "***PPM***") qualified by the Securities and Exchange Commission (the "***SEC***").

NOW, THEREFORE, in order to implement the foregoing and in consideration of the mutual representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

NOTICE REGARDING AGREEMENT TO ARBITRATE

ALL INVESTORS ARE REQUIRED TO ARBITRATE ANY DISPUTE ARISING OUT OF THEIR INVESTMENT IN THE COMPANY. ALL INVESTORS FURTHER AGREE THAT THE ARBITRATION WILL BE BINDING AND HELD IN THE STATE OF VIRGINIA, IN THE WASHINGTON, D.C. METROPOLITAN AREA. EACH INVESTOR ALSO AGREES TO WAIVE ANY RIGHTS TO A JURY TRIAL. OUT OF STATE ARBITRATION MAY FORCE AN INVESTOR TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. OUT OF STATE ARBITRATION MAY ALSO COST AN INVESTOR MORE TO ARBITRATE A SETTLEMENT OF A DISPUTE.

THESE DISPUTE RESOLUTION PROVISIONS APPLY IN ANY LITIGATION RELATING TO THIS SUBSCRIPTION AGREEMENT, OUR COMMON UNITS OR THE COMPANY, INCLUDING CLAIMS UNDER THE U.S. FEDERAL SECURITIES LAWS.

BY AGREEING TO BE SUBJECT TO THE ARBITRATION PROVISION CONTAINED IN OUR SUBSCRIPTION AGREEMENT (WHICH IS ALSO INCLUDED IN OUR OPERATING AGREEMENT), INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

NOTICE REGARDING WAIVER OF SECTION 18-305 RIGHTS

BY AGREEING TO BE SUBJECT TO THE WAIVER PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE FUNDRISE'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

1. *Subscription for and Purchase of the Common Units.*

1.1 Subject to the express terms and conditions of this Agreement, the Subscriber hereby irrevocably subscribes for and agrees to purchase the Common Units (the "***Purchase***") in the amount of the purchase price (the "***Purchase Price***") set forth on the signature page to this Agreement.

1.2 Unless subscribing pursuant to a plan established by Fundrise Advisors, LLC (our "***Manager***"), the Subscriber must initially purchase at least $50,000 worth of Common Units in this offering, unless the Manager has waived the minimum investment amount or the Subscriber is subscribing pursuant to a plan established by our Manager. If you have

satisfied the applicable minimum purchase requirement, any additional purchase must be in amounts of at least $10,000 (rounded up to the price for the nearest number of whole units).

1.3 The offering of Common Units is described in the PPM, that is available through the online website platform www.fundrise.com (the "***Site***"), which is owned and operated by Fundrise, LLC, an affiliated entity of Fundrise. Please read this Agreement, the PPM, and Fundrise's Operating Agreement (the "***Operating Agreement***"). While they are subject to change, as described below, Fundrise advises you to print and retain a copy of these documents for your records. By signing electronically below, you agree to the following terms together with the Terms and Conditions and the Terms of Use, consent to Fundrise, LLC's Privacy Policy, and agree to transact business with us and to receive communications relating to the Common Units electronically.

1.4 Fundrise has the right to reject this Subscription in whole or in part for any reason. The Subscriber may not cancel, terminate or revoke this Agreement, which, in the case of an individual, shall survive his death or disability and shall be binding upon the Subscriber, his heirs, trustees, beneficiaries, executors, personal or legal administrators or representatives, successors, transferees and assigns.

1.5 Once the Subscriber makes a funding commitment to purchase Common Units, it is irrevocable until the Common Units are issued, the Purchase is rejected by Fundrise, or Fundrise otherwise determines not to consummate the transaction.

1.6 The undersigned has received and read a copy of the Fundrise's Operating Agreement and agrees that its execution of this Subscription Agreement constitutes its consent to such Operating Agreement, and, that upon acceptance of this Subscription Agreement by Fundrise, the undersigned will become a member of Fundrise as a holder of Common Units. When this Subscription Agreement is countersigned by the Company, the Operating Agreement shall be binding upon the undersigned as of the settlement date.

1.7 The undersigned has carefully reviewed the arbitration notice set forth on the first page of this Agreement, Section 13 of this Agreement, and the arbitration risk factor disclosures of the PPM. The undersigned hereby acknowledges, understands, and agrees that: (a) arbitration is final and binding on the parties; (b) the parties are waiving their right to seek remedies in court, including the right to jury trial; (c) pre-arbitration discovery is generally more limited than and potentially different in form and scope from court proceedings; (d) the Arbitration Award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of a ruling by the arbitrators is strictly limited; and (e) the panel of arbitrators may include a minority of persons engaged in the securities industry. Such arbitration provision limits the rights of an investor to some legal remedies and rights otherwise available.

2. *Purchase of the Common Units.*

2.1 The Subscriber understands that the Purchase Price is payable with the execution and submission of this Agreement, and accordingly, is submitting herewith to Fundrise the Purchase Price as agreed to by Fundrise on the Site.

2.2 If Fundrise returns the Subscriber's Purchase Price to the Subscriber, Fundrise will not pay any interest to the Subscriber.

2.3 If this Subscription is accepted by Fundrise, the Subscriber agrees to comply fully with the terms of this Agreement, the Common Units and all other applicable documents or instruments of Fundrise, including the Operating Agreement. The Subscriber further agrees to execute any other necessary documents or instruments in connection with this Subscription and the Subscriber's purchase of the Common Units.

2.4 In the event that this Subscription is rejected in full or the offering is terminated, payment made by the Subscriber to Fundrise for the Common Units shall be refunded to the Subscriber without interest and without deduction, and all of the obligations of the Subscriber hereunder shall terminate. To the extent that this Subscription is rejected in part, Fundrise shall refund to the Subscriber any payment made by the Subscriber to Fundrise with respect to the rejected portion of this Subscription without interest and without deduction, and all of the obligations of Subscriber hereunder shall remain in full force and effect except for those obligations with respect to the rejected portion of this Subscription, which shall terminate.

2.5 To the extent that the funds are not ultimately received by Fundrise or are subsequently withdrawn by the Subscriber, whether due to an ACH chargeback or otherwise, the Subscription Agreement will be considered terminated, and the Subscriber shall not be entitled to any units subscribed for or distributions that may have accrued.

3. *Investment Representations and Warranties of the Subscriber.* The Subscriber represents and warrants to Fundrise the following:

3.1 The information that the Subscriber has furnished herein, including (without limitation) the information furnished by the Subscriber to Fundrise, LLC, an affiliate of Fundrise, upon signing up for the Site regarding whether Subscriber qualifies as an "accredited investor" as that term is defined in Rule 501 under Regulation D promulgated under the Securities Act of 1933, as amended (the "***Act***"), is correct and complete as of the date of this Agreement and will be correct and complete on the date, if any, that Fundrise accepts this subscription. Further, the Subscriber shall immediately notify Fundrise of any change in any statement made herein prior to the Subscriber's receipt of Fundrise's acceptance of this Subscription, including, without limitation, Subscriber's status as an "accredited investor". The representations and warranties made by the Subscriber may be fully relied upon by Fundrise and by any investigating party relying on them.

3.2 The Subscriber, if an entity, is, and shall at all times while it holds Common Units remain, duly organized, validly existing and in good standing under the laws of the state or other jurisdiction of the United States of America of its incorporation or organization, having full power and authority to own its properties and to carry on its business as conducted. The Subscriber, if a natural person, is eighteen (18) years of age or older, competent to enter into a contractual obligation, and a citizen or resident of the United States of America. The principal place of business or principal residence of the Subscriber is as shown on the signature page of this Agreement.

3.3 The Subscriber has the requisite power and authority to deliver this Agreement, perform his, her or its obligations set forth herein, and consummate the transactions contemplated hereby. The Subscriber has duly executed and delivered this Agreement and has obtained the necessary authorization to execute and deliver this Agreement and to perform his, her or its obligations herein and to consummate the transactions contemplated hereby. This Agreement, assuming the due execution and delivery hereof by Fundrise, is a legal, valid and binding obligation of the Subscriber enforceable against the Subscriber in accordance with its terms.

3.4 At no time has it been expressly or implicitly represented, guaranteed or warranted to the Subscriber by Fundrise or any other person that:

a. A percentage of profit and/or amount or type of gain or other consideration will be realized as a result of this investment; or

b. The past performance or experience on the part of Fundrise and/or its officers or directors does not in any way indicate the predictable or probable results of the ownership of the Common Units or the overall Fundrise venture.

3.5 The Subscriber has received this Agreement, the PPM and the Operating Agreement. The Subscriber and/or the Subscriber's advisors, who are not affiliated with and not compensated directly or indirectly by Fundrise or an affiliate thereof, have such knowledge and experience in business and financial matters as will enable them to utilize the information which they have received in connection with Fundrise and its business to evaluate the merits and risks of an investment, to make an informed investment decision and to protect Subscriber's own interests in connection with the Purchase.

3.6 The Subscriber understands that the Common Units being purchased are a speculative investment which involves a substantial degree of risk of loss of the Subscriber's entire investment in the Common Units, and the Subscriber understands and is fully cognizant of the risk factors related to the purchase of the Common Units. The Subscriber has read, reviewed and understood the risk factors set forth in the PPM.

3.7 The Subscriber understands that any forecasts or predictions as to Fundrise's performance are based on estimates, assumptions and forecasts that Fundrise believes to be reasonable but that may prove to be materially incorrect, and no assurance is given that actual results will correspond with the results contemplated by the various forecasts.

3.8 The Subscriber is able to bear the economic risk of this investment and, without limiting the generality of the foregoing, is able to hold this investment for an indefinite period of time. The Subscriber has adequate means to provide for the Subscriber's current needs and personal contingencies and has a sufficient net worth to sustain the loss of the Subscriber's entire investment in Fundrise.

3.9 [Reserved]

3.10 The Subscriber has had an opportunity to ask questions of Fundrise or anyone acting on its behalf and to receive answers concerning the terms of this Agreement and the Common Units, as well as about Fundrise and its business

generally, and to obtain any additional information that Fundrise possesses or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of the information contained in this Agreement. Further, all such questions have been answered to the full satisfaction of the Subscriber.

3.11 The Subscriber agrees to provide any additional documentation Fundrise may reasonably request, including documentation as may be required by Fundrise to form a reasonable basis that the Subscriber qualifies as an "accredited investor" as that term is defined in Rule 501 under Regulation D promulgated under the Act, or as may be required by the securities administrators or regulators of any state, to confirm that the Subscriber meets any applicable minimum financial suitability standards and has satisfied any applicable maximum investment limits.

3.12 The Subscriber understands that no state or federal authority has scrutinized this Agreement or the Common Units offered pursuant hereto, has made any finding or determination relating to the fairness for investment of the Common Units, or has recommended or endorsed the Common Units, and that the Common Units have not been registered or qualified under the Act or any state securities laws, in reliance upon exemptions from registration thereunder.

3.13 The Subscriber understands that Fundrise has not been registered under the Investment Company Act of 1940. In addition, the Subscriber understands that Fundrise is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "***Advisers Act***"), although Fundrise's manager, Fundrise Advisors, LLC, is registered as an investment adviser under the Advisers Act.

3.14 The Subscriber is subscribing for and purchasing the Common Units without being furnished any offering literature, other than the PPM, the Operating Agreement and this Agreement, and such other related documents, agreements or instruments as may be attached to the foregoing documents as exhibits or supplements thereto, or as the Subscriber has otherwise requested from Fundrise in writing, and without receiving any representations or warranties from Fundrise or its agents and representatives other than the representations and warranties contained in said documents, and is making this investment decision solely in reliance upon the information contained in said documents and upon any investigation made by the Subscriber or Subscriber's advisors.

3.15 The Subscriber's true and correct full legal name, address of residence (or, if an entity, principal place of business), phone number, electronic mail address, United States taxpayer identification number, if any, and other contact information are accurately provided on signature page hereto. The Subscriber is currently a bona fide resident of the state or jurisdiction set forth in the current address provided to Fundrise. The Subscriber has no present intention of becoming a resident of any other state or jurisdiction.

3.16 The Subscriber is subscribing for and purchasing the Common Units solely for the Subscriber's own account, for investment purposes only, and not with a view toward or in connection with resale, distribution (other than to its shareholders or members, if any), subdivision or fractionalization thereof. The Subscriber has no agreement or other arrangement, formal or informal, with any person or entity to sell, transfer or pledge any part of the Common Units, or which would guarantee the Subscriber any profit, or insure against any loss with respect to the Common Units, and the Subscriber has no plans to enter into any such agreement or arrangement.

3.17 The Subscriber represents and warrants that the execution and delivery of this Agreement, the consummation of the transactions contemplated thereby and hereby and the performance of the obligations thereunder and hereunder will not conflict with or result in any violation of or default under any provision of any other agreement or instrument to which the Subscriber is a party or any license, permit, franchise, judgment, order, writ or decree, or any statute, rule or regulation, applicable to the Subscriber. The Subscriber confirms that the consummation of the transactions envisioned herein, including, but not limited to, the Subscriber's Purchase, will not violate any foreign law and that such transactions are lawful in the Subscriber's country of citizenship and residence.

3.18 Fundrise's intent is to comply with all applicable federal, state and local laws designed to combat money laundering and similar illegal activities, including the provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "***PATRIOT Act***").

For purposes of this Section 3.18, the following terms shall have the meanings described below:

"***Close Associate of a Senior Foreign Political Figure***" shall mean a person who is widely and publicly known internationally to maintain an unusually close relationship with the Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure;

"***Foreign Shell Bank***" shall mean a Foreign Bank without a presence in any country;

"***Foreign Bank***" shall mean an organization that (i) is organized under the laws of a foreign country, (ii) engages in the business of banking, (iii) is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or principal banking operations, (iv) receives deposits to a substantial extent in the regular course of its business, and (v) has the power to accept demand deposits, but does not include the U.S. branches or agencies of a foreign bank;

"***Non-Cooperative Jurisdiction***" shall mean any foreign country that has been designated as noncooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Task Force on Money Laundering, of which the U.S. is a member and with which designation the U.S. representative to the group or organization continues to concur;

"***Prohibited Investor***" shall mean a person or entity whose name appears on (i) the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (ii) other lists of prohibited persons and entities as may be mandated by applicable law or regulation; or (iii) such other lists of prohibited persons and entities as may be provided to Fundrise in connection therewith;

"***Related Person***" shall mean, with respect to any entity, any interest holder, director, senior officer, trustee, beneficiary or grantor of such entity; provided that in the case of an entity that is a publicly traded company or a tax qualified pension or retirement plan in which at least 100 employees participate that is maintained by an employer that is organized in the U.S. or is a U.S. government entity, the term "Related Person" shall exclude any interest holder holding less than 5% of any class of securities of such publicly traded company and beneficiaries of such plan;

"***Senior Foreign Political Figure***" shall mean a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a Senior Foreign Political Figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a Senior Foreign Political Figure.

Subscriber hereby represents, covenants, and agrees that, to the best of Subscriber's knowledge based on reasonable investigation:

(a) None of the Subscriber's funds tendered for the Purchase Price (whether payable in cash or otherwise) shall be derived from money laundering or similar activities deemed illegal under federal laws and regulations.

(b) To the extent within the Subscriber's control, none of the Subscriber's funds tendered for the Purchase Price will cause Fundrise or any of its personnel or affiliates to be in violation of federal anti-money laundering laws, including (without limitation) the Bank Secrecy Act (31 U.S.C. 5311 et seq.), the United States Money Laundering Control Act of 1986 or the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, and/or any regulations promulgated thereunder.

(c) When requested by Fundrise, the Subscriber will provide any and all additional information, and the Subscriber understands and agrees that Fundrise may release confidential information about the Subscriber and, if applicable, any underlying beneficial owner or Related Person to U.S. regulators and law enforcement authorities, deemed reasonably necessary to ensure compliance with all applicable laws and regulations concerning money laundering and similar activities. Fundrise reserves the right to request any information as is necessary to verify the identity of the Subscriber and the source of any payment to Fundrise. In the event of delay or failure by the Subscriber to produce any information required for verification purposes, the subscription by the Subscriber may be refused.

(d) Neither the Subscriber, nor any person or entity controlled by, controlling or under common control with the Subscriber, any of the Subscriber's beneficial owners, any person for whom the Subscriber is acting as agent or nominee in connection with this investment nor, in the case of a Subscriber which is an entity, any Related Person is:

(i) a Prohibited Investor;

(ii) a Senior Foreign Political Figure, any member of a Senior Foreign Political Figure's "immediate family", which includes the figure's parents, siblings, spouse, children and in-laws, or any Close Associate of a Senior Foreign Political Figure, or a person or entity resident in, or organized or chartered under, the laws of a Non-Cooperative Jurisdiction;

(iii) a person or entity resident in, or organized or chartered under, the laws of a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns; or Bank without a physical presence in any country, but does not include a regulated affiliate;

(iv) a person or entity who gives Subscriber reason to believe that its funds originate from, or will be or have been routed through, an account maintained at a Foreign Shell Bank, an "offshore bank", or a bank organized or chartered under the laws of a Non-Cooperative Jurisdiction.

(e) The Subscriber hereby agrees to immediately notify Fundrise if the Subscriber knows, or has reason to suspect, that any of the representations in this Section 3.18 have become incorrect or if there is any change in the information affecting these representations and covenants.

(f) The Subscriber agrees that, if at any time it is discovered that any of the foregoing anti-money laundering representations are incorrect, or if otherwise required by applicable laws or regulations, Fundrise may undertake appropriate actions, and the Subscriber agrees to cooperate with such actions, to ensure compliance with such laws or regulations, including, but not limited to segregation and/or redemption of the Subscriber's interest in the Common Units.

3.19 The Subscriber represents and warrants that the Subscriber is either:

(a) Purchasing the Common Units with funds that constitute the assets one or more of the following:

(i) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), that is subject to Title I of ERISA;

(ii) an "employee benefit plan" as defined in Section 3(3) of ERISA that is not subject to either Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (including a governmental plan, non-electing church plan or foreign plan). The Subscriber hereby represents and warrants that (a) its investment in Fundrise: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws, and (b) neither Fundrise nor any person who manages the assets of Fundrise will be subject to any laws, rules or regulations applicable to such Subscriber solely as a result of the investment in Fundrise by such Subscriber;

(iii) a plan that is subject to Section 4975 of the Code (including an individual retirement account);

(iv) an entity (including, if applicable, an insurance company general account) whose underlying assets include "plan assets" of one or more "employee benefit plans" that are subject to Title I of ERISA or "plans" that are subject to Section 4975 of the Code by reason of the investment in such entity, directly or indirectly, by such employee benefit plans or plans; or

(v) an entity that (a) is a group trust within the meaning of Revenue Ruling 81-100, a common or collective trust fund of a bank or an insurance company separate account and (b) is subject to Title I of ERISA, Section 4975 of the Code or both.

