Offering of Class A Shares of Common Stock

Private Offering Memorandum

May 22, 2023

Groma NAV REIT, Inc., or the Company, is a recently formed Maryland corporation that has, intends and continues to invest primarily in multifamily real estate by focusing on properties with significant possibilities for short-term capital appreciation, such as those requiring development, redevelopment or repositioning (including office buildings that can be converted into multifamily properties), or those located in underserved markets, markets with lower barriers to entry and markets with high growth potential. Our investment strategy focuses on investing in small and mid-sized multifamily buildings in dense urban regions, with an emphasis on the Greater Boston Area. If the Company is able to execute its investment thesis, this could create potential for an efficient operation of managing distributed high-demand multifamily assets in other desirable urban regions. To a lesser extent, the Company may also invest in real estate-related loans, including but not limited to mortgage, bridge or mezzanine loans, and real estate-related securities, including securities issued by other real estate companies, either for investment or in change of control transactions completed on a negotiated basis or otherwise.

We are externally managed by Groma Advisor, LLC, a Delaware limited liability company, which we refer to as our "advisor." Our advisor is an affiliate of GromaCorp, Inc., a Delaware corporation, our sponsor, which we refer to as our "sponsor" or "GromaCorp." We have no employees and are externally managed by our advisor; therefore, our advisor will be responsible for our day-to-day management, subject to the oversight of our board of directors. We intend to elect to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2023. We are not a mutual fund and do not intend to register as an investment company under the Investment Company Act of 1940, as amended, or the Investment Company Act. The words "we", "us" and "our" refer to the Company, together with its consolidated subsidiaries, including Groma NAV REIT Operating Partnership, LP, or the Operating Partnership, a Delaware limited partnership of which we are the general partner, unless the context requires otherwise.

Through this memorandum, we are conducting a perpetual offering of our shares of Class A common stock, par value $0.01 per share, which we refer to as "Class A Shares," "shares" or "common shares." We are directly issuing Class A Shares to investors through this memorandum for which no underwriting compensation will be paid in reliance on the safe harbor from broker-dealer registration set out in Rule 3a4-1 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. We are also offering Class A Shares on a platform found at https://republic.com, or the Republic Platform, which is operated for the benefit of OpenDeal Broker LLC, or ODB, a broker-dealer registered with the Financial Industry Regulatory Authority, Inc., or FINRA, and the SEC. ODB is not purchasing the Class A Shares and is not required to sell any specific number or dollar amount of the Class A Shares. For more information regarding the Republic Platform and ODB, see "Plan of Distribution." We may in the future engage other broker dealers that are registered with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manager's participating broker-dealers.

Until we calculate our initial quarterly net asset value, or NAV, per share, the per share price, or transaction price, for shares and have such NAV approved by our board of directors, the price of shares in our offering will be $1.00 per share, plus applicable upfront selling commissions and dealer manager fees, if any. Investors who purchase Class A Shares via the Republic Platform will be charged a 4.0% selling commission, resulting in per share purchase price of $1.04. Following our initial NAV per share calculation, the purchase price per share will vary and will generally equal our prior quarter's NAV per share, as determined quarterly, plus applicable upfront selling commissions and dealer manager fees. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior quarter's NAV per share in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior quarter. This is a "reasonable best efforts" offering, which means we and our affiliates or any dealer manager we engage must use our good faith reasonable best efforts and reasonable diligence to sell our shares and are not obligated to purchase any specific number or dollar amount of our shares.

We are offering our common shares for sale in this offering only to persons that are "accredited investors," as that term is defined under the Securities Act of 1933, as amended, or the Securities Act, and Regulation D promulgated thereunder.

This offering is a perpetual life offering; however, we may terminate this offering at any time in our sole discretion. We may elect to register our securities for public sale under the Securities Act. If we elect to publicly offer our securities, this private offering would terminate prior to the commencement of such public offering. We may terminate this offering at any time in our sole discretion. We would be required to register as a public reporting company under the Exchange Act, if, as of the end of a calendar year, we have more

than $10 million in assets and securities "held by record" by either 2,000 persons who are accredited investors, or 500 persons who are not accredited investors.