(b) Not purchasing the Common Units with funds that constitute the assets of any of the entities or plans described in Section 3.19(a)(i) through 3.19(a)(v) above.

3.20 The Subscriber further represents and warrants that neither Subscriber nor any of its affiliates (a) have discretionary authority or control with respect to the assets of Fundrise or (b) provide investment advice for a fee (direct or indirect) with respect to the assets of Fundrise. For this purpose, an "affiliate" includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person and "control" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person.

3.21 The Subscriber confirms that the Subscriber has been advised to consult with the Subscriber's independent attorney regarding legal matters concerning Fundrise and to consult with independent tax advisers regarding the tax

consequences of investing through Fundrise. The Subscriber acknowledges that Subscriber understands that any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through adoption of new laws or regulations or amendments to existing laws or regulations. The Subscriber acknowledges and agrees that Fundrise is providing no warranty or assurance regarding the ultimate availability of any tax benefits to the Subscriber by reason of the Purchase.

3.22 The Subscriber hereby (i) consents to his, her or its inclusion in composite returns filed by Fundrise on its behalf to the extent such Subscriber is eligible to participate in such composite return and such consent pursuant to this Agreement is effective for such purpose and (ii) agrees to cooperate with Fundrise as reasonably necessary in connection with any such composite return filing.

4. *Ownership Limitation*. The Subscriber acknowledges and agrees that, pursuant to the terms of the operating agreement, the Subscriber generally cannot own, or be deemed to own by virtue of certain attribution provisions of the Internal Revenue Code of 1986, as amended (the "***Code***"), and as set forth in the operating agreement, either more than 9.8% in value or in number of our Common Units, whichever is more restrictive, or more than 9.8% in value or in number of our units, whichever is more restrictive. The Operating Agreement will include additional restrictions on ownership, including ownership that would result in (i) us being "closely held" within the meaning of Section 856(h) of the Code, (ii) us failing to qualify as a REIT or (iii) our units being beneficially owned by fewer than 100 persons (as determined under Section 856(a)(5) of the Code). The Subscriber also acknowledges and agrees that, pursuant to the terms of the Operating Agreement, the Subscriber's ownership of our Common Units cannot cause any other person to violate the foregoing limitations on ownership.

5. *Tax Forms*. The Subscriber will also need to complete an IRS Form W-9 or the appropriate Form W-8 (and any accompanying required documentation), which should be returned directly to us via the Fundrise Platform. The Subscriber certifies that the information contained in the executed copy (or copies) of IRS Form W-9 or appropriate IRS Form W-8 (and any accompanying required documentation), as applicable, when submitted to us will be true, correct and complete. The Subscriber shall (i) promptly inform us of any change in such information, and (ii) furnish to us a new properly completed and executed form, certificate or attachment, as applicable, as may be required under the Internal Revenue Service instructions to such forms, the Code or any applicable Treasury Regulations or as may be requested from time to time by us.

6. *[Reserved].*

7. *No Advisory Relationship*. You acknowledge and agree that the purchase and sale of the Common Units pursuant to this Agreement is an arms-length transaction between you and Fundrise. In connection with the purchase and sale of the Common Units, Fundrise is not acting as your agent or fiduciary. Fundrise assumes no advisory or fiduciary responsibility in your favor in connection with the Common Units or the corresponding project investments. Fundrise has not provided you with any legal, accounting, regulatory or tax advice with respect to the Common Units, and you have consulted your own respective legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate.

8. *Bankruptcy*. In the event that you file or enter bankruptcy, insolvency or other similar proceeding, you agree to use the best efforts possible to avoid Fundrise being named as a party or otherwise involved in the bankruptcy proceeding. Furthermore, this Agreement should be interpreted so as to prevent, to the maximum extent permitted by applicable law, any bankruptcy trustee, receiver or debtor-in-possession from asserting, requiring or seeking that (i) you be allowed by Fundrise to return the Common Units to Fundrise for a refund or (ii) Fundrise be mandated or ordered to redeem or withdraw Common Units held or owned by you.

9. *Miscellaneous Provisions*.

9.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without regard to the conflicts of laws principles thereof).

9.2 All notices and communications to be given or otherwise made to the Subscriber shall be deemed to be sufficient if sent by electronic mail to such address as set forth for the Subscriber at the records of Fundrise (or that you submitted to us via the Site). You shall send all notices or other communications required to be given hereunder to Fundrise via email at investments@fundrise.com (with a copy to be sent concurrently via prepaid certified mail to: Fundrise Opportunistic Credit Fund II, LLC, 11 Dupont Circle NW, 9th FL, Washington, DC 20036, Attention: Investor Relations).

Any such notice or communication shall be deemed to have been delivered and received on the first business day following that on which the electronic mail has been sent (assuming that there is no error in delivery). As used in this Section, "business day" shall mean any day other than a day on which banking institutions in the State of Delaware are legally closed for business.

9.3 This Agreement, or the rights, obligations or interests of the Subscriber hereunder, may not be assigned, transferred or delegated without the prior written consent of Fundrise. Any such assignment, transfer or delegation in violation of this section shall be null and void.

9.4 The parties agree to execute and deliver such further documents and information as may be reasonably required in order to effectuate the purposes of this Agreement.

9.5 Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of each of the parties hereto.

9.6 If one or more provisions of this Agreement are held to be unenforceable under applicable law, rule or regulation, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

9.7 In the event that either party hereto commences any suit, action or other proceeding to interpret this Agreement, or determines to enforce any right or obligation created hereby, then such party, if it prevails in such action, shall recover its reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorney's fees and expenses and costs of appeal, if any.

9.8 This Agreement (including the exhibits and schedules attached hereto) and the documents referred to herein (including without limitation the Common Units) constitute the entire agreement among the parties and shall constitute the sole documents setting forth terms and conditions of the Subscriber's contractual relationship with Fundrise with regard to the matters set forth herein. This Agreement supersedes any and all prior or contemporaneous communications, whether oral, written or electronic, between us.

9.9 This Agreement may be executed in any number of counterparts, or facsimile counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

9.10 The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. The singular number or masculine gender, as used herein, shall be deemed to include the plural number and the feminine or neuter genders whenever the context so requires.

9.11 The parties acknowledge that there are no third party beneficiaries of this Agreement, except for any affiliates of Fundrise that may be involved in the issuance or servicing of Common Units on Fundrise platform, which the parties expressly agree shall be third party beneficiaries hereof.

10. *Consent to Electronic Delivery*. The Subscriber hereby agrees that Fundrise may deliver all notices, financial statements, valuations, reports, reviews, analyses or other materials, and any and all other documents, information and communications concerning the affairs of Fundrise and its investments, including, without limitation, information about the investment, required or permitted to be provided to the Subscriber under the Common Unit or hereunder by means e-mail or by posting on an electronic message board or by other means of electronic communication. Because Fundrise operates principally on the Internet, you will need to consent to transact business with us online and electronically. As part of doing business with us, therefore, we also need you to consent to our giving you certain disclosures electronically, either via the Site or to the email address you provide to us. By entering into this Agreement, you consent to receive electronically all documents, communications, notices, contracts, and agreements arising from or relating in any way to your or our rights, obligations or services under this Agreement (each, a "***Disclosure***"). The decision to do business with us electronically is yours. This document informs you of your rights concerning Disclosures.

(a) *Scope of Consent.* Your consent to receive Disclosures and transact business electronically, and our agreement to do so, applies to any transactions to which such Disclosures relate.

(b) *Consenting to Do Business Electronically.* Before you decide to do business electronically with us, you should consider whether you have the required hardware and software capabilities described below.

(c) *Hardware and Software Requirements.* In order to access and retain Disclosures electronically, you must satisfy the following computer hardware and software requirements: access to the Internet; an email account and related software capable of receiving email through the Internet; a web browser which is SSL-compliant and supports secure sessions; and hardware capable of running this software.

(d) *How to Contact Us Regarding Electronic Disclosures.* You can contact us via email at investments@fundrise.com. You may also reach us in writing at the following address: Fundrise Opportunistic Credit Fund II, LLC, 11 Dupont Circle NW, 9th FL, Washington, DC 20036, Attention: Investor Support. You agree to keep us informed of any change in your email or home mailing address so that you can continue to receive all Disclosures in a timely fashion. If your registered e-mail address changes, you must notify us of the change by sending an email to investments@fundrise.com. You also agree to update your registered residence address and telephone number on the Site if they change. You will print a copy of this Agreement for your records, and you agree and acknowledge that you can access, receive and retain all Disclosures electronically sent via email or posted on the Site.

11. *Consent to Electronic Delivery of Tax Documents.*

(a) Please read this disclosure about how we will provide certain documents that we are required by the Internal Revenue Service (the "***IRS***") to send to you ("***Tax Documents***") in connection with your Common Units. A Tax Document provides important information you need to complete your tax returns. Tax Documents include Form 1099-DIV. Occasionally, we are required to send you corrected Tax Documents. Additionally, we may include inserts with your Tax Documents. We are required to send Tax Documents to you in writing, which means in paper form. When you consent to electronic delivery of your Tax Documents, you will be consenting to delivery of Tax Documents, including these corrected Tax Documents and inserts, electronically instead of in paper form.

(b) *Agreement to Receive Tax Documents Electronically*. By executing this Agreement on the Fundrise Platform, you are consenting in the affirmative that we may send Tax Documents to you electronically, and acknowledging that you are able to access Tax Documents from the site which are made available under "More" > "Documents" > "Tax Documents". If you subsequently withdraw consent to receive Tax Documents electronically, a paper copy will be provided. Your consent to receive the Tax Documents electronically continues for every tax year until you withdraw your consent.

(c) *How We Will Notify You That a Tax Document is Available*. You will receive an electronic notification via email when your Tax Documents are ready for access on the Site. Your Tax Documents are maintained on the Site through at least October 15 of the applicable tax year, at a minimum, should you ever need to access them again.

(d) *Your Option to Receive Paper Copies*. To obtain a paper copy of your Tax Documents, you can print one by visiting the Fundrise web site. You can also contact us at investments@fundrise.com and request a paper copy.

(e) *Withdrawal of Consent to Receive Electronic Notices*. You can withdraw your consent before the Tax Document is furnished by mailing a letter including your name, mailing address, effective tax year, and indicating your intent to withdraw consent to the electronic delivery of Tax Documents to:

Fundrise Opportunistic Credit Fund II, LLC
Attention: Investor Support
11 Dupont Circle NW
9th FL
Washington, DC 20036

If you withdraw consent to receive Tax Documents electronically, a paper copy will be provided. Your consent to receive the Tax Documents electronically continues for every tax year until you withdraw your consent.

(f) *Termination of Electronic Delivery of Tax Documents*. We may terminate your request for electronic delivery of Tax Documents without your withdrawal of consent in writing in the following instances:

- You do not have a password for your Fundrise account
- Your Fundrise account is closed
- You were removed from the Fundrise account
- Your role or authority on the Fundrise account changed in a manner that no longer allows you to consent to electronic delivery
- We received three consecutive email notifications that indicate your email address is no longer valid

- We cancel the electronic delivery of Tax Documents

(g) *You Must Keep Your E-mail Address Current With Us*. You must promptly notify us of a change of your email address. If your mailing address, email address, telephone number or other contact information changes, you may also provide updated information by contacting us at investments@fundrise.com.

(h) *Hardware and Software Requirements*. In order to access and retain Tax Documents electronically, you must satisfy the computer hardware and software requirements as set forth above in Section 10(c) of this Agreement. You will also need a printer if you wish to print Tax Documents on paper, and electronic storage if you wish to download and save Tax Documents to your computer.

12. *Limitations on Damages*. IN NO EVENT SHALL FUNDRISE BE LIABLE TO THE SUBSCRIBER FOR ANY LOST PROFITS OR SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SHALL BE INTERPRETED AND HAVE EFFECT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, RULE OR REGULATION.

13. *Arbitration*.

(a) Either party may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 13 (this "***Arbitration Provision***"). The arbitration shall be conducted in the Washington, D.C. metropolitan area. As used in this Arbitration Provision, "***Claim***" shall include any past, present, or future claim, dispute, or controversy involving you (or persons claiming through or connected with you), on the one hand, and the Fundrise Platform (or persons claiming through or connected with the Fundrise Platform), on the other hand, relating to or arising out of this Agreement, the Site, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of sub-section (e) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. This Arbitration Provision applies to claims under the U.S. federal securities laws and to all claims that that are related to the Company, including with respect to this offering, our holdings, the Common Units, our ongoing operations and the management of our investments, among other matters. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

(b) The party initiating arbitration shall do so with the American Arbitration Association (the "***AAA***") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

(c) If we elect arbitration, we shall pay all the administrator's filing costs and administrative fees (other than hearing fees). If you elect arbitration, filing costs and administrative fees (other than hearing fees) shall be paid in accordance with the rules of the administrator selected, or in accordance with countervailing law if contrary to the administrator's rules. We shall pay the administrator's hearing fees for one full day of arbitration hearings. Fees for hearings that exceed one day will be paid by the party requesting the hearing, unless the administrator's rules or applicable law require otherwise, or you request that we pay them and we agree to do so. Each party shall bear the expense of its own attorney's fees, except as otherwise provided by law. If a statute gives you the right to recover any of these fees, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary herein.

(d) Within 30 days of a final award by the arbitrator, a party may appeal the award for reconsideration by a three-arbitrator panel selected according to the rules of the arbitrator administrator. In the event of such an appeal, an opposing party may cross-appeal within 30 days after notice of the appeal. The panel will reconsider de novo all aspects of the initial award that are appealed. Costs and conduct of any appeal shall be governed by this Arbitration Provision and the administrator's rules, in the same way as the initial arbitration proceeding. Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act (the "***FAA***"), and may be entered as a judgment in any court of competent jurisdiction.

(e) We agree not to invoke our right to arbitrate an individual Claim that you may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED

IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

(f) Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (f), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (f) shall be determined exclusively by a court and not by the administrator or any arbitrator.

(g) This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by and enforceable under the FAA. The arbitrator will apply substantive law consistent with the FAA and applicable statutes of limitations. The arbitrator may award damages or other types of relief permitted by applicable substantive law, subject to the limitations set forth in this Arbitration Provision. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court. The arbitrator shall take steps to reasonably protect confidential information.

(h) This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties; (ii) the bankruptcy or insolvency of any party hereto or other party; and (iii) any transfer of any loan or Common Unit or any amounts owed on such loans or notes, to any other party. If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

(i) You also acknowledge that the requirement to arbitrate disputes contained in this Section 13 and the waiver of court and jury rights contained in Section 14 are also in our operating agreement and that subsequent holders of our Common Units will also be subject to such provisions.

(j) BY AGREEING TO BE SUBJECT TO THE ARBITRATION PROVISION CONTAINED IN THIS AGREEMENT, INVESTORS WILL NOT BE DEEMED TO WAIVE THE COMPANY'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

14. *Waiver of Court & Jury Rights.* THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE COMMON UNITS OR ANY OTHER AGREEMENTS RELATED THERETO.

15. *Waiver of Section 18-305 Rights*. By executing this agreement, you expressly and completely waive, to the fullest extent permitted by law, your rights to request to review and obtain information relating to and maintained by Fundrise, including, but not limited to, names and contact information of our members, information listed in Section 18-305 of the Delaware Limited Liability Company Act, as amended, and any other information deemed to be confidential by Fundrise in its sole discretion. In addition, by executing this agreement, you expressly agree not to seek to compel Fundrise to produce any information described in the preceding sentence or pursuant to any statutory scheme or provision. BY AGREEING TO BE SUBJECT TO THE WAIVER PROVISIONS, INVESTORS WILL NOT BE DEEMED TO WAIVE FUNDRISE'S COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

16. *Authority.* By executing this Agreement, you expressly acknowledge that you have reviewed this Agreement and the PPM for this particular subscription.

[Signature page to follow]

IN WITNESS WHEREOF, the Subscriber, or its duly authorized representative(s), hereby acknowledges that it has read and understood the risk factors set forth in the PPM, and has hereby executed and delivered this Agreement, and executed and delivered herewith the Purchase Price, as of the date set forth above.