An investment in our common shares is speculative and involves substantial risks. You should carefully read and consider the risks described in the "Risk Factors" section beginning on page 38 of this memorandum before you invest in our common shares. Neither the SEC nor any other federal, state or foreign securities commission or similar authority has approved or disapproved these securities, endorsed the merits of this offering or passed upon the accuracy or completeness of this memorandum. Any representation to the contrary is a criminal offense.

Our common shares are subject to certain restrictions on transferability, resale and ownership and may not be transferred or resold except as permitted pursuant to registration or applicable exemption under the Securities Act and applicable state securities laws. See the "Description of Our Securities" section beginning on page 179 of this memorandum for more information. Investors should be aware that they will bear the financial risks of this investment for an indefinite period of time.

	Price to Investors[1]	Potential Upfront Fees[2]	Maximum Proceeds to Us, Before Expenses[3]
Per Class A Share	$1.07	$0.07	$1.00

[1] The price per share shown for Class A Shares is $ per share, plus, if an investor subscribes through a broker-dealer, maximum applicable upfront selling commissions and dealer manager fees, which may vary per investor. Shares of each class will be issued on a quarterly basis at a price per share generally equal to the prior quarter's NAV per share, plus applicable upfront selling commissions and dealer manager fees, if any. The transaction price is the then-current offering price per share before applicable selling commissions and dealer manager fees, and is generally the prior quarter's NAV per share.

[2] For Class A Shares, investors who subscribe through a broker-dealer may pay upfront selling commissions and dealer manager fees of up to 7.0% of the transaction price. Our advisor may fund an amount of such upfront selling commissions and/or dealer manager fees so that such fees are not paid with offering proceeds (i.e., by the investor). We will also pay or reimburse certain organization and offering expenses, including, subject to FINRA limitations on underwriting compensation, certain wholesaling expenses. See "Plan of Distribution," "Estimated Use of Proceeds" and "Compensation" for more information.

[3] Proceeds are calculated before deducting organization and offering expenses payable by us, which are paid over time.

GENERAL DISCLAIMER FOR OPENDEAL BROKER LLC INVESTORS

OPENDEAL BROKER, LLC ("ODB") HAS NOT INVESTIGATED (NOR HAVE ANY OF ITS AFFILIATES INVESTIGATED) THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. ODB AND ITS AFFILIATES MAKE NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. ODB BROKER'S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

AN INVESTOR SHOULD HAVE KNOWLEDGE AND UNDERSTANDING OF SOPHISTICATED AND COMPLEX INVESTMENTS TO MAKE A SELF-DETERMINATION OR SEEK ADVICE ELSEWHERE. PLEASE REFER TO THE SECTION ENTITLED "RISK FACTORS" OF THIS MEMORANDUM. ODB MAY INVITE OTHER BROKER/DEALERS TO PARTICIPATE IN THIS OFFERING UNDER SIMILAR TERMS AND CONDITIONS.

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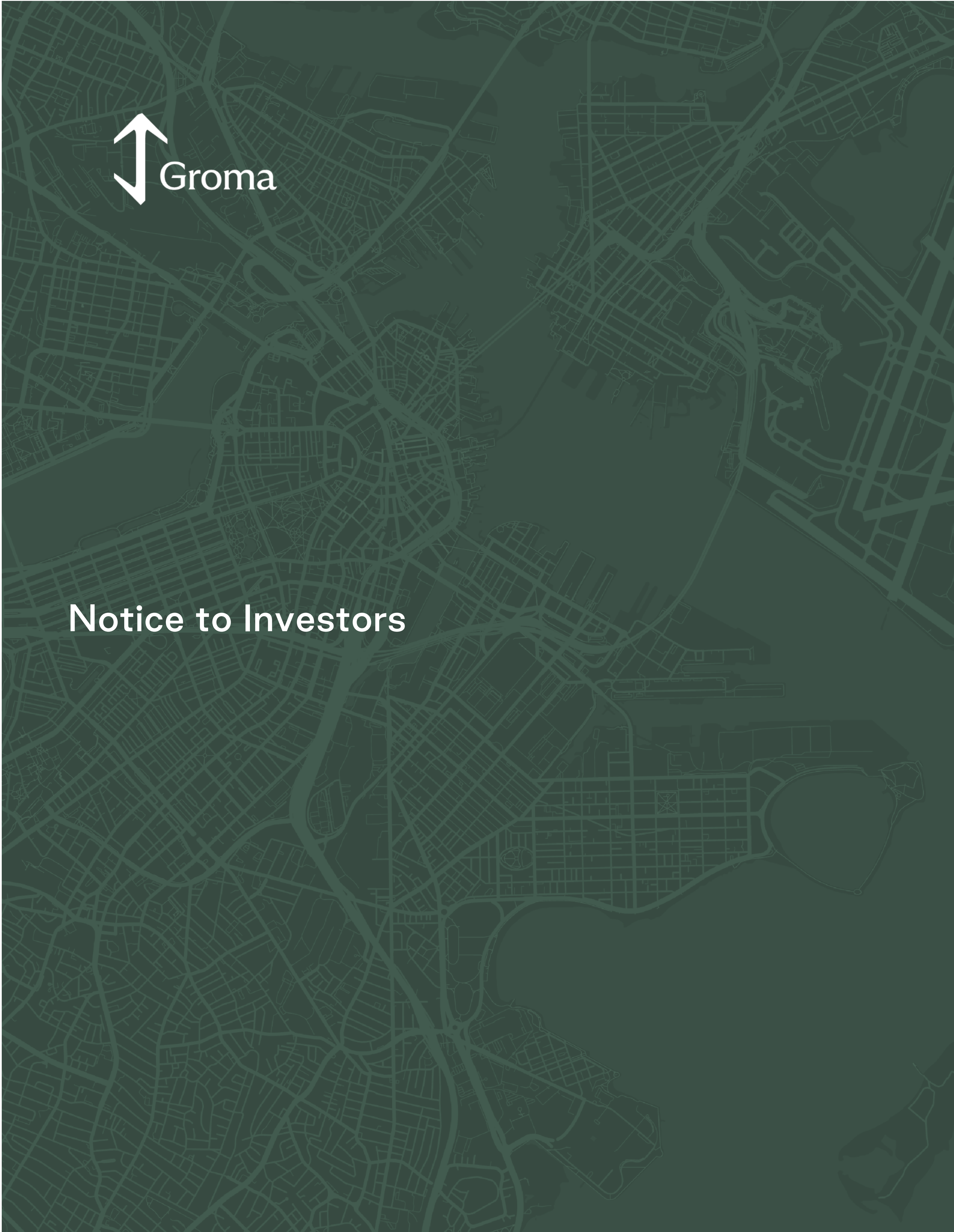


Notice to Investors

This memorandum (together with any amendments or supplements, the "memorandum") has been prepared in connection with the private placement of our common shares and does not constitute an offer to sell or a solicitation of an offer to buy our securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the making of such offer or solicitation would be unlawful. Our common shares offered hereby may be offered and sold only to investors who meet the investor suitability requirements set forth under the section entitled "Suitability Standards" beginning on page 11 of this memorandum.

This memorandum has been prepared solely for the benefit of persons interested in purchasing our common shares, and any reproduction or distribution of this memorandum, in whole or in part, or the disclosure of any of its contents is prohibited without our prior written consent. By accepting delivery of this memorandum, you agree to return this memorandum and all documents furnished with it to us or our representatives upon request if you do not purchase any of our common shares, or if we withdraw or terminate the offering of our common shares.