THE SUBSCRIBER:

_____
Print Name of Subscriber

_____
Description of Entity (if applicable)

_____
Signature of Subscriber

_____
Name of Person Signing on behalf of Subscriber

_____
Title (if applicable)

Address of Subscriber:

_____
_____
_____

Telephone: _____

Email: _____

Number of Common Units Purchased: _____

Purchase
Price: _____

(Signature Page to Subscription Agreement)

AGREED AND ACCEPTED BY

Fundrise Opportunistic Credit Fund II, LLC

By: Fundrise Advisors, LLC,
a Delaware limited liability company
Title:Manager

_____

Name:Benjamin S. Miller
Title: Chief Executive Officer

Fundrise Opportunistic Credit Fund II, LLC
11 Dupont Circle NW, 9th FL
Washington, DC 20036
investments@fundrise.com
(202) 584-0550

(Signature Page to Subscription Agreement)

APPENDIX B

OPERATING AGREEMENT

[See attached]

AMENDED AND RESTATED

OPERATING AGREEMENT

OF

FUNDRISE OPPORTUNISTIC CREDIT FUND II, LLC

Dated as of October 16, 2025

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 1

Section 1.1. Definitions 1
Section 1.2. Construction 6

ARTICLE II ORGANIZATION 6

Section 2.1. Formation 6
Section 2.2. Name 6
Section 2.3. Registered Office; Registered Agent; Principal Office; Other Offices 6
Section 2.4. Purposes 7
Section 2.5. Qualification in Other Jurisdictions 7
Section 2.6. Powers 7
Section 2.7. Power of Attorney 7
Section 2.8. Term 8
Section 2.9. Certificate of Formation 9

ARTICLE III MEMBERS AND UNITS 9

Section 3.1. Members 9
Section 3.2. Authorization to Issue Units 10
Section 3.3. Certificates 11
Section 3.4. Record Holders 12
Section 3.5. Registration and Transfer of Units 12
Section 3.6. Splits and Combinations 13
Section 3.7. ERISA 13
Section 3.8. Agreement 14
Section 3.9. Side Letters 14
Section 3.10. Tender Offers 14

ARTICLE IV DISTRIBUTIONS AND REDEMPTIONS 15

Section 4.1. Distributions to Record Holders 15
Section 4.2. Distributions in Kind 15
Section 4.3. Valuations of In-Kind Distributions 15
Section 4.4. Redemption in Connection with ERISA 15
Section 4.5. Personal Conduct Repurchase Right 16
Section 4.6. Payment of Taxes 16
Section 4.7. Absence of Certain Other Rights 16
Section 4.8. Excess Inclusions.. 16

ARTICLE V MANAGEMENT AND OPERATION OF BUSINESS 17

Section 5.1. Power and Authority of the Manager 17
Section 5.2. Term and Removal of the Manager 20
Section 5.3. Determinations by the Manager 21
Section 5.4. Exculpation, Indemnification, Advances and Insurance 22
Section 5.5. Duties of the Manager and its Officers and Directors 25

Section 5.6. Standards of Conduct and Modification of Duties of the Manager 25
Section 5.7. Outside Activities 26
Section 5.8. Reliance by Third Parties 26
Section 5.9. Certain Conflicts of Interest 26
Section 5.10. Fees and Other Compensation Payable to the Manager or its Affiliates .. 27
Section 5.11. Reimbursement of Expenses 28
Section 5.12. Determination of Net Asset Value 31

ARTICLE VI BOOKS, RECORDS, ACCOUNTING, REPORTS AND TAX MATTERS 32

Section 6.1. Records and Accounting 32
Section 6.2. Fiscal Year 32
Section 6.3. Reports 32
Section 6.4. Tax Matters 32

ARTICLE VII DISSOLUTION, TERMINATION AND LIQUIDATION 33

Section 7.1. Dissolution and Termination 33
Section 7.2. Liquidator 33
Section 7.3. Liquidation of the Company 34
Section 7.4. Cancellation of Certificate of Formation 34
Section 7.5. Return of Contributions 34
Section 7.6. Waiver of Partition 35

ARTICLE VIII AMENDMENT OF AGREEMENT 35

Section 8.1. General 35
Section 8.2. Super-Majority Amendments 35
Section 8.3. Amendments to be Adopted Solely by the Manager 35
Section 8.4. Certain Amendment Requirements 37

ARTICLE IX MERGER, CONSOLIDATION OR CONVERSION 37

Section 9.1. Authority 37
Section 9.2. Procedure for Merger, Consolidation or Conversion 37
Section 9.3. No Dissenters' Rights of Appraisal 38
Section 9.4. Certificate of Merger or Conversion 38
Section 9.5. Effect of Merger 38
Section 9.6. Roll-Up Transaction or Public Listing 39

ARTICLE X MEMBERS' VOTING POWERS AND MEETING 39

Section 10.1. Voting 39
Section 10.2. Voting Powers 39
Section 10.3. Meetings 40
Section 10.4. Record Dates 40
Section 10.5. Quorum and Required Vote 40
Section 10.6. Action by Written Consent 40
Section 10.7. Classes and Series 41

ARTICLE XI GENERAL PROVISIONS 41

Section 11.1. Addresses and Notices 41

Section 11.2. Further Action 41
Section 11.3. Binding Effect 41
Section 11.4. Integration 42
Section 11.5. Creditors 42
Section 11.6. Waiver 42
Section 11.7. Counterparts 42
Section 11.8. Applicable Law 42
Section 11.9. Invalidity of Provisions 42
Section 11.10. Consent of Members 42
Section 11.11. Facsimile and Electronic Signatures 42
Section 11.12. Assignment 42
Section 11.13. Arbitration. 42
Section 11.14. Waiver of Court & Jury Rights 45
Section 11.15. Limitation on Damages 45

ARTICLE XII RESTRICTIONS ON TRANSFER AND OWNERSHIP OF UNITS 45

Section 12.1. Definitions 45
Section 12.2. Ownership Limitations 47
Section 12.3. Remedies for Breach 49
Section 12.4. Notice of Restricted Transfer 49
Section 12.5. Owners Required To Provide Information. 49
Section 12.6. Remedies Not Limited 50
Section 12.7. Ambiguity 50
Section 12.8. Exceptions 50
Section 12.9. Increase or Decrease in Aggregate Ownership Limit 51
Section 12.10. Legend 51
Section 12.11. Transfer of Units in Trust 52
Section 12.12. Enforcement 55
Section 12.13. Non-Waiver 55
Section 12.14. Severability 55

This **AMENDED AND RESTATED OPERATING AGREEMENT** of Fundrise Opportunistic Credit Fund II, LLC, is dated as of October 16, 2025. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in Section 1.1 or Section 12.1.

WHEREAS, the Company was formed under the Delaware Act pursuant to a certificate of formation filed with the Secretary of State of the State of Delaware on September 17, 2025, (the "**Certificate of Formation**") and a Limited Liability Company Agreement, dated as of September 19, 2025 (the "**Original Operating Agreement**"); and

WHEREAS, the Manager has authorized and approved an amendment and restatement of the Original Operating Agreement on the terms set forth herein.

NOW THEREFORE, the Original Operating Agreement of the Company is hereby amended and restated to read in its entirety as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Certain terms used in Article XII of this Agreement are defined in that Article. In addition, the following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"**Additional Member**" means a Person admitted as a Member of the Company as a result of an issuance of Units to such Person by the Company.

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person in question. As used herein, the term "**Control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" means this Amended and Restated Operating Agreement of Fundrise Opportunistic Credit Fund II, LLC, as it may be amended, modified, supplemented or restated from time to time.

"**Business Day**" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the District of Columbia shall not be regarded as a Business Day.

"**Capital Contribution**" means with respect to any Member, the amount of cash and the initial gross fair market value (as determined by the Manager in its good faith discretion) of any other property contributed or deemed contributed to the capital of the Company by or on behalf of such Member, reduced by the amount of any liability assumed by the Company relating to such property and any liability to which such property is subject.

"**Certificate**" means a certificate in such form as may be adopted by the Manager and issued by the Company, evidencing ownership of one or more Units.

"**Certificate of Formation**" has the meaning set forth in the recitals to this Agreement, as such Certificate of Formation may be amended, supplemented or restated from time to time.

"**Code**" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Units**" means any Units of the Company that are not Preferred Units.

"**Company**" means Fundrise Opportunistic Credit Fund II, LLC, a Delaware limited liability company, and any successors thereto.

"**Conflict of Interest**" means (i) any matter that the Manager believes may involve a conflict of interest that is not otherwise addressed by the Company's conflicts of interest policy, or (ii) any transaction that is deemed to be a Principal Transaction.

"**Delaware Act**" means the Delaware Limited Liability Company Act, 6 Del. C. Section 18-101, *et seq.*, as amended, supplemented or restated from time to time, and any successor to such statute.

"**DGCL**" means the Delaware General Corporation Law, 8 Del. C. Section 101, *et seq.*, as amended, supplemented or restated from time to time, and any successor to such statute.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**ERISA Member**" means each Member any of the assets of which are subject to Title I of ERISA and/or Section 4975 of the Code or any regulations promulgated thereunder.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"**Expenses and Liabilities**" has the meaning assigned to such term in Section 5.4(a).

"**Fundrise Platform**" means the online investment platform located at www.fundrise.com, which is owned and operated by Fundrise, LLC, an affiliate of the Sponsor.

"**Governmental Entity**" means any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

"**Gross Receipts**" means unit rents, furniture or equipment rental, parking, forfeited security deposits applied to rental payments, late charges, judgments or awards (net of litigation costs) collected in the enforcement of any lease, income from coin-operated machines, proceeds from rental interruption insurance, application fees, and other miscellaneous income collected at the property, but excludes all other receipts, including but not limited to, security deposits (other than forfeited deposits applied to rent), interest earned on property accounts, proceeds of claims on account of insurance policies (other than rental interruption insurance), abatement of taxes, and awards arising out of takings by eminent domain, discounts and dividends on insurance policies and bonus payments by service providers for installation of services or equipment (such as cable television or laundry machines).

"**Indemnified Person**" means (a) any Person who is or was an officer of the Company, (b) the Manager, together with its officers, directors, members and managers, (c) the Sponsor, together with its officers, directors, shareholders and Affiliates, (d) any Person who is or was serving at the request of the Company as an officer, director, member, manager, partner, "partnership representative," designated individual," fiduciary or trustee of another Person (including any Subsidiary); *provided*, that a Person shall not be an Indemnified Person by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, and (e) any Person the Manager designates as an "Indemnified Person" for purposes of this Agreement.

"**Independent Representative**" means an independent representative appointed by the Manager to review and approve certain transactions involving a Conflict of Interest in order to protect the interests of the Company and the Members.

"**Initial Member**" means Rise Companies Corp., a Delaware corporation.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"**Liquidator**" means one or more Persons selected by the Manager to perform the functions described in Section 7.2 as liquidating trustee of the Company, as applicable, within the meaning of the Delaware Act.

"**Manager**" means Fundrise Advisors, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Sponsor.

"**Market Price**" means, with respect to the Common Units on a particular date, $10.00 per Common Unit, unless adjusted by the Manager in its sole discretion and disclosed by the Company on the Company's website.

"**Member**" means each member of the Company, including, unless the context otherwise requires, the Initial Member, each Substitute Member and each Additional Member.

"**Merger Agreement**" has the meaning assigned to such term in Section 9.1.

"**NAV**" has the meaning assigned to such term in Section 5.12.

"**Non-Compliant Tender Offer**" has the meaning assigned to such term in Section 3.10.

"**Offering**" has the meaning assigned to such term in Section 5.1(b).

"**Offering Document**" means, with respect to any class or series of Units, the prospectus, offering circular, offering memorandum, private placement memorandum or other offering document related to the initial offering of such Units, approved by the Manager.

"**Opinion of Counsel**" means a written opinion of counsel (who may be regular counsel to the Company or any of its Affiliates) acceptable to the Manager.

"**Original Operating Agreement**" has the meaning set forth in the recitals to this Agreement.

"**Outstanding**" means, with respect to Units, all Units that are issued by the Company and reflected as Outstanding on the Company's books and records as of the date of determination.

"**Percentage Interest**" means, with respect to any Member, the ratio that the number of Common Units owned by such Member bears to the aggregate Common Units Outstanding.

"**Person**" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, Governmental Entity or other entity.

"**Plan Governing Law**" means any of (a) Title I of ERISA, (b) Section 4975 of the Code or (c) the provisions of any state, local, non-U.S. or other federal law or regulations applicable to an "employee benefit plan," as defined in Section 3(3) of ERISA, that is not subject to Title I of ERISA (including non-U.S. employee benefit plans and government plans) that are similar to the provisions contained in Title I of ERISA and/or Section 4975 of the Code, but only if the provisions of any such other law or regulation could reasonably be construed to provide that all or a portion of the assets of the Company could be deemed to constitute the assets of such employee benefit plan under such law or regulation by reason of the (direct or indirect) investment by such employee benefit plan in the Company.

"**Plan Member**" means each Member any of the assets of which are subject to any Plan Governing Law.

"**Plan of Conversion**" has the meaning assigned to such term in Section 9.1.

"**Preferred Units**" means a class of Units of the Company that entitles the Record Holders thereof to a preference or priority over the Record Holders of any other class of Units of the Company in (i) the right to share profits or losses or items thereof, (ii) the right to share in distributions, or (iii) rights upon termination or liquidation of the Company (including in connection with the dissolution or liquidation of the Company). "Preferred Units" shall not include Common Units.

"**Principal Transaction**" means any transaction between the Sponsor, the Manager or any of their respective Affiliates, on the one hand, and the Company or one of its Subsidiaries, on the other hand.

"**Record Date**" means the date established by the Manager, in its discretion, for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Members or entitled to exercise rights in respect of any lawful action of Members or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"**Record Holder**" or "**holder**" means with respect to any Units, the Person in whose name such Units are registered on the books of the Company (or on the books of any Transfer Agent, if applicable) as of the opening of business on a particular Business Day.

"**REIT**" means a real estate investment trust within the meaning of Section 856 through 860 of the Code.

"**Roll-Up Transaction**" has the meaning assigned to such term in Section 9.6(a).

"**Securities Act**" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"**Side Letter**" has the meaning assigned to such term in Section 3.9.

"**Sponsor**" means Rise Companies Corp., a Delaware corporation.

"**Subsidiary**" means, with respect to any Person or the Company, as of any date of determination, any other Person as to which such Person or the Company owns or otherwise controls, directly or indirectly, more than 50% of the voting shares or other similar interests or a sole general partner interest or managing member or similar interest of such Person.

"**Substitute Member**" means a Person who is admitted as a Member of the Company as a result of a transfer of Units to such Person.

"**Surviving Business Entity**" has the meaning assigned to such term in Section 9.2(a)(ii).

"**Tendered Shares**" has the meaning assigned to such term in Section 3.10.

"**transfer**" means, with respect to a Unit, a transaction by which the Record Holder of a Unit assigns such Unit to another Person who is or becomes a Member, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage; *provided*, *however*, that, solely for purposes of Article XII, the term "**Transfer**" shall have the meaning specified in Section 12.1.

"**Transfer Agent**" means, with respect to any class of Units, such bank, trust company or other Person (including the Company or one of its Affiliates) as shall be appointed from time to

time by the Company to act as registrar and transfer agent for such class of Units; *provided* that if no Transfer Agent is specifically designated for such class of Units, the Company shall act in such capacity.

"**Unit**" means a unit of the Company issued by the Company that evidences a Member's rights, powers and duties with respect to the Company pursuant to this Agreement and the Delaware Act. Units may Common Units or Preferred Units, and be issued in different classes or series.

"**Unit Designation**" has the meaning assigned to such term in Section 3.2(b).

"**U.S. GAAP**" means United States generally accepted accounting principles consistently applied.

Section 1.2. Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; and (c) the term "**include**" or "**includes**" means includes, without limitation, and "**including**" means including, without limitation.

ARTICLE II

ORGANIZATION

Section 2.1. Formation. The Company has been formed as a limited liability company pursuant to the provisions of the Delaware Act.

Except as expressly provided to the contrary in this Agreement, the rights, duties, liabilities and obligations of the Members and the administration, dissolution and termination of the Company shall be governed by the Delaware Act. All Units shall constitute personal property of the owner thereof for all purposes and a Member has no interest in specific Company property.

Section 2.2. Name. The name of the Company shall be "Fundrise Opportunistic Credit Fund II, LLC". The words "Limited Liability Company", "LLC", or similar words or letters shall be included in the Company's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The business of the Company may be conducted under any other name or names, as determined by the Manager. The Manager may change the name of the Company at any time and from time to time and shall notify the Members of such change in the next regular communication to the Members.

Section 2.3. Registered Office; Registered Agent; Principal Office; Other Offices. Unless and until changed by the Manager, the address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the name of its registered agent at such address is The Corporation Trust Company. The principal office of the Company shall be located at 11 Dupont Circle NW 9th FL, Washington,

D.C. 20036 or such other place as the Manager may from time to time designate by notice to the Members. The Company may maintain offices at such other place or places within or outside the State of Delaware as the Manager determines to be necessary or appropriate.

Section 2.4. Purposes. The purposes of the Company shall be to (a) promote, conduct or engage in, directly or indirectly, any business, purpose or activity that lawfully may be conducted by a limited liability company organized pursuant to the Delaware Act, (b) acquire, hold and dispose of interests in any corporation, partnership, joint venture, limited liability company, trust or other entity and, in connection therewith, to exercise all of the rights and powers conferred upon the Company with respect to its interests therein, and (c) conduct any and all activities related or incidental to the foregoing purposes.

Section 2.5. Qualification in Other Jurisdictions. The Manager may cause the Company to be qualified or registered in any jurisdiction in which the Company transacts business and shall be authorized to execute, deliver and file any certificates and documents necessary to effect such qualification or registration.

Section 2.6. Powers. The Company shall be empowered to do any and all acts and things necessary and appropriate for the furtherance and accomplishment of the purposes described in Section 2.4.

Section 2.7. Power of Attorney. Each Member hereby constitutes and appoints the Manager and, if a Liquidator shall have been selected pursuant to Section 7.2, the Liquidator (and any successor to the Liquidator by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(a) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices:

(i) all certificates, documents and other instruments (including this Agreement and the Certificate of Formation and all amendments or restatements hereof or thereof) that the Manager (or the Liquidator) determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property;

(ii) all certificates, documents and other instruments that the Manager or the Liquidator determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement;

(iii) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Manager (or the Liquidator) determines to be necessary or appropriate to reflect the dissolution, liquidation and/or termination of the Company pursuant to the terms of this Agreement;

(iv) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Member pursuant to, or in connection with other events described in, Section 9.6 or Article III, Article IV or Article VII;

(v) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class of Units issued pursuant to Section 3.2; and

(vi) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Company pursuant to Article IX.

(b) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the Manager (or the Liquidator) determines to be necessary or appropriate to (i) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Members hereunder or is consistent with the terms of this Agreement or (ii) effectuate the terms or intent of this Agreement; *provided*, that when required by Section 8.2 or any other provision of this Agreement that establishes a percentage of the Members or of the Members of any class or series, if any, required to take any action, the Manager (or the Liquidator) may exercise the power of attorney made in this Section 2.7(b) only after the necessary vote, consent, approval, agreement or other action of the Members or of the Members of such class or series, as applicable.

Nothing contained in this Section 2.7 shall be construed as authorizing the Manager (or the Liquidator) to amend, change or modify this Agreement except in accordance with Article VIII or as may be otherwise expressly provided for in this Agreement.

(c) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Member and the transfer of all or any portion of such Member's Units and shall extend to such Member's heirs, successors, assigns and personal representatives. Each such Member hereby agrees to be bound by any representation made by the Manager (or the Liquidator) acting in good faith pursuant to such power of attorney; and each such Member, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the Manager (or the Liquidator) taken in good faith under such power of attorney in accordance with this Section 2.7. Each Member shall execute and deliver to the Manager (or the Liquidator) within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the Manager (or the Liquidator) determines to be necessary or appropriate to effectuate this Agreement and the purposes of the Company.

Section 2.8. Term. The term of the Company commenced on the day on which the Certificate of Formation was filed with the Secretary of State of the State of Delaware pursuant to the provisions of the Delaware Act. The term of the Company shall expire on the fifth anniversary of the date of the private placement memorandum published in connection with the Offering, subject to two one-year extensions at the discretion of the Manager, unless and until it is dissolved

or terminated in accordance with the provisions of Article VII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation as provided in the Delaware Act.

Section 2.9. Certificate of Formation. The Certificate of Formation has been filed with the Secretary of State of the State of Delaware as required by the Delaware Act, such filing being hereby confirmed, ratified and approved in all respects. The Manager shall use all reasonable efforts to cause to be filed such other certificates or documents that it determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited liability company in the State of Delaware or any other state in which the Company may elect to do business or own property. To the extent that the Manager determines such action to be necessary or appropriate, the Manager shall direct the appropriate officers to file amendments to and restatements of the Certificate of Formation and do all things to maintain the Company as a limited liability company under the laws of the State of Delaware or of any other state in which the Company may elect to do business or own property, and any such officer so directed shall be an "authorized person" of the Company within the meaning of the Delaware Act for purposes of filing any such certificate with the Secretary of State of the State of Delaware. The Company shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Formation, any qualification document or any amendment thereto to any Member.

ARTICLE III

MEMBERS AND UNITS

Section 3.1. Members.

(a) A Person shall be admitted as a Member and shall become bound by the terms of this Agreement if such Person purchases or otherwise lawfully acquires any Unit and becomes the Record Holder of such Unit in accordance with the provisions of Article III, Article IV and Article XII hereof. A Person may become a Record Holder without the consent or approval of any of the Members. A Person may not become a Member without acquiring a Unit.

(b) The name and mailing address of each Member shall be listed on the books and records of the Company maintained for such purpose by the Company (or the Transfer Agent, if any). The Manager shall update the books and records of the Company from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable).

(c) Except as otherwise provided in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

(d) Unless otherwise provided herein (including, without limitation, in connection with any redemption or repurchase pursuant to Article IV or enforcement of the transfer and ownership restrictions contained in Article XII), Members may not be expelled from

or removed as Members of the Company. Except with the Manager's consent, Members shall not have any right to resign from the Company; *provided*, that when a transferee of a Member's Units becomes a Record Holder of such Units, such transferring Member shall cease to be a Member of the Company with respect to the Units so transferred.

(e) Except to the extent expressly provided in this Agreement (including any Unit Designation): (i) no Member shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon dissolution or termination of the Company may be considered as such by law and then only to the extent provided for in this Agreement; (ii) no Member holding any class or series, if any, of any Units of the Company shall have priority over any other Member holding the same class or series of Units either as to the return of Capital Contributions or as to distributions; (iii) no interest shall be paid by the Company on Capital Contributions; and (iv) no Member, in its capacity as such, shall participate in the operation or management of the business of the Company, transact any business in the Company's name or have the power to sign documents for or otherwise bind the Company by reason of being a Member.

(f) Except as may be otherwise agreed between the Company, on the one hand, and a Member, on the other hand, any Member shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Company, including business interests and activities in direct competition with the Company. Neither the Company nor any of the other Members shall have any rights by virtue of this Agreement in any such business interests or activities of any Member.

(g) For the avoidance of doubt, the Manager is not a Member of the Company by virtue of its position as "Manager" of the Company. The Manager will generally not be entitled to vote on matters submitted to the Members, and will not have any distribution, redemption, conversion or liquidation rights by virtue of its status as Manager.

Section 3.2. Authorization to Issue Units.

(a) The Company may issue Units, and options, rights, warrants and appreciation rights relating to Units, for any Company purpose at any time and from time to time to such Persons for such consideration (which may be cash, property, services or any other lawful consideration) or for no consideration and on such terms and conditions as the Manager shall determine, all without the approval of any Members, notwithstanding any provision of Section 8.1 or Section 8.2. Notwithstanding the foregoing, the unit price for each Common Unit being offered pursuant to any Offering Document shall equal the Market Price. Each Unit shall have the rights and be governed by the provisions set forth in this Agreement and, with respect to additional Units of the Company that may be issued by the Company in one or more classes or series, with such designations, preferences, rights, powers and duties (which may be junior to, equivalent to, or senior or superior to, any existing classes or series of Units of the Company), as shall be fixed by the Manager and reflected in a written action or actions approved by the Manager in compliance with Section 5.1 (each, a "**Unit Designation**"). Except to the extent expressly provided in this Agreement (including any Unit Designation), no Units shall entitle any Member to any preemptive, preferential or similar rights with respect to the issuance of Units.

(b) A Unit Designation (or any resolution of the Manager amending any Unit Designation) shall be effective when a duly executed original of the same is delivered to the Manager for inclusion among the permanent records of the Company, and shall be annexed to, and constitute part of, this Agreement. Unless otherwise provided in the applicable Unit Designation, the Manager may at any time increase or decrease the amount of Units of any class or series, but not below the number of Units of such class or series then Outstanding.

(c) Unless otherwise provided in the applicable Unit Designation, if any, the Company is authorized to issue an unlimited number of Common Units and an unlimited number of Preferred Units. All Units issued pursuant to, and in accordance with the requirements of, this Article III shall be validly issued Units in the Company, except to the extent otherwise provided in the Delaware Act or this Agreement (including any Unit Designation).

(d) The Manager may, without the consent or approval of any Members, amend this Agreement and make any filings under the Delaware Act or otherwise to the extent the Manager determines that it is necessary or desirable in order to effectuate any issuance of Units pursuant to this Article III, including, without limitation, an amendment of Section 3.2(c).

(e) As of the date of this Agreement, all Units have been designated as Common Units. As of the date of this Agreement, the Initial Member holds an aggregate of 500 Common Units.

Section 3.3. Certificates.

(a) Upon the issuance of Units by the Company to any Person, the Company may, but shall not be obligated to, issue one or more Certificates in the name of such Person evidencing the number of such Units being so issued. Certificates shall be executed on behalf of the Company by the Manager. No Certificate representing Units shall be valid for any purpose until it has been countersigned by the Transfer Agent, if any. Any or all of the signatures required on the Certificate may be by facsimile or other electronic communication. If the Manager or Transfer Agent who shall have signed or whose facsimile or other electronic signature shall have been placed upon any such Certificate shall have ceased to be the Manager or Transfer Agent before such Certificate is issued by the Company, such Certificate may nevertheless be issued by the Company with the same effect as if such Person were the Manager or Transfer Agent at the date of issue. Certificates for each class of Units shall be consecutively numbered and shall be entered on the books and records of the Company as they are issued and shall exhibit the holder's name and number and type of Units.

(b) If any mutilated Certificate is surrendered to the Transfer Agent, if any, or to the Company, the Manager on behalf of the Company shall execute, and the Transfer Agent, if any, shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and class or series of Units as the Certificate so surrendered. The Manager on behalf of the Company shall execute, and the Transfer Agent shall countersign and deliver, a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate: (i) makes proof by affidavit, in form and substance satisfactory to the Company, that a previously issued Certificate has been lost, destroyed or stolen; (ii) requests the issuance of a new Certificate before the Company has notice that the Certificate has been acquired by a purchaser for value in good

faith and without notice of an adverse claim; (iii) if requested by the Company, delivers to the Company a bond, in form and substance satisfactory to the Company, with surety or sureties and with fixed or open penalty as the Company may direct to indemnify the Company and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and (iv) satisfies any other reasonable requirements imposed by the Company. If a Member fails to notify the Company within a reasonable time after he or she has notice of the loss, destruction or theft of a Certificate, and a transfer of the Units represented by the Certificate is registered before the Company or the Transfer Agent receives such notification, the Member shall be precluded from making any claim against the Company or the Transfer Agent for such transfer or for a new Certificate. As a condition to the issuance of any new Certificate under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

Section 3.4. Record Holders. The Company shall be entitled to recognize the Record Holder as the owner of a Unit and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Unit on the part of any other Person, regardless of whether the Company shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation or guideline. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Units, as between the Company on the one hand, and such other Persons on the other, such representative Person shall be the Record Holder of such Units.

Section 3.5. Registration and Transfer of Units. Subject to the restrictions on transfer and ownership limitations contained below and in Article XII hereof:

(a) The Company shall keep or cause to be kept on behalf of the Company a register that will provide for the registration and transfer of Units. Unless otherwise provided in any Unit Designation, a Transfer Agent may, in the discretion of the Manager or as otherwise required by the Exchange Act, be appointed registrar and transfer agent for the purpose of registering Common Units and transfers of such Common Units as herein provided. Upon surrender of a Certificate for registration of transfer of any Units evidenced by a Certificate, the Manager shall execute and deliver, and in the case of Common Units, the Transfer Agent, if any, shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the Record Holder's instructions, one or more new Certificates evidencing the same aggregate number and type of Units as were evidenced by the Certificate so surrendered; *provided*, that a transferor shall provide the address, facsimile number and email address for each such transferee as contemplated by Section 11.1.

(b) The Company shall not recognize any transfer of Units until the Certificates evidencing such Units, if any, are surrendered for registration of transfer. No charge shall be imposed by the Company for such transfer; *provided*, that as a condition to the issuance of any new Certificate, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

(c) In the event that the Units are not evidenced by a Certificate, the Company shall not recognize any transfer of Units until it has received written documentation that the Manager, in its sole discretion, determines is sufficient to evidence the transfer of such Units.

(d) By acceptance of the transfer of any Unit, each transferee of a Unit (including any nominee holder or an agent or representative acquiring such Units for the account of another Person) (i) shall be admitted to the Company as a Substitute Member with respect to the Units so transferred to such transferee when any such transfer or admission is reflected in the books and records of the Company, (ii) shall be deemed to agree to be bound by the terms of this Agreement, (iii) shall become the Record Holder of the Units so transferred, (iv) grants powers of attorney to the Manager and any Liquidator of the Company, as specified herein, and (v) makes the consents and waivers contained in this Agreement. The transfer of any Units and the admission of any new Member shall not constitute an amendment to this Agreement.

(e) Notwithstanding the foregoing, so long as (i) Fundrise Advisors, LLC, or one of its Affiliates, remains the Manager of the Company, and (ii) access to the Fundrise Platform and the ability to open accounts thereon is reasonably available to potential transferees, no transfer of Units shall be valid unless the transferee has established an account on the Fundrise Platform.

Section 3.6. Splits and Combinations.

(a) Subject to Section 3.2 and Article IV, and unless otherwise provided in any Unit Designation, the Company may make a *pro rata* distribution of Units of any class or series of Units to all Record Holders of such class or series of Units, or may effect a subdivision or combination of Units of any class or series of Units, in each case, on an equal per-Unit basis and so long as, after any such event, any amounts calculated on a per-Unit basis or stated as a number of Units are proportionately adjusted.

(b) Whenever such a distribution, subdivision or combination of Units is declared, the Manager shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The Manager also may cause a firm of independent public accountants selected by it to calculate the number of Units to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The Manager shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the Company may issue Certificates to the Record Holders of Units as of the applicable Record Date representing the new number of Units held by such Record Holders, or the Manager may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Units Outstanding, the Company shall require, as a condition to the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

Section 3.7. ERISA. The Manager intends to limit the equity participation by "benefit plan investors" (as defined in Section 3(42) of ERISA) in the Company so that it is less than

twenty-five percent (25%) of each class of equity interest in the Company (determined in accordance with the Plan Assets Regulation, including disregarding any holdings of Sponsor Affiliates, to the extent so required).

Section 3.8. Agreement. The rights of all Members and the terms of all Units are subject to the provisions of this Agreement (including any Unit Designation).

Section 3.9. Side Letters. Notwithstanding any other provision of this Agreement each Member hereby acknowledges and agrees that the Company, and the Manager on its own behalf or on behalf of the Company, may, without the approval of any other Member, enter into a side letter or similar agreement (each, a "**Side Letter**") to or with a Member which has the effect of establishing rights under, or altering or supplementing the terms of, this Agreement between such Member and the Company or the Manager. The parties hereto agree that any terms contained in a Side Letter shall govern with respect to such Member notwithstanding the provisions of this Agreement; except to the extent any Side Letter provision could cause the Company to fail to qualify as a REIT or is inconsistent with the ownership restrictions under Article XII, in which case the provisions of this Agreement shall govern.

Section 3.10. Tender Offers. If any shareholder of the Company makes a tender offer, including, without limitation, a "mini-tender" offer, such shareholder must comply with all of the provisions set forth in Regulation 14D of the Exchange Act, including, without limitation, disclosure and notice requirements, which would be applicable if the tender offer was for more than 5% of the outstanding securities of the Company, provided, however, that such documents are not required to be filed with the Securities and Exchange Commission. In addition, any such shareholder must provide notice to the Company at least 10 Business Days prior to initiating any such tender offer. If any shareholder initiates a tender offer without complying with the provisions set forth above (a "**Non-Compliant Tender Offer**"), the Company, in its sole discretion, shall have the right to redeem such non-compliant shareholder's Shares and any Shares acquired in such tender offer (collectively, the "**Tendered Shares**") at the lesser of (i) with respect to Common Shares, the price then being paid per Common Share purchased in the Company's latest offering of Common Shares at full purchase price (not discounted for commission reductions nor for reductions in sale price permitted pursuant to a distribution reinvestment plan, if any), (ii) the fair market value of the Shares as determined by an independent valuation obtained by the Company or (iii) the lowest tender offer price offered in such Non-Compliant Tender Offer. The Company may purchase such Tendered Shares upon delivery of the purchase price to the stockholder initiating such Non-Compliant Tender Offer, and, upon such delivery, the Company may instruct any transfer agent to transfer such purchased Shares to the Company. In addition, any shareholder who makes a Non-Compliant Tender Offer shall be responsible for all expenses incurred by the Corporation in connection with the enforcement of the provisions of this Section 3.10, including, without limitation, expenses incurred in connection with the review of all documents related to such tender offer and expenses incurred in connection with any purchase of Tendered Shares by the Company. The Company maintains the right to offset any such expenses against the dollar amount to be paid by the Company for the purchase of Tendered Shares pursuant to this Section 3.10. In addition to the remedies provided herein, the Company may seek injunctive relief, including, without limitation, a temporary or permanent restraining order, in connection with any Non-Compliant Tender Offer.

ARTICLE IV

DISTRIBUTIONS AND REDEMPTIONS

Section 4.1. Distributions to Record Holders.

(a) Subject to the applicable provisions of the Delaware Act and except as otherwise provided herein, the Manager may, in its sole discretion, at any time and from time to time, declare, make and pay distributions of cash or other assets of the Company to the Members. Subject to the terms of any Unit Designation (including, without limitation, the preferential rights, if any, of holders of any other class of Units of the Company) and of Article XII, distributions shall be paid to the holders of Common Units on an equal per-Unit basis as of the applicable Record Date selected by the Manager for the distribution in question. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to any Member on account of its interest in the Company if such distribution would violate the Delaware Act or other applicable law.

(b) Notwithstanding Section 4.1(a), in the event of the termination and liquidation of the Company, all distributions shall be made in accordance with, and subject to the terms and conditions of, Section 7.3(a).

(c) Each distribution in respect of any Units of the Company shall be paid by the Company, directly or through its Transfer Agent, if any, or through any other Person or agent, only to the Record Holder of such Units as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Company's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

Section 4.2. Distributions in Kind. Subject to the terms of any Unit Designation or to the preferential rights, if any, of holders of any other class of Units, the Company may declare and pay distributions to holders of Units that consist of (1) Common Units and/or (2) other securities or assets held by the Company or any of its subsidiaries.

Section 4.3. Valuations of In-Kind Distributions. In the case of distributions of Common Units, the value of the Common Units included in such distribution will be calculated based on the Market Price per Unit at the time of the distribution payment date. In the case of distributions of other securities of the Company, the value of such securities included in such distribution will be determined by the Manager in good faith.

Section 4.4. Redemption in Connection with ERISA. Notwithstanding any provision contained herein to the contrary, upon demand by the Manager, the Company shall redeem any or all of the Units held by any Plan Member if either the Plan Member or the Manager shall obtain an Opinion of Counsel to the effect that it is more likely than not that all or any portion of the assets of the Company constitute "plan assets" of the Plan Member for the purposes of the applicable Plan Governing Law to substantially the same extent as if owned directly by the Plan Member. Such partial or whole redemption shall be effective ninety (90) days after the delivery of such Opinion of Counsel, unless the Manager shall have selected an earlier effective date. Each

Plan Member shall only be redeemed by the Company pursuant to this Section 4.4 to the extent necessary in order to avoid the assets of the Company constituting assets of the Plan Member for the purposes of the applicable Plan Governing Law, and the Manager shall cause any such redemption to be made among all Plan Members with respect to which the basis for redemption is applicable in a manner determined by the Manager in its sole discretion. The redemption price for any Units redeemed pursuant to this Section 4.4 will be the Market Price per Unit.

Section 4.5. Personal Conduct Repurchase Right.

(a) If a Member fails to conform its personal conduct to common and accepted standards of good citizenship or conducts itself in a way that reflects poorly upon the Company, as determined by the Manager in its sole, but good faith, discretion, the Manager may elect, at its sole discretion, to cause the Company to repurchase all, but not less than all, of the Units held by such Member.

(b) In the event that the Manager elects to cause the Company to repurchase any Units pursuant to this Section 4.5, the Company shall, within fifteen (15) business days of the Manager's election, send written notice to the applicable Member stating that the Company is exercising its right to repurchase such Units pursuant to Section 4.5 of this Agreement.

(c) In connection with any repurchase by the Company of Common Units pursuant to this Section 4.5, the purchase price paid to the applicable Member shall be equal to the Market Price per Unit. Any purchase price paid pursuant to this Section 4.5 shall be delivered to the applicable Member within 15 business days after the notice specified in Section 4.5(b) above is delivered to such Member. Any Common Units repurchased pursuant to this Section 4.5 will cease to accrue distributions or have voting rights and will not be treated as outstanding, and the applicable Member will cease to be a member of the Company, as of the date that the purchase price is delivered to the applicable Member.

Section 4.6. Payment of Taxes. If any person exchanging a certificate representing Common Units wants the Company to issue a certificate in a different name than the registered name on the old certificate, or if any person wants the Company to change the name of the Record Holder for a Unit or Units, that person must pay any transfer or other taxes required by reason of the issuance of the certificate in another name, or by reason of the change to the Company register, or establish, to the satisfaction of the Company or its agent, that the tax has been paid or is not applicable.

Section 4.7. Absence of Certain Other Rights. Other than pursuant the terms of any Unit Designation, holders of Common Units shall have no conversion, exchange, sinking fund, redemption or appraisal rights, no pre-emptive rights to subscribe for any securities of the Company and no preferential rights to distributions.

Section 4.8. Excess Inclusions. Tax expense incurred by the Company under Section 860E(e)(6) of the Code may be allocated solely to Units held by Members that are "disqualified organizations" (within the meaning of Section 860E(e)(5) of the Code) to the extent such allocation does not give rise to preferential dividends under Treasury Regulations Section 1.860E-2(b)(4).