Because this offering is being conducted pursuant to an exemption from the Securities Act's registration requirements, this offering is not subject to review by FINRA. We expect to directly issue shares to investors through this memorandum, for which no underwriting compensation will be paid. We are also offering Class A Shares on a non-exclusive basis on a platform found at https://republic.com, or the Republic Platform, which is operated for the benefit of OpenDeal Broker LLC, or ODB, a broker-dealer registered with FINRA and the SEC. We may in the future engage other broker dealers that are registered with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers. We reserve the unconditional right to cancel or modify this offering, to reject subscriptions for our common shares in whole or in part, and to waive conditions pertaining to the purchase of our common shares.

We are offering our common shares exclusively through this memorandum and any appendices and supplements we provide. This memorandum contains a summary of material provisions of certain documents. We believe these summaries are accurate, but you should refer to the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and related documents and agreements will be made available to you or your advisors upon request to us.

During the course of this offering, and before you purchase any of our common shares, you are invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering, our company, our advisor, our common shares offered hereby, and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this memorandum. We will provide such information to the extent we possess it or can acquire it without unreasonable effort or expense.

Your purchase of our common shares is subject to (i) our receipt and acceptance of a subscription agreement (in the form attached to this memorandum as Appendix A), (ii) our right to reject any subscription agreement for shares in whole or in part, and (iii) our right to withdraw, cancel, or modify this offering without notice to investors, as well as certain other conditions. We may reject a prospective investor's subscription agreement for any reason or no reason. We will reject subscription agreements if you fail to conform to the requirements of this offering or for such other reasons as we may determine to be in our best interests. You may not revoke, cancel, or terminate your subscription agreement, except in accordance with the terms of your subscription agreement.

Trustees, custodians, and fiduciaries of retirement and other plans subject to the Employee Retirement Income Security Act of 1974, as amended, or "ERISA," or Section 4975 of the Internal Revenue Code of 1986, as amended, or the Code, (including individual retirement accounts, or IRAs), should consider, among other things: that the plan, although generally exempt from federal income taxation, would be subject to income taxation were any income from this investment that constituted unrelated business taxable income and any other unrelated business taxable income earned by the plan to exceed $1,000 in any taxable year; whether an investment in us is advisable given the definition of "plan assets" under ERISA and U.S. Department of Labor regulations; whether the investment is in accordance with plan documents (including any investment policy) and satisfies the diversification requirements of Section 404(a) of ERISA, if

applicable, or similar applicable law; whether the investment is prudent under Section 404(a) of ERISA, if applicable, and whether the investment satisfies all fiduciary obligations under ERISA, the Code and similar applicable law, considering the nature of this investment, the compensation structure of this offering, and the potential lack of liquidity of our common shares offered hereby; that we have limited operations; whether an investment may result in a prohibited transaction under ERISA, the Code, or similar applicable law and whether we or any affiliate is a fiduciary or party in interest or disqualified person to the plan. The prudence of a particular investment must be determined by the responsible fiduciary taking into account all the facts and circumstances of the plan and of the investment. See "Material U.S. Federal Income Tax Considerations" beginning on page 145 and "Investment by Certain Tax-Exempt Entities, including Retirement Plans, and ERISA Considerations" beginning on page 164 of this memorandum for more information.

We have not registered the common shares we are offering under the Securities Act or the securities laws of any state, and we are offering and selling our common shares in reliance on exemptions from the registration requirements of the Securities Act and such laws. Our common shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted pursuant to registration or applicable exemption under the Securities Act and applicable state securities laws. Additionally, our Articles of Amendment and Restatement, or our charter, contain restrictions on transfer designed to ensure we maintain our status as a REIT for federal income tax purposes. We intend to operate in such a manner that we will not become subject to regulation under the Investment Company Act and do not intend to register as an investment company thereunder.

Because the common shares we are offering are not registered under the Securities Act, or the securities laws of any state, investors must hold them indefinitely unless the common shares are registered under the Securities Act and any applicable state securities laws, which registration we do not expect to effectuate, or we, with the advice of our counsel, conclude that registration is not required under the Securities Act and applicable state laws. It is highly unlikely that a public market will ever exist for our common shares.