ARTICLE V

MANAGEMENT AND OPERATION OF BUSINESS

Section 5.1. Power and Authority of the Manager. Except as otherwise expressly provided in this Agreement, the power to direct the management, operation and policies of the Company shall be vested in the Manager. The Manager shall have the power to delegate any or all of its rights and powers to manage and control the business and affairs of the Company to such officers, employees, Affiliates, agents and representatives of the Manager or the Company as it may deem appropriate. The Manager and its officers and directors shall constitute "managers" within the meaning of the Delaware Act. Except as otherwise specifically provided in this Agreement, no Member, by virtue of its status as such, shall have any management power over the business and affairs of the Company or actual or apparent authority to enter into, execute or deliver contracts on behalf of, or to otherwise bind, the Company. In addition to the powers that now or hereafter can be granted to managers under the Delaware Act and to all other powers granted under any other provision of this Agreement, the Manager shall have full power and authority to do, and to direct its officers and agents to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Company, to exercise all powers set forth in Section 2.6 and to effectuate the purposes set forth in Section 2.4. Without in any way limiting the foregoing, the Manager shall, either directly or by engaging its officers, Affiliates, agents or third parties, perform the following duties:

(a) Investment Advisory, Origination and Acquisition Services. The Manager shall:

(i) approve and oversee the Company's overall investment strategy, which will consist of elements such as investment selection criteria, diversification strategies and asset disposition strategies;

(ii) serve as the Company's investment and financial manager with respect to sourcing, underwriting, acquiring, financing, originating, servicing, investing in and managing a diversified portfolio of commercial real estate loans, commercial real estate and other real estate-related assets;

(iii) adopt and periodically review the Company's investment guidelines;

(iv) enter into leases and service contracts for the properties and other investments;

(v) structure the terms and conditions of the Company's acquisitions, sales and joint ventures;

(vi) approve and oversee the Company's debt financing strategies;

(vii) approve joint ventures, limited partnerships and other such relationships with third parties;

(viii) approve any potential liquidity transaction;

(ix) obtain market research and economic and statistical data in connection with the Company's investments and investment objectives and policies;

(x) oversee and conduct due diligence processes related to prospective investments;

(xi) prepare reports regarding prospective investments that include recommendations and supporting documentation necessary for the Manager's investment committee to evaluate the proposed investments; and

(xii) negotiate and execute approved investments and other transactions.

(b) Offering Services. The Manager shall manage and supervise:

(i) the development of any offering of Units (an "**Offering**"), including the determination of the specific terms of the securities to be offered by the Company;

(ii) the preparation and approval of all marketing materials to be used by the Company or others relating to an Offering;

(iii) the negotiation and coordination of the receipt, collection, processing, and acceptance of subscription agreements, commissions, and other administrative support functions;

(iv) the creation and implementation of various technology and electronic communications related to an Offering; and

(v) all other services related to an Offering.

(c) Asset Management Services. The Manager shall:

(i) investigate, select, and, on behalf of the Company, engage and conduct business with such persons as the Manager deems necessary to the proper performance of its obligations hereunder, including but not limited to consultants, accountants, lenders, technical managers, attorneys, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, developers, construction companies and any and all persons acting in any other capacity deemed by the Manager necessary or desirable for the performance of any of the foregoing services;

(ii) monitor applicable markets and obtain reports (which may be prepared by the Manager or its Affiliates) where appropriate, concerning the value of the investments of the Company;

(iii) monitor and evaluate the performance of the investments of the Company, provide daily management services to the Company and perform and supervise the various management and operational functions related to the Company's investments;

(iv) formulate and oversee the implementation of strategies for the administration, promotion, management, operation, maintenance, improvement, financing and refinancing, marketing and disposition of investments on an overall portfolio basis; and

(v) coordinate and manage relationships between the Company and any joint venture partners.

(d) Accounting and Other Administrative Services. The Manager shall:

(i) manage and perform the various administrative functions necessary for the day-to-day operations of the Company;

(ii) provide or arrange for administrative services, legal services, office space, office furnishings, personnel and other overhead items necessary and incidental to the Company's business and operations;

(iii) provide financial and operational planning services and portfolio management functions;

(iv) maintain accounting data and any other information concerning the activities of the Company as shall be required to prepare and file all periodic financial reports and returns required to be filed with the Commission and any other regulatory agency, including annual financial statements;

(v) maintain all appropriate books and records of the Company;

(vi) oversee tax and compliance services and risk management services and coordinate with appropriate third parties, including independent accountants and other consultants, on related tax matters;

(vii) make, change, and revoke such tax elections on behalf of the Company as the Manager deems appropriate, including, without limitation, an election to be treated as a REIT or to revoke such status;

(viii) supervise the performance of such ministerial and administrative functions as may be necessary in connection with the daily operations of the Company;

(ix) provide the Company with all necessary cash management services;

(x) manage and coordinate with the Transfer Agent (if any) the process of making distributions and payments to Members;

(xi) evaluate and obtain adequate insurance coverage based upon risk management determinations;

(xii) provide timely updates related to the overall regulatory environment affecting the Company, as well as managing compliance with regulatory matters;

(xiii) evaluate the corporate governance structure of the Company and appropriate policies and procedures related thereto; and

(xiv) oversee all reporting, record keeping, internal controls and similar matters in a manner to allow the Company to comply with applicable law.

(e) Unitholder Services. The Manager shall:

(i) determine the Company's distribution policy and authorize distributions from time to time;

(ii) approve amounts available for redemptions of the Common Units;

(iii) manage communications with Members, including answering phone calls, preparing and sending written and electronic reports and other communications; and

(iv) establish technology infrastructure to assist in providing Member support and services.

(f) Financing Services. The Manager shall:

(i) identify and evaluate potential financing and refinancing sources, engaging a third party broker if necessary;

(ii) negotiate terms of, arrange and execute financing agreements;

(iii) manage relationships between the Company and its lenders, if any; and

(iv) monitor and oversee the service of the Company's debt facilities and other financings, if any.

(g) Disposition Services. The Manager shall:

(i) evaluate and approve potential asset dispositions, sales, or liquidity transactions; and

(ii) structure and negotiate the terms and conditions of transactions pursuant to which the assets of the Company may be sold.

Section 5.2. Term and Removal of the Manager.

(a) The Manager will serve as manager for an indefinite term, but the Manager may be removed by the Company, or may choose to withdraw as manager, under certain circumstances only as provided in this Section 5.2. In the event of the removal or withdrawal of the Manager, the Manager will cooperate with the Company and take all reasonable steps to assist in making an orderly transition of the management function.

(b) The Manager may assign its rights under this Agreement in its entirety or delegate certain of its duties under this Agreement to any of its Affiliates without the approval of the Members so long as the Manager remains liable for any such Affiliate's performance, and if such assignment or delegation does not require the Company's approval under the Investment Company Act. The Manager may withdraw as the Company's manager if the Company becomes required to register as an investment company under the Investment Company Act, with such withdrawal deemed to occur immediately before such event. The Manager shall determine whether any succeeding manager possesses sufficient qualifications to perform the management function.

(c) The Members shall have the power to remove the Manager with 30 days prior written notice for "cause" upon the affirmative vote or consent of the holders of two-thirds (2/3) of the then issued and Outstanding Common Units. If the Manager is removed for "cause" pursuant to this Section 5.2(c), the Members shall have the power to elect a replacement Manager upon the affirmative vote or consent of the holders of a majority of the then issued and Outstanding Common Units. For purposes of this Section 5.2(c), "**cause**" is defined as:

(i) the Manager's continued breach of any material provision of this Agreement following a period of 30 days after written notice thereof (or 45 days after written notice of such breach if the Manager, under certain circumstances, has taken steps to cure such breach within 30 days of the written notice);

(ii) the commencement of any proceeding relating to the bankruptcy or insolvency of the Manager, including an order for relief in an involuntary bankruptcy case or the Manager authorizing or filing a voluntary bankruptcy petition;

(iii) the Manager committing fraud against the Company, misappropriating or embezzling its funds, or acting, or failing to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under this Agreement; *provided, however*, that if any of these actions is caused by an employee, personnel and/or officer of the Manager or one of its Affiliates and the Manager (or such Affiliate) takes all necessary and appropriate action against such person and cures the damage caused by such actions within 30 days of the Manager's actual knowledge of its commission or omission, then the Manager may not be removed; or

(iv) the dissolution of the Manager.

Unsatisfactory financial performance of the Company does not constitute "cause" under this Agreement.

Section 5.3. Determinations by the Manager. Except as may otherwise be required by law or this Agreement, the determination as to any of the following matters, made in good faith by or pursuant to the direction of the Manager consistent with this Agreement, shall be final and conclusive and shall be binding upon the Company and every holder of Units: the amount of the net income or net loss of the Company for any period and the amount of assets at any time legally available for the payment of distributions or redemption of Units; the amount of paid-in surplus, net assets, other surplus, annual or other cash flow, funds from operations, net profit, net assets in

excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption of any class or series of Units; the fair value, or any sale, bid or asked price to be applied in determining the fair value of any asset owned or held by the Company or of any Units; the number of Units of any class or series of the Company; any matter relating to the acquisition, holding and disposition of any assets by the Company; the evaluation of any competing interests among the Company and its Affiliates and the resolution of any such conflicts of interests; or any other matter relating to the business and affairs of the Company or required or permitted by applicable law, this Agreement or otherwise to be determined by the Manager.

Section 5.4. Exculpation, Indemnification, Advances and Insurance.

(a) Subject to other applicable provisions of this Article V, to the fullest extent permitted by applicable law, the Indemnified Persons shall not be liable to the Company, any Subsidiary of the Company, any officer of the Company or a Subsidiary, or any Member or any holder of any equity interest in any Subsidiary of the Company, for any acts or omissions by any of the Indemnified Persons arising from the exercise of their rights or performance of their duties and obligations in connection with the Company, this Agreement or any investment made or held by the Company, including with respect to any acts or omissions made while serving at the request of the Company as an officer, director, member, partner, "partnership representative," "designated individual," fiduciary or trustee of another Person or any employee benefit plan, provided that such Indemnified Person's conduct does not constitute willful misconduct or gross negligence. The Indemnified Persons shall be indemnified by the Company to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Company and counsel fees and disbursements on a solicitor and client basis) (collectively, "**Expenses and Liabilities**") arising from the performance of any of their duties or obligations in connection with their service to the Company or this Agreement, or any investment made or held by the Company, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such Person may hereafter be made party by reason of being or having been a manager of the Company under Delaware law, a director or officer of the Company or any Subsidiary of the Company or the Manager, or an officer, director, member, partner, "partnership representative," "designated individual," fiduciary or trustee of another Person or any employee benefit plan at the request of the Company. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnified Person, pursuant to a loan guaranty or otherwise, for any indebtedness of the Company or any Subsidiary of the Company (including any indebtedness which the Company or any Subsidiary of the Company has assumed or taken subject to), and the Manager (and its officers) are hereby authorized and empowered, on behalf of the Company, to enter into one or more indemnity agreements consistent with the provisions of this Section 5.4 in favor of any Indemnified Person having or potentially having liability for any such indebtedness. It is the intention of this Section 5.4(a) that the Company indemnify each Indemnified Person to the fullest extent permitted by law.

(b) The provisions of this Agreement, to the extent they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, including Section 5.6, are agreed by each Member to modify such duties and liabilities of the Indemnified Person to the extent permitted by law.

(c) Any indemnification under this Section 5.4 (unless ordered by a court) shall be made by the Company unless the Manager determines in the specific case that indemnification of the Indemnified Person is not proper in the circumstances because such person has not met the applicable standard of conduct set forth in Section 5.4(a). Such determination shall be made in good faith by the Manager; provided that if the Manager or its Affiliates is the Indemnified Person, by a majority vote of the directors of the Sponsor who are not parties to the applicable suit, action or proceeding. To the extent, however, that an Indemnified Person has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such Indemnified Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such Indemnified Person in connection therewith, notwithstanding an earlier determination by the Manager that the Indemnified Person had not met the applicable standard of conduct set forth in Section 5.4(a).

(d) Notwithstanding any contrary determination in the specific case under Section 5.4(c), and notwithstanding the absence of any determination thereunder, any Indemnified Person may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 5.4(a). The basis of such indemnification by a court shall be a determination by such court that indemnification of the Indemnified Person is proper in the circumstances because such Indemnified Person has met the applicable standards of conduct set forth in Section 5.4(a). Neither a contrary determination in the specific case under Section 5.4(c) nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the Indemnified Person seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5.4(d) shall be given to the Company promptly upon the filing of such application. If successful, in whole or in part, the Indemnified Person seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

(e) To the fullest extent permitted by law, expenses (including attorneys' fees) incurred by an Indemnified Person in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Company as authorized in this Section 5.4.

(f) The indemnification and advancement of expenses provided by or granted pursuant to this Section 5.4 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under this Agreement, or any other agreement, determination of the Manager, vote of Members or otherwise, and shall continue as to an Indemnified Person who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnified Person unless otherwise provided in a written agreement with such Indemnified Person or in the writing pursuant to which

such Indemnified Person is indemnified, it being the policy of the Company that indemnification of the persons specified in Section 5.4(a) shall be made to the fullest extent permitted by law. The provisions of this Section 5.4 shall not be deemed to preclude the indemnification of any person who is not specified in Section 5.4(a) but whom the Company has the power or obligation to indemnify under the provisions of the Delaware Act.

(g) The Company may, but shall not be obligated to, purchase and maintain insurance on behalf of any Person entitled to indemnification under this Section 5.4 against any liability asserted against such Person and incurred by such Person in any capacity to which they are entitled to indemnification hereunder, or arising out of such Person's status as such, whether or not the Company would have the power or the obligation to indemnify such Person against such liability under the provisions of this Section 5.4.

(h) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 5.4 shall, unless otherwise provided when authorized or ratified, inure to the benefit of the heirs, executors and administrators of any person entitled to indemnification under this Section 5.4.

(i) The Company may, to the extent authorized from time to time by the Manager, provide rights to indemnification and to the advancement of expenses to employees and agents of the Company and to the employees and agents of any Company Subsidiary or Affiliate similar to those conferred in this Section 5.4 to Indemnified Persons.

(j) If this Section 5.4 or any portion of this Section 5.4 shall be invalidated on any ground by a court of competent jurisdiction the Company shall nevertheless indemnify each Indemnified Person as to expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit, proceeding or investigation, whether civil, criminal or administrative, including a grand jury proceeding or action or suit brought by or in the right of the Company, to the full extent permitted by any applicable portion of this Section 5.4 that shall not have been invalidated.

(k) Each of the Indemnified Persons may, in the performance of his, her or its duties, consult with legal counsel and accountants, and any act or omission by such Person on behalf of the Company in furtherance of the interests of the Company in good faith in reliance upon, and in accordance with, the advice of such legal counsel or accountants will be full justification for any such act or omission, and such Person will be fully protected for such acts and omissions; *provided* that such legal counsel or accountants were selected with reasonable care by or on behalf of the Company.

(l) An Indemnified Person shall not be denied indemnification in whole or in part under this Section 5.4 because the Indemnified Person had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(m) Any liabilities which an Indemnified Person incurs as a result of acting on behalf of the Company (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding

mechanism (whether such liabilities are in the form of excise taxes assessed by the Internal Revenue Service, penalties assessed by the Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities indemnifiable under this Section 5.4, to the maximum extent permitted by law.

(n) The directors and officers of the Manager shall, in the performance of their duties, be fully protected in relying in good faith upon the records of the Company and on such information, opinions, reports or statements presented to the Company by any of the officers or employees of the Company or the Manager or by any other Person as to matters the directors or officers of the Manager reasonably believes are within such other Person's professional or expert competence.

(o) Any amendment, modification or repeal of this Section 5.4 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of or other rights of any Indemnified Person under this Section 5.4 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted and provided such Person became an Indemnified Person hereunder prior to such amendment, modification or repeal.

Section 5.5. Duties of the Manager and its Officers and Directors.

(a) Except as otherwise expressly provided in this Agreement or required by the Delaware Act, (i) the duties and obligations owed to the Company by the Manager and its officers and directors shall be the same as the duties and obligations owed to a corporation organized under DGCL by its officers and directors, respectively, and (ii) the duties and obligations owed to the Members by the Manager and its officers and directors shall be the same as the duties and obligations owed to the stockholders of a corporation under the DGCL by its officers and directors, respectively.

(b) The Manager shall have the right to exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it thereunder either directly or by or through its duly authorized officers, and the Manager shall not be responsible for the misconduct or negligence on the part of any such officer duly appointed or duly authorized by the Manager in good faith.

Section 5.6. Standards of Conduct and Modification of Duties of the Manager. Notwithstanding anything to the contrary herein or under any applicable law, including, without limitation, Section 18-1101(c) of the Delaware Act, the Manager, in exercising its rights hereunder in its capacity as the manager of the Company, shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting the Company or any Members, and shall not be subject to any other or different standards imposed by this Agreement, any other agreement contemplated hereby, under the Delaware Act or under any other applicable law or in equity. To the maximum extent permitted by applicable law, the Manager shall not have any duty (including any fiduciary duty) to the Company, the Members or any other Person,

including any fiduciary duty associated with self-dealing or corporate opportunities, all of which are hereby expressly waived; *provided* that this Section 5.6 shall not in any way reduce or otherwise limit the specific obligations of the Manager expressly provided in this Agreement or in any other agreement with the Company and such other obligations, if any, as are required by applicable laws. Notwithstanding the foregoing, nothing contained in this Section 5.6 or elsewhere in this Agreement shall constitute a waiver by any Member of any of its legal rights under applicable U.S. federal securities laws, including fiduciary obligations under the Investment Advisers Act of 1940, or any other laws whose applicability is not permitted to be contractually waived.

Section 5.7. Outside Activities. It shall be deemed not to be a breach of any duty (including any fiduciary duty) or any other obligation of any type whatsoever of the Manager or its officers and directors or Affiliates of the Manager or its officers and directors (other than any express obligation contained in any agreement to which such Person and the Company or any Subsidiary of the Company are parties) to engage in outside business interests and activities in preference to or to the exclusion of the Company or in direct competition with the Company; *provided* the Manager or such officer, director or Affiliate does not engage in such business or activity as a result of or using confidential information provided by or on behalf of the Company to the Manager or such officer, director or Affiliate. Neither the Manager nor its officers and directors shall have any obligation hereunder or as a result of any duty expressed or implied by law to present business opportunities to the Company that may become available to Affiliates of the Manager or its officers and directors.

Section 5.8. Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Company shall be entitled to assume that the Manager and any officer authorized by the Manager to act on behalf of and in the name of the Company has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Company and to enter into any authorized contracts on behalf of the Company, and such Person shall be entitled to deal with the Manager or any officer as if it were the Company's sole party in interest, both legally and beneficially. Each Member hereby waives, to the fullest extent permitted by law, any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the Manager or any officer in connection with any such dealing. In no event shall any Person dealing with the Manager or any of its officers or representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Manager or any officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Company by the Manager or any officer or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Company and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Company.

Section 5.9. Certain Conflicts of Interest. Except as may be provided herein or as otherwise addressed by the Company's conflicts of interest policies, the Company may not engage in any transaction involving a Conflict of Interest without first submitting such transaction to the

Independent Representative for approval to determine whether such transaction is fair and reasonable to the Company and the Members; *provided*, *however*, that the Company may not purchase investments from Fundrise Lending, LLC, or its Affiliates without a determination by the Independent Representative that such transaction is fair and reasonable to the Company and at a price to the Company that is not materially greater than the cost of the asset to Fundrise Lending, LLC, or its Affiliate, as applicable. The resolution of any Conflict of Interest approved by the Independent Representative shall be conclusively deemed to be fair and reasonable to the Company and the Members and not a breach of any duty hereunder at law, in equity or otherwise. Notwithstanding the above, to the extent required by applicable law, any transaction involving certain Conflicts of Interest shall be subject to review and approval by the Independent Representative.

Section 5.10. Fees and Other Compensation Payable to the Manager or its Affiliates. The Manager or its Affiliates shall be entitled to receive the fees set forth in this Section 5.10. The Manager or its Affiliates, in their sole discretion may defer or waive any fee payable to it under this Agreement. All or any portion of any deferred fees will be deferred without interest and paid when the Manager determines.

(a) *Asset Management Fee*. Asset management fee payable quarterly in arrears equal to an annualized rate of 1.75%, which will be based on the Company's NAV, as calculated pursuant to Section 5.12 at the end of each prior annual period (or such other period as determined by the Manager in its sole discretion, but no less frequently than annually). The asset management fee shall be determined by the Manager, in its sole discretion. The Manager may, in its sole discretion, waive its asset management fee, in whole or in part. The Manager will forfeit any portion of the asset management fee that it waives.

(b) *Acquisition / Origination Fees*. Co-investors, joint-venture, borrower or property-holding entity will pay up to 2.0% of any amounts funded by the Company, the Sponsor or Affiliates of the Sponsor to acquire or originate real estate properties, excluding any acquisition and origination expenses and any debt attributable to such investments. To the extent the Company invests in commercial real estate loans, the borrower will pay up to 2.0% of the amount funded by the Company, the Sponsor or Affiliates of the Sponsor to acquire or originate such commercial real estate loans.

(c) *Disposition Fees*. The Company will reimburse the Manager for actual expenses incurred on the Company's behalf in connection with the liquidation of equity investments in real estate, and the Company will pay up to 1.5% of the gross proceeds from such sale if the Manager is acting as the real estate developer or is engaged by the developer to sell the project. Whether to liquidate an equity investment in real estate is in the sole discretion of the Manager.

(d) *Construction and Development Fees*. A construction oversight and development management fee of up to 5.0% of the total development costs, excluding property; however, the Company does not intend to charge such development management fee unless it is net of the fee being charged by the developer of the project. The Manager may, in its sole discretion, waive the development management fee, in whole or in part. The Manager will forfeit any portion of the development management fee that is waived.

(e) *Property Management Fees*. For each real estate investment for which the Manager is acting as the property manager, a property management fee of up to 4% of Gross Receipts for the then current calendar month; however, the Company does not intend to charge such property management fee unless it is net of the fees being charged by another property manager of such asset of the project. The Manager may, in its sole discretion, waive its property management fee, in whole or in part. The Manager will forfeit any portion of the property management fee that is waived.

(f) *Other Services.* Affiliates of the Manager retained for services relating to Company investments or operations may receive fees paid by the Company for such services, which shall be at or below market rates and will not reduce the amount of other fees payable to the Manager or its Affiliates pursuant to this Section 5.10. These services may include accounting and audit services (including valuation support services), account management services, corporate secretarial services, data management services, directorship services, information technology services, finance/budget services, human resources, judicial processes, legal services, operational services, risk management services, tax services, treasury services, loan management services, debt servicing, capital market services, construction management services, property management services, leasing services, transaction support services, transaction consulting services and other similar operational matters.

(g) *Management Incentive Fee*. Upon the liquidation of the Company and/or sale of all the Company's assets, the Manager will receive a Management Incentive Fee if the Company has achieved a 10% Preferred Return. The "Preferred Return" hurdle will be met upon the Company distributing to unitholders (i) 100% of the aggregate proceeds raised in an Offering plus (ii) a 10% annual, cumulative, non-compounded return on such aggregate proceeds calculated from the earlier of (x) the final closing of an Offering or (y) March 31, 2026, as such date may be extended in the discretion of the Manager. After the Preferred Return hurdle is met, 80% of all remaining proceeds from the liquidation of the Company and/or sale of all the Company's assets will be distributed to the unitholders and 20% of such remaining proceeds shall be paid to the Manager as the Management Incentive Fee.

Section 5.11. Reimbursement of Expenses. The Company shall pay or reimburse the Manager and its Affiliates for the following (to the extent not directly paid by the Company):

(a) all third party charges and out-of-pocket costs and expenses incurred by the Company, the Manager and its Affiliates in connection with the formation of the Company, the offering of Units, and the admission of investors in the Company, including, without limitation, travel, legal, accounting, filing, advertising and all other expenses incurred in connection with the offer and sale of interests in the Company (collectively, "**Formation Expenses**"), such reimbursement shall be made, without interest, to the Manager beginning on the date of the Initial Offering for Formation Expenses incurred both before and after that date, and reimbursement payments will be made in monthly installments, but the aggregate monthly amount reimbursed shall not exceed 0.50% of the aggregate gross proceeds from an Offering, provided that if the sum of the total unreimbursed amount of such Formation Expenses, plus new costs incurred since the last reimbursement payment, exceeds the reimbursement limit described above for the applicable monthly installment, the excess will be eligible for reimbursement in subsequent months (subject

to the 0.50% limit), calculated on an accumulated basis, until the Manager has been reimbursed in full;

(b) all fees, costs and expenses related to the selection, acquisition, improvement, development, maintenance, ownership, operation, monitoring, financing, refinancing, hedging and/or sale of Company assets (including, without limitation, fees, costs and expenses incurred as a result of the acquisition of assets or proposed investments in future assets that are not consummated, to the extent not reimbursed by a third party, including fees, costs and expenses that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocable to such co-investors is not paid by such parties);

(c) fees and expenses for legal, audit, accounting, tax preparation, research, valuation, administration and third party consulting services (and to the extent that any lawyers, accountants or other professionals who are employees of or contracted by the Sponsor or its affiliates perform legal, accounting or other services in connection with any of the foregoing in lieu of or in conjunction with external legal counsel, auditors or third party professional service providers, the Sponsor or the Manager is allowed to receive "employee chargebacks" that include a reasonable fee for such services; provided that the amounts charged for such services are reasonable in the Manager's reasonable discretion and such reimbursement corresponds only to the portion of such employees' business time spent on Company matters);

(d) fees, costs and expenses associated with investment management and property management services (which may be payable to or reimbursed to an affiliate of the Manager), including, without limitation, (i) hiring, supervising, and termination of external property management personnel, including, but limited to, property managers, brokers and leasing agents; (ii) negotiating leases; (iii) coordinating development, redevelopment and construction, (iv) zoning and permits; (v) broken deal expenses; (vi) financial performance analysis; (vii) variance analysis; (viii) annual budgeting; (ix) cash forecasting; (x) capital expenditure plan formulation; (xi) asset valuation; and (xii) all other Company-specific asset and property management services specifically tailored to or associated with investments;

(e) fees, costs and expenses associated with the special servicing of nonperforming assets;

(f) litigation expenses, including any expenses incurred in connection with any threatened, pending or anticipated litigation, examination or proceeding, including the amount of any settlements or judgments in connection therewith and amounts relating to the indemnification obligations under this Agreement;

(g) the charges and expenses associated with bookkeeping or the preparation and distribution of financial statements, tax returns, Form 1099s, compliance and reporting, capital call and distribution notices and reports to holders of Units (including, without limitation, any software or online data portal used in connection with such reporting);

(h) the charges and expenses of maintaining the Company's and its subsidiaries' bank accounts and of any banks, custodians or depositories appointed for the

safekeeping of any funds received in connection with subscriptions before the applicable record date for such units or other property of the Company, including the costs of bookkeeping and accounting services;

(i) all expenses incurred by the Manager in its capacity as the Company's manager or any similar role;

(j) the costs and expenses relating to meetings of, or reporting to, the Manager's investment committee, if any, incurred on the Company's behalf;

(k) the costs and expenses of technology related to research and monitoring of investments, including, without limitation, market information systems and publications, research publications and materials, including, without limitation, new research and quotation equipment and services;

(l) all technology related expenses, including, without limitation, (x) any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors or (y) reasonable expenses of affiliates or (z) technology service providers and related software/hardware utilized in connection with accounting, investment and operational activities;

(m) travel and entertainment expenses associated with investigating, evaluating, acquiring, making, monitoring, managing or disposing of investments incurred by any person responsible for matters related to the Company, including personnel of the Sponsor and its affiliates, and ordinary travel expenses for third-party legal and other service professionals in connection with services provided to the Company;

(n) any taxes, fees or other governmental charges levied against the Company or its subsidiaries and all expenses incurred in connection with any tax filing, tax audit, investigation, settlement or review of the Company or any of its subsidiaries;

(o) interest on and fees and expenses relating to borrowings of the Company and its subsidiaries;

(p) expenses related to the formation of any subsidiary or entity formed for the purpose of acquiring or holding any investment;

(q) costs of risk management services and insurance for the Company, its subsidiaries and their investments, including insurance to protect the Sponsor, the Manager and their affiliates in connection with the performance of activities related to us;

(r) expenses incurred in connection with any amendment to the Company's joint venture agreements or any similar arrangements with co-investors or soliciting any consent or approval related thereto;

(s) fees, costs and expenses incurred in connection with communications by the Company with investors (including, without limitation, any software or online data portal);

(t) fees, costs and expenses incurred in connection with government and regulatory filings, including, without limitation, the Company's private placement memorandum and any supplements;

(u) fees, costs and expenses relating to defaulting joint venture partners or coinvestors;

(v) expenses incurred in connection with liquidating the Company, any of its subsidiaries or any of the Company's investments;

(w) the costs of any third parties retained to provide services to the Company or any of its subsidiaries; and

(x) all other expenses not specifically provided for above that are incurred by the Manager (or their affiliates) in connection with operating the Company, any subsidiary of the Company organized for the purpose of holding Company assets, or performing the duties of the Manager as described in this Agreement.

The Company shall not be required to pay, and the Manager shall not be entitled to reimbursement for, (i) ordinary and usual office overhead expenses of the Manager or any of its Affiliates (including rent, etc.), (ii) salaries or other compensation of the employees of the Manager or any of its Affiliate (except as provided in Section 5.11(c)), or (iii) expenses of the Manager's or any of its Affiliate's registration as an investment adviser or other compliance with the U.S. Investment Advisers Act of 1940, as amended, or any corresponding state law. It is acknowledged that, concurrently with the formation of the Company, the Manager may form other investment vehicles that will have similar investment strategies to the Company. Formation Expenses of the Company and corresponding expenses relating to such vehicles shall be allocated among the Company and such vehicles in such manner as the Manager deems equitable. Generally, expenses that relate to a particular investment will be borne by the investment vehicle directly making that investment so that other participating investment vehicles bear their pro rata share, although the Manager may allocate them pro rata among such entities. Generally, expenses that relate only to a particular investment vehicle shall be allocated to such investment vehicle. Each Member other than Affiliates of the Manager shall be solely responsible for all costs and expenses incurred by such Member in considering and maintaining an investment in the Company, including any legal, accounting, advisory or other costs.

Section 5.12. Determination of Net Asset Value. The Sponsor shall cause its internal accountants and asset management team to calculate the Company's net asset value ("**NAV**") using a process that reflects, among other matters, (1) estimated values of each of the Company's commercial real estate assets and investments, as determined by the Sponsor's asset management team, including related liabilities, based upon (a) market capitalization rates, comparable sales information, interest rates, net operating income, (b) with respect to debt, default rates, discount rates and loss severity rates, (c) for properties that have development or value add plans, progress along such development or value add plan, and (d) in certain instances reports of the underlying real estate provided by an independent valuation expert, (2) the price of liquid assets for which third party market quotes are available, (3) accruals of the Company's periodic distributions and (4) estimated accruals of the Company's operating revenues and expenses.

The Manager may, in its discretion, retain an independent valuation expert to provide valuations of the commercial real estate assets and investments, including related liabilities, to be set forth in individual appraisal reports of the underlying real estate, and to update such reports if the Manager, in its discretion, determines that a material event has occurred the may materially affect the value of the Company's commercial real estate assets and investments, including related liabilities.

ARTICLE VI

BOOKS, RECORDS, ACCOUNTING, REPORTS AND TAX MATTERS

Section 6.1. Records and Accounting. The Manager shall keep or cause to be kept at the principal office of the Company appropriate books and records with respect to the business of the Company, including all books and records necessary to provide to the Members any information required to be provided pursuant to this Agreement. Any books and records maintained by or on behalf of the Company in the regular course of its business, including the record of the Members, books of account and records of Company proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device; *provided*, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Company shall be maintained, financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

Section 6.2. Fiscal Year. The fiscal year of the Company for tax and financial reporting purposes shall be a calendar year ending December 31.

Section 6.3. Reports. The Manager shall use commercially reasonable efforts to cause the Company to timely prepare and deliver, or cause its accountants to timely prepare and deliver, to Members a Form 1099-DIV in the year following the end of each fiscal year.

Section 6.4. Tax Matters.

From the effective date of the Company's election to qualify as a REIT until the Restriction Termination Date (as defined in Article XII) of the Company, the Manager and its officers shall conduct the business of the Company and take such action from time to time as the Manager determines is necessary or appropriate in order to cause the Company to qualify as a REIT and maintain such qualification; *provided*, *however*, if the Manager determines that it is no longer in the best interests of the Company to continue to be qualified as a REIT, the Manager may authorize the Company to revoke or otherwise terminate its REIT election pursuant to Section 856(g) of the Code. It is intended that the Company will elect to be treated as a corporation that will elect to be taxed as a REIT prior to the Initial Date (as defined in Article XIII) of the Company until the Restriction Termination Date of the Company.

ARTICLE VII

DISSOLUTION, TERMINATION AND LIQUIDATION

Section 7.1. Dissolution and Termination.

(a) The Company shall not be dissolved by the admission of Substitute Members or Additional Members. The Company shall dissolve, and its affairs shall be wound up, upon:

(i) an election to dissolve the Company by the Manager (or, if the Manager has been removed for "cause" pursuant to Section 5.2, an election to dissolve the Company by an affirmative vote of the holders of not less than a majority of the Common Units then Outstanding entitled to vote thereon);

(ii) the sale, exchange or other disposition of all or substantially all of the assets and properties of the Company;

(iii) the entry of a decree of judicial dissolution of the Company pursuant to the provisions of the Delaware Act; or

(iv) at any time that there are no members of the Company, unless the business of the Company is continued in accordance with the Delaware Act.

Section 7.2. Liquidator. Upon dissolution of the Company, the Manager shall select one or more Persons to act as Liquidator.

In the case of a dissolution of the Company, (i) the Liquidator (if other than the Manager) shall be entitled to receive such compensation for its services as may be separately approved by the affirmative vote of the holders of not less than a majority of the Common Units then Outstanding entitled to vote on such liquidation; (ii) the Liquidator (if other than the Manager) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal separately approved by the affirmative vote of the holders of not less than a majority of the Common Units then Outstanding entitled to vote on such liquidation; (iii) upon dissolution, death, incapacity, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be separately approved by the affirmative vote of the holders of not less than a majority of the Common Units then Outstanding entitled to vote on such liquidation. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article VII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the Manager and its officers under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Company as provided for herein. In the case of a

termination of the Company, other than in connection with a dissolution of the Company, the Manager shall act as Liquidator.

Section 7.3. Liquidation of the Company. In connection with the liquidation of the Company, the Liquidator shall proceed to dispose of the Company's assets, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Sections 18-215 and 18-804 of the Delaware Act, the terms of any Unit Designation (if any) and the following:

(a) Subject to Section 7.3(c), the assets may be disposed of by public or private sale or by distribution in kind to one or more Members on such terms as the Liquidator and such Member or Members may agree. If any property is distributed in kind, the Member receiving the property shall be deemed for purposes of Section 7.3(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Members. Notwithstanding anything to the contrary contained in this Agreement and subject to Section 7.3(c), the Members understand and acknowledge that a Member may be compelled to accept a distribution of any asset in kind from the Company despite the fact that the percentage of the asset distributed to such Member exceeds the percentage of that asset which is equal to the percentage in which such Member shares in distributions from the Company. The Liquidator may defer liquidation or distribution of the Company's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the assets would be impractical or would cause undue loss to the Members. The Liquidator may distribute the Company's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Members.

(b) Liabilities of the Company include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 7.2) and amounts owed to Members otherwise than in respect of their distribution rights under Article IV. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be applied to other liabilities or distributed as additional liquidation proceeds.

(c) Subject to the terms of any Unit Designation (including, without limitation, the preferential rights, if any, of holders of any other class of Units of the Company), all property and all cash in excess of that required to discharge liabilities as provided in Section 7.3(b) shall be distributed to the holders of the Common Units of the Company on an equal per-Unit basis.

Section 7.4. Cancellation of Certificate of Formation. Upon the completion of the distribution of Company cash and property in connection the dissolution of the Company, the Certificate of Formation and all qualifications of the Company as a foreign limited liability company in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Company shall be taken.

Section 7.5. Return of Contributions. Neither the Sponsor, the Manager, nor any of their officers, directors or Affiliates will be personally liable for, or have any obligation to contribute or loan any monies or property to the Company to enable it to effectuate, the return of the Capital

Contributions of the Members, or any portion thereof, it being expressly understood that any such return shall be made solely from Company assets.

Section 7.6. Waiver of Partition. To the maximum extent permitted by law, each Member hereby waives any right to partition of the Company property.