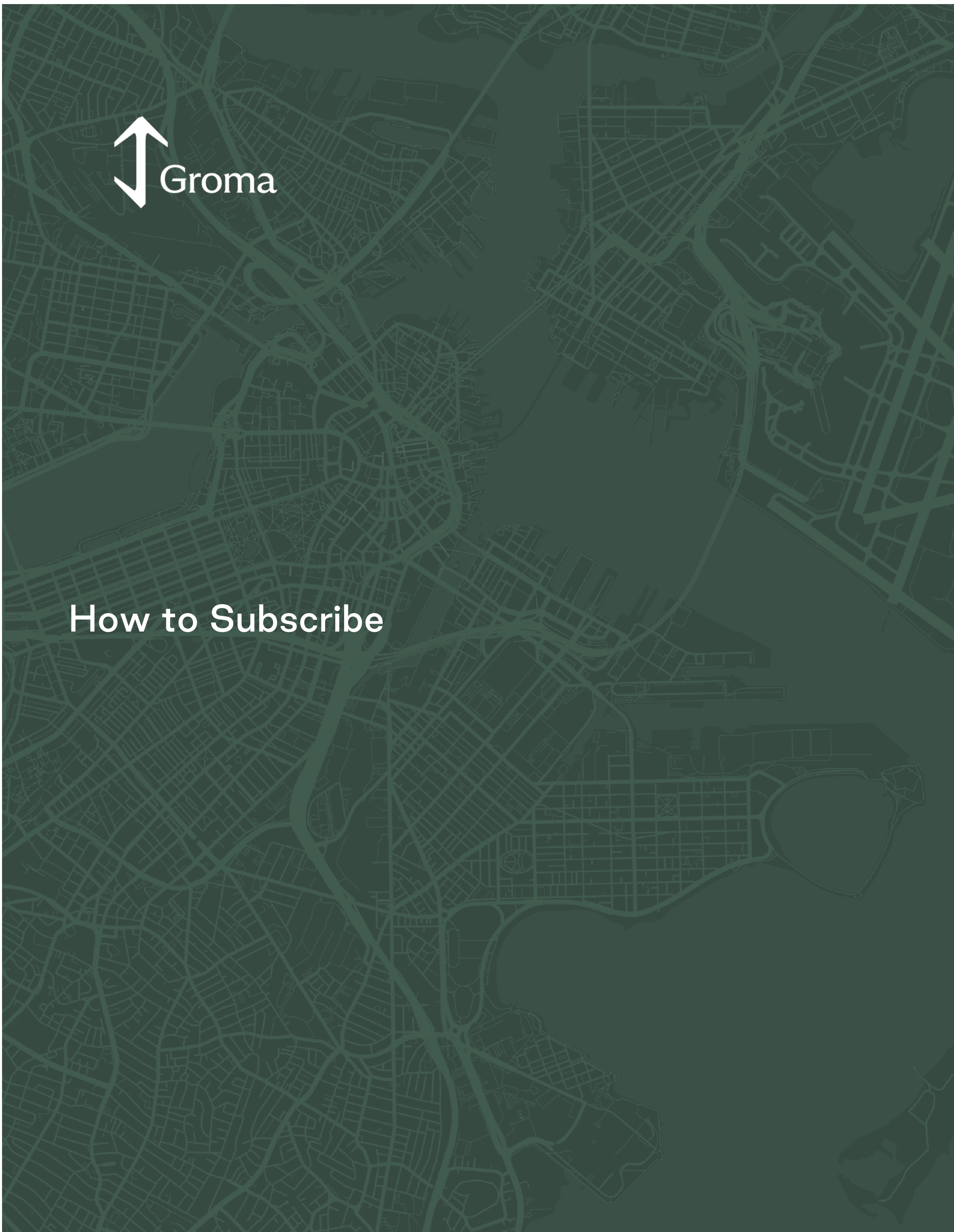
Should we commence a registered initial public offering of securities that are not listed on a national securities exchange, we would be required to file a registration statement on Form S-11 to the Securities and Exchange Commission, or the "SEC," and the securities commissioners in each jurisdiction where we or participating broker-dealers would sell our securities, and we would be required to comply with the Statement of Policy Regarding Real Estate Investment Trusts revised and adopted by the North American Securities Administrators Association on May 7, 2007, or the NASAA REIT Guidelines. If and when we commence a public, non-listed offering, we will become subject to the NASAA REIT Guidelines.

The initial price per Class A Share offered hereby has been arbitrarily determined and is not the result of an arm's-length negotiation.

In making an investment decision, you must rely on your own examination of us and the terms of this offering, including the merits and risks involved. The common shares we are offering have not been recommended by any federal or state securities commission or regulatory authority.

No person has been authorized to give any information or make any representations other than those contained in this memorandum, and, if given or made, whether in writing or orally, such information or representations must not be relied upon as having been given by us, our sponsor, our advisor, or their affiliates. Neither we, our sponsor, our advisor, nor their affiliates can guarantee that the estimates, opinions or assumptions made in this memorandum will prove to be accurate.

You should not consider the information contained in this memorandum, nor any prior, contemporaneous, or subsequent communication related to this offering, as legal or tax advice. You should consult your own legal and tax advisors to ascertain the merits and risks of an investment in our common shares before investing.



How to Subscribe

Investors that are "accredited investors" and who otherwise meet the suitability standards described herein may purchase shares of our common stock. Each investor will be required to provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify the investor's status as an "accredited investor" in accordance with Rule 506(c)(2) of Regulation D. Due to the illiquid nature of investments in real estate, our shares of common stock are only suitable as a long-term investment. Because there is no public market for our shares, stockholders may have difficulty selling their shares if we choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month, in our discretion, or if our board of directors modifies, suspends or terminates the share repurchase program. Further, our share repurchase program will commence on the first anniversary of the date when, after approval from our board of directors, we announce our initial quarterly NAV per share. See "Suitability Standards" on page 11 in this memorandum. Investors seeking to purchase shares of our common stock must proceed as follows:

- Read this entire memorandum and any appendices and supplements accompanying this memorandum.
- To purchase shares in this offering, you must complete and sign a subscription agreement in the form attached to this memorandum as Appendix A beginning on page 210. You may complete the subscription agreement electronically. Should you execute the subscription agreement electronically, your electronic signature, whether digital or encrypted, included in the subscription agreement is intended to authenticate the subscription agreement and to have the same force and effect as a manual signature.
- Submit a wire transfer, instruct your broker-dealer to make payment from your brokerage account or otherwise deliver funds for the full purchase price of the shares of our common stock being subscribed for along with the completed subscription agreement to the participating broker-dealer. After you have satisfied the applicable minimum purchase requirement of $1,000, additional purchases must be in increments of $500, unless such minimums are waived by us. The minimum subsequent investment does not apply to purchases made under our distribution reinvestment plan.
- By executing the subscription agreement, attached as Appendix A, and paying the total purchase price for the shares of our common stock subscribed for, each investor attests that he or she meets the suitability standards as stated in the subscription agreement attached hereto as Appendix A and agrees to be bound by all of its terms. Certain participating broker-dealers may require additional documentation.

A sale of the shares to a subscriber may not be completed until at least five business days after the subscriber receives our final memorandum. Subscriptions to purchase our common stock may be made on an ongoing basis, but investors may only purchase our common stock pursuant to accepted subscription orders as of the first calendar day of each month (based on the prior quarter's transaction price), and to be accepted, a subscription request must be made with a completed and executed subscription agreement in good order, including satisfying any additional requirements imposed by the subscriber's broker-dealer, and payment of the full purchase price of our common stock being subscribed at least five business days prior to the first calendar day of the month (unless waived by us).

For example, if you wish to subscribe for shares of our common stock in October, your subscription request must be received in good order at least five business days before November 1. Generally, the offering price will equal the NAV per share as of the last calendar day of September, plus applicable upfront selling commissions and dealer manager fees, if any. If accepted, your subscription will be effective on the first calendar day of November.