ARTICLE VIII

AMENDMENT OF AGREEMENT

Section 8.1. General. Except as provided in Section 8.2, Section 8.4, or in any Unit Designation, if any, this Agreement may be amended from time to time by the Manager in its sole discretion; *provided*, *however*, that such amendment shall also require the affirmative vote or consent of the Manager and the holders of a majority of the then issued and Outstanding Common Units if such amendment (i) affects the Members disproportionately or (ii) materially and adversely affects the rights of the Members. If the Manager desires to amend any provision of this Agreement in a manner that would require the vote or consent of Members, then it shall first adopt a resolution setting forth the amendment proposed, declaring its advisability, and then (i) call a special meeting of the Members entitled to vote in respect thereof for the consideration of such amendment or (ii) seek the written consent of the Members in accordance with Section 10.6. Amendments to this Agreement may be proposed only by or with the consent of the Manager. Such special meeting shall be called and held upon notice in accordance with Article X of this Agreement. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the Manager shall deem advisable. At the meeting, a vote of Members entitled to vote thereon shall be taken for and against the proposed amendment. A proposed amendment shall be effective upon its approval by the affirmative vote of the holders of not less than a majority-in-interest of the Common Units of the Company then Outstanding, voting together as a single class, unless a greater percentage is required under this Agreement or by Delaware law.

Section 8.2. Super-Majority Amendments. Notwithstanding Section 8.1, any alteration or amendment to this Section 8.2 or Section 5.2 that (i) affects the Members disproportionately or (ii) materially and adversely affects the rights of the Members, will require the affirmative vote or consent of the Manager and the holders of Outstanding Common Units of the Company representing at least two-thirds of the total votes that may be cast by all such Outstanding Common Units, voting together as a single class.

Section 8.3. Amendments to be Adopted Solely by the Manager. Without in any way limiting Section 8.1, the Manager, without the approval of any Member, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect the following (and any such amendment shall not be deemed to either affect the Members disproportionately or materially and adversely affect the rights of the Members):

(a) a change in the name of the Company, the location of the principal place of business of the Company, the registered agent of the Company or the registered office of the Company;

(b) the admission, substitution, withdrawal or removal of Members in accordance with this Agreement;

(c) a change that the Manager determines to be necessary or appropriate to qualify or continue the qualification of the Company as a limited liability company under the laws of any state or to ensure that the Company will continue to qualify as a REIT for U.S. federal income tax purposes;

(d) a change that, in the sole discretion of the Manager, it determines (i) does not adversely affect the Members (including adversely affecting the holders of any particular class or series of Units as compared to other holders of other classes or series of Units, if any classes or series are established) in any material respect, (ii) to be necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Act), (iii) to be necessary, desirable or appropriate to facilitate the trading of the Units or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which Units may be listed for trading, compliance with any of which the Manager deems to be in the best interests of the Company and the Members, (iv) to be necessary or appropriate in connection with action taken by the Manager pursuant to Section 3.8, or (v) is required to effect the intent expressed in any Offering Document or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the fiscal year or taxable year of the Company and any other changes that the Manager determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of the Company; provided that in all events the taxable year of the Company shall remain the calendar year for so long as necessary for the Company to qualify as a REIT;

(f) an amendment that the Manager determines, based on the advice of counsel, to be necessary or appropriate to prevent the Company, the Manager, the Sponsor or their officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under ERISA, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the Manager determines to be necessary or appropriate in connection with the issuance of any additional Common Units, the authorization, establishment, creation or issuance of any class or series of Units and the admission of Additional Members;

(h) an amendment that the Manager determines to be necessary or appropriate to reflect and account for the formation by the Company of, or investment by the Company in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Company of activities permitted by the terms of Section 2.4;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 9.3;

(j) a merger, conversion or conveyance pursuant to Section 10.3(d);

(k) a Roll-Up Transaction pursuant to Section 9.6 (unless Member approval is required in such situation by law or regulations); and

(l) any other amendments substantially similar to the foregoing or any other amendment expressly permitted in this Agreement to be made by the Manager acting alone.

Section 8.4. Certain Amendment Requirements.

(a) Notwithstanding the provisions of Section 8.1 and Section 8.3, no provision of this Agreement that establishes a percentage of Outstanding Units required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Section 8.1 and Section 8.3, but subject to Section 8.2, no amendment to this Agreement may (i) enlarge the obligations of any Member without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 8.3(c), (ii) change Section 7.1(a), (iii) change the term of the Company or, (iv) except as set forth in Section 7.1(a), give any Person the right to dissolve the Company.

ARTICLE IX

MERGER, CONSOLIDATION OR CONVERSION

Section 9.1. Authority. The Company may merge or consolidate with one or more limited liability companies or "other business entities" as defined in Section 18-209 of the Delaware Act, or convert into any such entity, whether such entity is formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("**Merger Agreement**") or a written plan of conversion ("**Plan of Conversion**"), as the case may be, in accordance with this Article IX.

Section 9.2. Procedure for Merger, Consolidation or Conversion. A merger, consolidation or conversion of the Company pursuant to this Article IX requires the prior approval of the Manager.

(a) If the Manager shall determine to consent to the merger or consolidation, the Manager shall approve the Merger Agreement, which shall set forth:

(i) the names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(ii) the name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "**Surviving Business Entity**");

(iii) the terms and conditions of the proposed merger or consolidation;

(iv) the manner and basis of exchanging or converting the rights or securities of, or interests in, each constituent business entity for, or into, cash, property, rights, or securities of or interests in, the Surviving Business Entity; and if any rights or securities of, or interests in, any constituent business entity are not to be exchanged or converted solely for, or into, cash, property, rights, or securities of or interests in, the Surviving Business Entity, the cash, property, rights, or securities of or interests in, any limited liability company or other business entity which the holders of such rights, securities or interests are to receive, if any;

(v) a statement of any changes in the constituent documents or the adoption of new constituent documents (the certificate of formation or limited liability company agreement, articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(vi) the effective time of the merger or consolidation, which may be the date of the filing of the certificate of merger or consolidation pursuant to Section 9.4 or a later date specified in or determinable in accordance with the Merger Agreement (*provided*, that if the effective time of the merger or consolidation is to be later than the date of the filing of the certificate of merger or consolidation, the effective time shall be fixed no later than the time of the filing of the certificate of merger or consolidation or the time stated therein); and

(vii) such other provisions with respect to the proposed merger or consolidation that the Manager determines to be necessary or appropriate.

(b) If the Manager shall determine to consent to the conversion, the Manager may approve and adopt a Plan of Conversion containing such terms and conditions that the Manager determines to be necessary or appropriate.

(c) The Members hereby acknowledge and agree that they shall have no right or opportunity to approve a merger, consolidation, conversion, sale of substantially all assets or other significant transaction involving the Company authorized and approved by the Manager, unless required by applicable laws or regulations.

Section 9.3. No Dissenters' Rights of Appraisal. Members are not entitled to dissenters' rights of appraisal in the event of a merger, consolidation or conversion pursuant to this Article IX, a sale of all or substantially all of the assets of all the Company or the Company's Subsidiaries, or any other similar transaction or event.

Section 9.4. Certificate of Merger or Conversion. Upon the required approval by the Manager of a Merger Agreement or a Plan of Conversion, as the case may be, a certificate of merger or certificate of conversion, as applicable, shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

Section 9.5. Effect of Merger. At the effective time of the certificate of merger:

(a) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities shall be vested in the Surviving Business Entity and after the merger or

consolidation shall be the property of the Surviving Business Entity and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity to the extent they were of each constituent business entity.

(b) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(c) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(d) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

Section 9.6. Roll-Up Transaction or Public Listing. The Manager may at any time in its discretion cause the Company to:

(a) enter into a transaction or series of related transactions designed to cause all or a portion of the Company's assets and properties to be sold, transferred or contributed to, or convert the Company into, one or more alternative vehicles, through consolidation(s), merger(s) or other similar transaction(s) with other companies, some of which may be managed by the Manager, the Sponsor or its Affiliates (a "**Roll-Up Transaction**"); or

(b) list the Company's Units (or securities issued in connection with any Roll-Up Transaction vehicle) on a national securities exchange.

In connection with a Roll-Up Transaction, Members may receive from the Roll-Up Transaction vehicle cash, stock, securities or other interests or assets of such vehicle, on such terms as the Manager deems fair and reasonable; *provided, however*, that the Manager shall be required to obtain approval of Members holding a majority of the Outstanding Common Units if required by applicable laws or regulations. Any cash, stock, securities or other interests or assets received by the Company in a Roll-Up Transaction may be distributed to the Members in liquidation of their interests in the Company.

ARTICLE X

MEMBERS' VOTING POWERS AND MEETING

Section 10.1. Voting. Common Units shall entitle the Record Holders thereof to one vote per Unit on any and all matters submitted to the consent or approval of Members generally. Except as otherwise provided in this Agreement or as otherwise required by law, the affirmative vote of the holders of not less than a majority of the Common Units then Outstanding shall be required for all such other matters as the Manager, in its sole discretion, determines shall require the approval of the holders of the Outstanding Common Units.

Section 10.2. Voting Powers. The holders of Outstanding Units shall have the power to vote only with respect to such matters, if any, as may be required by this Agreement or the

requirements of applicable regulatory agencies, if any. Outstanding Units may be voted in person or by proxy. A proxy with respect to Outstanding Units, held in the name of two or more Persons, shall be valid if executed by any one of them unless at or prior to exercise of the proxy the Company receives a specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a Member shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger.

Section 10.3. Meetings. No annual or regular meeting of Members is required. Special meetings of Members may be called by the Manager from time to time for the purpose of taking action upon any matter requiring the vote or authority of the Members as herein provided or upon any other matter deemed by the Manager to be necessary or desirable. Written notice of any meeting of Members shall be given or caused to be given by the Manager in any form and at any time before the meeting as the Manager deems appropriate. Any Member may prospectively or retroactively waive the receipt of notice of a meeting.

Section 10.4. Record Dates. For the purpose of determining the Members who are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any distribution, or for the purpose of any other action, the Manager may from time to time close the transfer books for such period, not exceeding thirty (30) days (except at or in connection with the dissolution of the Company), as the Manager may determine; or without closing the transfer books the Manager may fix a date and time not more than ninety (90) days prior to the date of any meeting of Members or other action as the date and time of record for the determination of Members entitled to vote at such meeting or any adjournment thereof or to be treated as Members of record for purposes of such other action, and any Member who was a Member at the date and time so fixed shall be entitled to vote at such meeting or any adjournment thereof or to be treated as a Member of record for purposes of such other action, even though he or she has since that date and time disposed of his or her Units, and no Member becoming such after that date and time shall be so entitled to vote at such meeting or any adjournment thereof or to be treated as a Member of record for purposes of such other action.

Section 10.5. Quorum and Required Vote. The holders of a majority of the Units entitled to vote on any matter shall be a quorum for the transaction of business at a Members' meeting, but twenty-five percent (25%) shall be sufficient for adjournments. Any adjourned session or sessions may be held, within a reasonable time after the date set for the original meeting without the necessity of further notice. A majority of the Units entitled to vote on any matter voted at a meeting at which a quorum is present shall decide any matters presented at the meeting, except when a different vote is required or permitted by any express provision of this Agreement.

Section 10.6. Action by Written Consent. Any action taken by Members may be taken without a meeting if Members entitled to cast a sufficient number of votes to approve the matter as required by statute or this Agreement, as the case may be, consent to the action in writing. Such written consents shall be filed with the records of the meetings of Members. Such consent shall be treated for all purposes as a vote taken at a meeting of Members and shall bind all Members and their successors or assigns.

Section 10.7. Classes and Series. The references in this Article X to meetings, quorum, voting and actions by written consent (and any related matters) of Members shall be understood to apply separately to individual classes or series of Members where the context requires.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. Addresses and Notices. Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Member under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail, electronic mail or by other means of written communication to the Member at the address described below. Any notice, payment or report to be given or made to a Member hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Units at his or her address (including email address) as shown on the records of the Company (or the Transfer Agent, if any), regardless of any claim of any Person who may have an interest in such Units by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 11.1 executed by the Company, the Transfer Agent (if any) or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report addressed to a Record Holder at the address of such Record Holder appearing on the books and records of the Company (or the Transfer Agent, if any) is returned by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver it, or is returned by the email server with a message indicating that the email server is unable to deliver the email, such notice, payment or report and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing or emailing (until such time as such Record Holder or another Person notifies the Company (or the Transfer Agent, if any) of a change in his address (including email address)) if they are available for the Member at the principal office of the Company for a period of one year from the date of the giving or making of such notice, payment or report to the other Members. Any notice to the Company shall be deemed given if received by the Manager at the principal office of the Company designated pursuant to Section 2.3 or at the Company's principal email address for Member communications, investments@fundrise.com. The Manager and its officers may rely and shall be protected in relying on any notice or other document from a Member or other Person if believed by it to be genuine.

Section 11.2. Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 11.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 11.4. Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 11.5. Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Company.

Section 11.6. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 11.7. Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Unit, upon the execution of the subscription documents of such Unit, and the acceptance of such subscription by the Manager.

Section 11.8. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflict of laws. Each Member (i) irrevocably submits to the non-exclusive jurisdiction and venue of any Delaware state court or U.S. federal court sitting in Wilmington, Delaware in any action arising out of this Agreement and (ii) consents to the service of process by mail. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

Section 11.9. Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 11.10. Consent of Members. Each Member hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Members, such action may be so taken upon the concurrence of less than all of the Members and each Member shall be bound by the results of such action.

Section 11.11. Facsimile and Electronic Signatures. The use of facsimile or other electronic signatures affixed in the name and on behalf of the Transfer Agent, if any, on certificates or other documents (if uncertificated) representing Units is expressly permitted by this Agreement.

Section 11.12. Assignment. This Agreement may not be assigned within the meaning of the Investment Advisers Act of 1940, as amended, by either the Company or the Manager without the prior written consent of the other party. The Company acknowledges and agrees that transactions that do not result in a change of actual control or management of the Manager shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940, as amended, and/or relevant state law.

Section 11.13. Arbitration.

(a) Any party to this Agreement may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 11.13 (this "**Arbitration Provision**"). The arbitration shall be conducted in the Washington D.C. metro area. As used in this Arbitration Provision, "**Claim**" (or in the plural, "**Claims**") shall include any past, present, or future claim, dispute, or controversy involving a Member (or persons claiming through or connected with a Member), on the one hand, and the Company (or persons claiming through or connected with the Company), on the other hand, relating to or arising out of the subscription agreement, any Common Units, the Fundrise Platform, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of sub-section (e) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. This Arbitration Provision applies to claims under the U.S. federal securities laws and to all claims that that are related to the Company, including with respect to this offering, the Company's holdings (including the holdings of any Subsidiary), the Common Units, the Company's ongoing operations and the management of the Company's investments, among other matters. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

(b) The party initiating arbitration shall do so with the American Arbitration Association (the "**AAA**") or JAMS. The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

(c) If the Company elects arbitration, the Company shall pay all the administrator's filing costs and administrative fees (other than hearing fees). If a Member elects arbitration, filing costs and administrative fees (other than hearing fees) shall be paid in accordance with the rules of the administrator selected, or in accordance with countervailing law if contrary to the administrator's rules. The Company shall pay the administrator's hearing fees for one full day of arbitration hearings. Fees for hearings that exceed one day will be paid by the party requesting the hearing, unless the administrator's rules or applicable law require otherwise, or a Member requests that the Company pay them and the Company agrees to do so. Each party shall bear the expense of its own attorney's fees, except as otherwise provided by law. If a statute gives a Member the right to recover any of these fees, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary herein.

(d) Within 30 days of a final award by the arbitrator, a party may appeal the award for reconsideration by a three-arbitrator panel selected according to the rules of the arbitrator administrator. In the event of such an appeal, an opposing party may cross-appeal within 30 days after notice of the appeal. The panel will reconsider de novo all aspects of the initial award that are appealed. Costs and conduct of any appeal shall be governed by this Arbitration Provision and

the administrator's rules, in the same way as the initial arbitration proceeding. Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act (the "**FAA**"), and may be entered as a judgment in any court of competent jurisdiction.

(e) The Company agrees not to invoke the right to arbitrate an individual Claim that a Member may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT.

(f) Unless otherwise provided in this Agreement or consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not:

(i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party; or

(ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this sub-section (f), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this sub-section (f) shall be determined exclusively by a court and not by the administrator or any arbitrator.

(g) This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by and enforceable under the FAA. The arbitrator will apply substantive law consistent with the FAA and applicable statutes of limitations. The arbitrator may award damages or other types of relief permitted by applicable substantive law, subject to the limitations set forth in this Arbitration Provision. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court. The arbitrator shall take steps to reasonably protect confidential information.

(h) This Arbitration Provision shall survive:

(i) suspension, termination, revocation, closure, or amendments to this Agreement and the relationship of the parties;

(ii) the bankruptcy or insolvency of any party hereto or other party; and

(iii) any transfer of any loan or Common Share or any amounts owed on such loans or notes, to any other party.

If any portion of this Arbitration Provision other than sub-section (e) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in sub-section (e) are finally adjudicated pursuant to the last sentence of sub-section (e) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

Section 11.14. Waiver of Court & Jury Rights. THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT UPON ELECTION OF ARBITRATION BY ANY PARTY. THE PARTIES HERETO WAIVE A TRIAL BY JURY IN ANY LITIGATION RELATING TO THIS AGREEMENT, THE COMMON SHARES, OR ANY OTHER AGREEMENTS RELATED THERETO.

Section 11.15. Limitation on Damages. IN NO EVENT SHALL THE COMPANY BE LIABLE TO A MEMBER FOR ANY LOST PROFITS OR SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SHALL BE INTERPRETED AND HAVE EFFECT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, RULE OR REGULATION.

ARTICLE XII

RESTRICTIONS ON TRANSFER AND OWNERSHIP OF UNITS

Section 12.1. Definitions. For the purpose of this Article XII, the following terms shall have the following meanings:

"**Aggregate Ownership Limit**" shall mean not more than 9.8 percent (in value or in number of Units, whichever is more restrictive) of the aggregate of the Outstanding Units, or such other percentage determined by the Manager in accordance with Section 12.9.

"**Beneficial Ownership**" shall mean ownership of Units by a Person, whether the interest in the Units is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned for purposes of Section 542(a)(2) of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3) of the Code (including by reason of the application of Section 544 of the Code as modified by Sections 856(h)(1)(B)), *provided, however,* that in determining the number of Units Beneficially Owned by a Person, no Unit shall be counted more than once. Whenever a Person Beneficially Owns Units that are not actually outstanding (e.g., Units issuable upon the exercise of an option or the conversion of a convertible security) ("**Option Units**"), then, whenever this Agreement requires a determination of the percentage of Outstanding Units

Beneficially Owned by such Person, the Option Units Beneficially Owned by such Person shall also be deemed to be Outstanding. The terms "**Beneficial Owner**", "**Beneficially Owns**" and "**Beneficially Owned**" shall have the correlative meanings.

"**Charitable Beneficiary**" shall initially mean the American Red Cross until such time as the Company designates another organization that is a "United States person" within the meaning of Section 7701(a)(30) of the Code as determined pursuant to Section 12.11(f); *provided* that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A) (other than clauses (vii) and (viii) thereof) and 170(c)(2) of the Code.

"**Constructive Ownership**" shall mean ownership of Units by a Person, whether the interest in the Units is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "**Constructive Owner**", "**Constructively Owns**" and "**Constructively Owned**" shall have the correlative meanings.

"**Excepted Holder**" shall mean a Person for whom an Excepted Holder Limit is created by the Manager pursuant to Section 12.8.

"**Excepted Holder Limit**" shall mean, provided that the affected Excepted Holder agrees to comply with any requirements established by the Manager pursuant to Section 12.8 and subject to adjustment pursuant to Section 12.8, the percentage limit established by the Manager pursuant to Section 12.8.

"**Initial Date**" shall mean the date of the closing of the Initial Offering of the Company.

"**Initial Offering**" shall mean the first issuance and sale for cash of Common Units of the Company to any Person other than an Affiliate of the Company pursuant to (i) a public offering registered under the Securities Act or (ii) a private offering or offering qualified, as applicable, in accordance with Rule 144A, Regulation A, Regulation D or Regulation S of the Securities Act.

"**Non-Transfer Event**" shall mean any event or other changes in circumstances other than a purported Transfer, including, without limitation, any change in the value of any Units.

"**One Hundred Shareholders Date**" means the first day on which Units are beneficially owned by 100 or more Persons within the meaning of Section 856(a)(5) of the Code.

"**Person**" shall mean, solely for the purposes of this Article XII, an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Exchange Act and a group to which an Excepted Holder Limit applies.

"**Prohibited Owner**" shall mean with respect to any purported Transfer or Non-Transfer Event, any Person who, but for the provisions of Section 12.2, would Beneficially Own or Constructively Own Units and, if appropriate in the context, shall also mean any Person who would have been the Record Holder of the Units that the Prohibited Owner would have so owned.

"**Restriction Termination Date**" shall mean the first day after the Initial Date on which the Manager determines in accordance with Section 6.4 that it is no longer in the best interests of the Company to continue to qualify as a REIT or that compliance with any of the restriction and limitations on Beneficial Ownership, Constructive Ownership and Transfers of Units set forth in this Article XII is no longer required in order for the Company to qualify as a REIT.

"**Transfer**" shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition of Units, as well as any other event that causes any Person to acquire or change its Beneficial Ownership or Constructive Ownership of Units or the right to vote or receive distributions on Units, or any agreement to take any such actions or cause any such events, including (a) the granting or exercise of any option (or any disposition of any option) or entering into any agreement for the sale, transfer or other disposition of Units (or of Beneficial Ownership or Constructive Ownership of Units), (b) any disposition of any securities or rights convertible into or exchangeable for Units or any interest in Units or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Units; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "**Transferring**" and "**Transferred**" shall have the correlative meanings.

"**Trust**" shall mean any trust provided for in Section 12.11(a).

"**Trustee**" shall mean the Person that is unaffiliated with the Company or any Prohibited Owner, that is a "United States person" within the meaning of Section 7701(a)(30) of the Code and is appointed by the Company to serve as trustee of the Trust. The initial Trustee shall be the Manager.

Section 12.2. Ownership Limitations. The provisions of this Article XII shall be applicable as if the Company was a REIT, even if the Manager has not elected to have the Company qualify as a REIT, and shall remain in full force and effect until prior to the Restriction Termination Date:

(a) Basic Restrictions.

(i)

(1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own Units in excess of the Aggregate Ownership Limit; and

(2) no Excepted Holder shall Beneficially Own or Constructively Own Units in excess of the Excepted Holder Limit for such Excepted Holder.

(ii)

(1) No Person shall Beneficially Own or Constructively Own Units to the extent that such Beneficial Ownership or Constructive Ownership of Units would result in the Company being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year , unless otherwise allowed under Section 12.8(e)); and

(2) no Person shall Beneficially Own or Constructively Own Units to the extent that such Beneficial Ownership or Constructive Ownership of Units would result in the Company otherwise failing to qualify as a REIT (including, but not limited to, Beneficial Ownership or Constructive Ownership that;

(A) would result in the Company owning (actually or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code; or

(B) would cause any income of the Company that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such (including, but not limited to, as a result of causing any entity that the Company intends to treat as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code to fail to qualify as such), in either case causing the Company to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(iii) During the period commencing on the One Hundred Shareholders Date, any Transfer of Units that, if effective, would result in the Units being beneficially owned by fewer than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void *ab initio*, and the intended transferee shall acquire no rights in such Units.

(b) Transfer in Trust. If any Transfer of Units or Non-Transfer Event occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning Units in violation of Section 12.2(a)(i) or (ii).

(i) then that number of Shares the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 12.2(a)(i) or (ii) (rounded up to the nearest whole unit) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 12.11, effective as of the close of business on the Business Day prior to the date of such Transfer or Non-Transfer Event, and such Person (or, if different, the direct or beneficial owner of such Units) shall acquire no rights in such Units (and shall be divested of its rights in such Units); or

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 12.2(a)(i) or (ii), then the Transfer of that number of Units that otherwise would cause any Person to violate Section 12.2(a)(i) or (ii) shall be void *ab initio*, and the intended transferee shall acquire no rights in such Units.

Section 12.3. Remedies for Breach. If the Manager shall at any time determine in good faith that a Transfer or Non-Transfer Event has taken place that results in a violation of Section 12.2 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any Units in violation of Section 12.2 (whether or not such violation is intended), the Manager shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or Non-Transfer Event or otherwise prevent such violation, including, without limitation, causing the Company to redeem Units, refusing to give effect to such Transfer or Non-Transfer Event on the books of the Company or instituting proceedings to enjoin such Transfer or Non-Transfer Event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 12.2 (or Non-Transfer Event that results in a violation of Section 12.2) shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or Non-Transfer Event) shall be void *ab initio* as provided above irrespective of any action (or non-action) by the Manager. Nothing herein shall limit the ability of the Manager to grant a waiver as may be permitted under Section 12.8. Absent a decision to the contrary by the Manager (which the Manager may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in this 0) acquired or retained Beneficial Ownership or Constructive Ownership of Units in violation of Section 12.2, such remedies (as applicable) shall apply first to the Units which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such Units based upon the relative number of the Units held by each such Person.

Section 12.4. Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of Units that will or may violate **Error! Reference source not found.** or any Person who would have owned Units that resulted in a transfer to the Trust pursuant to the provisions of Section 12.2(b) shall immediately give written notice to the Company of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice, and shall provide to the Company such other information as the Company may request in order to determine the effect, if any, of such Transfer or Non-Transfer Event on the Company's qualification as a REIT.

Section 12.5. Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date:

(a) every owner of five percent or more (or such lower percentage as required by the Code or the U.S. Treasury Department regulations promulgated thereunder) of the Outstanding Units, within 30 days after the end of each taxable year, shall give written notice to the Company stating the name and address of such owner, the number of Units of each class and series Beneficially Owned and a description of the manner in which such Units are held. Each such owner shall promptly provide to the Company in writing such additional information as the Company may request in order to determine the effect, if any, of such Beneficial Ownership on the Company's qualification as a REIT and to ensure compliance with the Aggregate Ownership Limit; and

(b) each Person who is a Beneficial Owner or Constructive Owner of Units and each Person (including the Member of record) who is holding Units for a Beneficial Owner or Constructive Owner shall promptly provide to the Company in writing such information as the Company may request, in good faith, in order to determine the Company's qualification as a REIT

and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Section 12.6. Remedies Not Limited. Subject to Section 6.5, nothing contained in this Article XII shall limit the authority of the Manager to take such other action as it deems necessary or advisable to protect the Company and the interests of the Members in preserving the Company's qualification as a REIT.

Section 12.7. Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article XII, the Manager shall have the power to determine the application of the provisions of this Article XII with respect to any situation based on the facts known to it. In the event Article XII requires an action by the Manager and this Agreement fails to provide specific guidance with respect to such action, the Manager shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of this Article XII.

Section 12.8. Exceptions.

(a) Subject to **Error! Reference source not found.**(ii), the Manager, in its sole discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Ownership Limit, and may establish or increase an Excepted Holder Limit for such Person if the Manager so determines, based on such representations and undertakings as it may require, that:

(i) subject to Section 12.8(e), such exemption will not cause the Beneficial Ownership or Constructive Ownership of Units of the Company of any individual (as defined in Section 542(a)(2) of the Code as modified by Section 856(h)(3) of the Code) to violate Section 12.2(a)(ii); and

(ii) such Person does not and will not Constructively own an interest in a tenant (or a tenant of any entity owned or controlled by the Company) that would cause the Company to own, actually or Constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant (for this purpose, a tenant from whom the Company (or an entity owned or controlled by the Company) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the Manager, rent from such tenant would not adversely affect the Company's ability to qualify as a REIT shall not be treated as a tenant of the Company), and any such tenant shall also not be treated as a tenant of the Company for purposes of applying Section 12.2(a)(ii)(2).

(b) Prior to granting any exception pursuant to Section 12.8(a), the Manager may require a ruling from the Internal Revenue Service, or an Opinion of Counsel, in either case in form and substance satisfactory to the Manager in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Company's qualification as a REIT. Notwithstanding the receipt of any ruling or opinion, the Manager may impose such conditions or restrictions as it deems appropriate in connection with granting such exception or waiver or creating any Excepted Holder Limit.

(c) Subject to **Error! Reference source not found.**(ii), an underwriter which participates in a public offering or a private placement of Units (or securities convertible into or

exchangeable for Units) may Beneficially Own or Constructively Own Units (or securities convertible into or exchangeable for Units) in excess of the Aggregate Ownership Limit, but only to the extent necessary to facilitate such public offering or private placement.

(d) The Manager may only reduce the Excepted Holder Limit for an Excepted Holder:

(i) with the written consent of such Excepted Holder at any time, or

(ii) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Aggregate Ownership Limit, as applicable.

(e) Subject to Section 12.2(a)(ii)(2), the Manager, in its sole discretion, may exempt an Excepted Holder from the limitations in Section 12.2(a)(ii)(1) and Section 12.2(a)(i) on Beneficial Ownership and/or Constructive Ownership of Units that would result in the Company being "closely held" within the meaning of Section 856(h) of the Code (determined without regard to whether the ownership interest is held during the last half of a taxable year), but only during the first taxable year of the Company for which the Company elects to be a REIT under Section 856(c)(1) of the Code and/or during the first half of the Company's second taxable year for which the Company elects to be treated as a REIT under Section 856(c)(1) of the Code and only to the extent that such Beneficial Ownership and/or Constructive Ownership for such periods does not result in the Company failing to qualify as a REIT.

Section 12.9. Increase or Decrease in Aggregate Ownership Limit.

(a) Subject to **Error! Reference source not found.**, the Manager may from time to time increase or decrease the Aggregate Ownership Limit; *provided, however*, that any decreased Aggregate Ownership Limit will not be effective for any Person whose percentage ownership in Units is in excess of such decreased Aggregate Ownership Limit until such time as such Person's percentage of Units equals or falls below the decreased Aggregate Ownership Limit, but any further acquisition of Units in excess of such percentage ownership of Units will be in violation of the Aggregate Ownership Limit; and *provided further*, that any increased or decreased Aggregate Ownership Limit would not allow five or fewer Persons to Beneficially Own more than 49.9% in value of the Outstanding Units.

(b) Prior to increasing or decreasing the Aggregate Ownership Limit pursuant to Section 12.9, the Manager may require such affidavits, undertakings or agreements, in any case in form and substance satisfactory to the Manager in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Company's qualification as a REIT.

Section 12.10. Legend. Each certificate for Units, if certificated, or any written statement of information in lieu of a certificate delivered to a holder of uncertificated Units shall bear substantially the following legend:

"The units represented by this certificate are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the

Company's maintenance of its qualification as a real estate investment trust ("**REIT**") under the Internal Revenue Code of 1986, as amended (the "**Code**"). Subject to certain further restrictions and except as expressly provided in the Operating Agreement of Fundrise Opportunistic Credit Fund II, LLC, as may be amended from time to time (the "**Operating Agreement**"), (i) no Person may Beneficially Own or Constructively Own Units in excess of 9.8 percent (in value or number of Units, whichever is more restrictive) of the Outstanding Units, unless such Person is exempt from such limitation or is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own Units that would result in the Company being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise cause the Company to fail to qualify as a REIT; and (iii) any Transfer of Units that, if effective, would result in the Units being beneficially owned by less than 100 Persons (as determined under the principles of Section 856(a)(5) of the Code) shall be void *ab initio*, and the intended transferee shall acquire no rights in such Units.

Any Person who Beneficially Owns or Constructively Owns or attempts to Beneficially Own or Constructively Own Units which causes or will cause a Person to Beneficially Own or Constructively Own Units in excess or in violation of the above limitations must immediately notify the Company and Transfer Agent (if any) or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice. If the restrictions on transfer or ownership as set forth in (i) through (iii) above are violated, the Units in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Company may redeem Units upon the terms and conditions specified by the Manager in its sole discretion if the Manager determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described in (i) through (iii) above may be void *ab initio*. All capitalized terms in this legend have the meanings defined in the Operating Agreement, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Units on request and without charge. Requests for such a copy may be directed to the Manager at the Company's principal office."

Instead of the foregoing legend, the certificate or written statement of information delivered in lieu of a certificate, if any, may state that the Company will furnish a full statement about certain restrictions on transferability to a Member on request and without charge.

Section 12.11. Transfer of Units in Trust

(a) Ownership in Trust. Upon any purported Transfer or other event described in Section 12.2(b) that would result in a transfer of Units to a Trust, such Units shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 12.2(b). The Trustee shall be appointed by the Company and shall be a

Person unaffiliated with the Company and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Company as provided in Section 12.11(f).

(b) Status of Units Held by the Trustee. Units held by the Trustee shall be issued and Outstanding Units. The Prohibited Owner shall have no rights in the units held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any Units held in trust by the Trustee, shall have no rights to distributions and shall not possess any rights to vote or other rights attributable to the Units held in the Trust.

(c) Distribution and Voting Rights. The Trustee shall have all voting rights and rights to distributions with respect to Units held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any distribution paid prior to the discovery by the Company that the Units have been transferred to the Trustee shall be paid by the recipient of such distribution to the Trustee upon demand and any distribution authorized but unpaid shall be paid when due to the Trustee. Any distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to Units held in the Trust and, subject to Delaware law, effective as of the date that the Units have been transferred to the Trust, the Trustee shall have the authority (at the Trustee's sole discretion):

(i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Company that the Units have been transferred to the Trustee; and

(ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary;

provided, however, that if the Company has already taken irreversible limited liability company action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article XII, until the Company has received notification that Units have been transferred into a Trust, the Company shall be entitled to rely on its unit transfer and other Member records for purposes of preparing lists of Members entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of Members.

(d) Sale of Units by Trustee. Within 20 days of receiving notice from the Company that Units have been transferred to the Trust, the Trustee of the Trust shall sell the Units held in the Trust to a person, designated by the Trustee, whose ownership of the Units will not violate the ownership limitations set forth in Section 12.2(a). Upon such sale, the interest of the Charitable Beneficiary in the Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 12.11(d). The Prohibited Owner shall receive the lesser of:

(1) the price paid by the Prohibited Owner for the Units or, if the event causing the Units to be held in the Trust did not involve a purchase of such Units at Market Price, the Market Price of the Units on the day of the event causing the Units to be held in the Trust; and

(2) the price per Unit received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the Units held in the Trust.

The Trustee may reduce the amount payable to the Prohibited Owner by the amount of distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 12.11(c). Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Company that Units have been transferred to the Trustee, such Units are sold by a Prohibited Owner, then:

(i) such Units shall be deemed to have been sold on behalf of the Trust; and

(ii) to the extent that the Prohibited Owner received an amount for such Units that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 12.11(d), such excess shall be paid to the Trustee upon demand.

(e) Purchase Right in Units Transferred to the Trustee. Units transferred to the Trustee shall be deemed to have been offered for sale to the Company, or its designee, at a price per Unit equal to the lesser of:

(i) the price per Unit in the transaction that resulted in such Transfer to the Trust (or, if the event that resulted in the Transfer to the Trust did not involve a purchase of such Units at Market Price, the Market Price of such Units on the day of the event that resulted in the Transfer of such Units to the Trust); and

(ii) the Market Price on the date the Company, or its designee, accepts such offer.

The Company may reduce the amount payable to the Trustee by the amount of distributions which has been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 12.11(c) and may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Company shall have the right to accept such offer until the Trustee has sold the Units held in the Trust pursuant to Section 12.11(d). Upon such a sale to the Company, the interest of the Charitable Beneficiary in the Units sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

(f) Designation of Charitable Beneficiaries. By written notice to the Trustee, the Company shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that the Units held in the Trust would not violate the restrictions set forth in Section 12.2(a) in the hands of such Charitable Beneficiary. Neither the failure of the Company to make such designation nor the failure of the Company to appoint the Trustee before its automatic transfer provided for in Section 12.2(b) shall make such transfer ineffective; *provided* that the Company thereafter makes such designation and appointment. The designation of a nonprofit organization as a Charitable Beneficiary shall not entitle such nonprofit organization to serve in such capacity and the Company may, in its sole discretion, designate a

different nonprofit organization as the Charitable Beneficiary at any time and for any or no reason. Any determination by the Company with respect to the application of this Article XII shall be binding on each Charitable Beneficiary.

Section 12.12. Enforcement. The Company is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article XII.

Section 12.13. Non-Waiver. No delay or failure on the part of the Company or its Manager in exercising any right hereunder shall operate as a waiver of any right of the Company or its Manager, as the case may be, except to the extent specifically waived in writing.

Section 12.14. Severability. If any provision of this Article XII or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

MANAGER:

FUNDRISE ADVISORS, LLC

By: _____
Name: Benjamin S. Miller
Title: Chief Executive Officer

INITIAL MEMBER:

RISE COMPANIES CORP.

By: _____
Name: Benjamin S. Miller
Title: Chief Executive Officer