Completed subscription requests will not be accepted by us before the later of (i) two business days before the first calendar day of each month and (ii) three business days after we make the transaction price (including any subsequent revised transaction price in the circumstances described below) available to prospective investors. Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted

as described in the previous sentence. As a result, you will have a minimum of three business days after the transaction price for that quarter has been disclosed to withdraw your request before you are committed to purchase the shares.

However, if the transaction price is not made available on or before the eighth business day before the first calendar day of the month (which is six business days before the earliest date we may accept subscriptions), or a previously disclosed transaction price for that month is changed, then we will provide notice of such transaction price (and the first day on which we may accept subscriptions) directly to subscribing investors when such transaction price is made available. In such cases, you will have at least three business days from delivery of such notice before your subscription is accepted.

If for any reason we reject the subscription, or if the subscription request is canceled before it is accepted or withdrawn as described below, we will return the subscription agreement and the related funds, without interest or deduction, within ten business days after such rejection, cancellation or withdrawal.

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

You have the option of placing a transfer on death, or TOD, designation on your shares purchased in this offering. A TOD designation transfers the ownership of the shares to your designated beneficiary upon your death. This designation may only be made by individuals, not entities, who are the sole or joint owners with right to survivorship of the shares. If you would like to place a TOD designation on your shares, you must check the TOD box on the subscription agreement in the form attached hereto as Appendix A and you must complete and return a TOD form, which you may obtain from your financial representative, in order to effect the designation.

In the future, in addition to recording with a registered transfer agent, we intend to present a digital representation of our outstanding securities, which we intend to refer to as "GromaCoins®". GromaCoins,® would be authenticated and recorded on the Ethereum blockchain ("Ethereum") as ERC-20 compatible tokens and will reflect the ownership of our Class A Shares, which will be recorded by our registered transfer agent, Apex Group Ltd. ("Apex Group"). The transfer agent serves as the official record of share ownership, with the digital representation on blockchain mirroring and offering an additional method of display and viewership for such shares. By way of background, Ethereum is an open source, public blockchain-based distributed computing platform and operating system featuring smart contract functionality. A blockchain is an open, distributed ledger that records transactions between two parties in a verifiable and permanent way. For more information, see "Memorandum Summary — How may you utilize blockchain technology in this program?" beginning on page 17 in this memorandum.

NOTE TO ODB INVESTORS ONLY

In order to complete the closing process in this Offering, each subscriber will be required to complete such documentation as may be requested by ODB on behalf of the Company, which may include, without limitation: (1) the execution and delivery of a subscription agreement; (2) completion of purchaser qualification requirements (status as an Accredited Investor under Regulation D and KYC/AML or KYB (if applicable) screening requirements; (3) clearance from ODB's regulation best interest requirements, and (4) confirmation by ODB of the Company's receipt of funds (collectively, the "Closing Requirements").

The proceeds of this Offering will be disbursed to the Company intermittently throughout the closing process, provided that all applicable Closing Requirements associated with such proceeds must be satisfied prior to disbursement.

Minimum Purchase Requirements

As noted above, the initial minimum permitted investment in this private offering is $1,000 in shares, provided that we have the right to waive such minimum investment requirement in our discretion. Additional purchases of shares must be made in increments of at least $500. Our directors, officers and employees of our advisor

and other affiliates and individuals designated by management may purchase shares for an initial minimum permitted investment of $1,000. The minimum subsequent investment does not apply to purchases made under our distribution reinvestment plan.

Investments by Qualified Accounts

Funds from qualified accounts will be accepted if received in installments that together meet the minimum or additional investment amount, as applicable, so long as the total subscription amount was indicated on the subscription agreement and all funds are received within a 90-day period, unless a different time period is approved by the Company.

Suitability Standards

We are offering and selling our common shares in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this memorandum is strictly limited to persons who meet the requirements and make the representations set forth below. We reserve the right to declare any prospective investor ineligible to purchase our common shares based on any information that may become known or available to us concerning the suitability of such prospective investor or for any other reason. On a limited basis, except in the instances of the death or "qualifying disability" of a stockholder, you may be able to have your shares repurchased through our share repurchase program when it commences, although we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. You should not buy shares of our common stock if you need to sell them in the near future.

Investor Suitability Requirements

Investment in our common shares involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in their investment in the shares.

In order to purchase our common shares, you must represent in writing that you meet, among other things, all of the following suitability requirements:

- You have received, read and fully understand this memorandum and all appendices and attachments to it, and in electing to invest in our common shares, you have relied only on the information contained in this memorandum and its appendices and attachments and have not relied upon any representations or information made or supplied by any other person.
- You understand that an investment in our common shares is speculative and involves substantial risks, and you are fully cognizant of and understand all of the risks relating to a purchase of our common shares, including, but not limited to, those risks set forth under the "Risk Factors" section beginning on page 38 of this memorandum.
- Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in our common shares will not cause such overall commitment to become excessive.
- You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in your investment in our common shares.
- You can bear and are willing to accept the economic risk of losing your entire investment in our common shares.
- You are acquiring our common shares for your own account and for investment purposes only, and you have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the shares.
- You understand that, due to the lack of any existing market for our common shares, and the probability that no such market will exist in the future, your investment is, and is likely to remain, highly illiquid and may have to be held indefinitely.

- You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of an investment in our common shares and have the ability to protect your own interests in connection with such investment.

- You have had the opportunity (a) to ask questions of, and receive answers from, us and officers and employees of our advisor concerning the creation and operation of our company and the terms and conditions of this offering and (b) to obtain any additional information you deemed necessary. You have been provided with all materials and information requested by either you or others representing you, including any information requested to verify any information furnished to you.

In order to purchase our common shares, you must also provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify that:

- You are an "accredited investor" as such term is defined under Regulation D promulgated under the Securities Act (as set forth in the subscription agreement in the form attached hereto as Appendix A), and you will immediately notify us if you no longer qualify as an "accredited investor."

- You are an "accredited investor" as defined in Regulation D promulgated under the Securities Act if you (i) have income in excess of $200,000 per year for the past two years, or have joint income with your spouse or spousal equivalent in excess of $300,000 per year for the past two years, and have an expectation of reaching the same income level in the current year, (ii) have a net worth, individually or jointly with your spouse or spousal equivalent, exceeding $1,000,000 (not including the value of your primary personal residence) or (iii) hold one or more of the following licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Advisor Representative license (Series 65). For purposes of calculating net worth in clause (ii) of the preceding sentence, (a) as noted, you may not include the value of your primary residence as an asset, (b) you do not need to include as a liability indebtedness that is secured by your primary residence, up to the estimated fair market value of the primary residence at the time you subscribe for our shares (however, if the amount of such indebtedness outstanding at the time you subscribe exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, you must include as a liability in your net worth calculation the amount of such excess), and (c) you must include as a liability indebtedness that is secured by your primary residence to the extent such indebtedness exceeds the estimated fair market value of your primary residence at the time you subscribe for our shares. An entity may also be an "accredited investor." For more information, please see the form of subscription agreement attached hereto as Appendix A beginning on page 210 in this memorandum.

Such documents can include your prior two years' income tax returns and written certification that you reasonably expect to reach the required income level ($200,000 for an individual and $300,000 for a married couple) in the current year; bank or brokerage statements, appraisal reports, or similar documents and verify liabilities via a credit report; written confirmation from your broker-dealer, investment advisor, attorney, or certified public accountant that you are an "accredited investor" based upon information verified within the last three months.

If you will purchase 20% or more of our shares in this offering, you have not had any disqualifying events as described and defined under Rule 506(d) of Regulation D (and as set forth in an addendum to the subscription agreement attached hereto as Appendix A).

The investor suitability requirements set forth above represent minimum suitability requirements we have established for investors in our common shares. Accordingly, if you satisfy these minimum suitability requirements, that does not necessarily mean that our common shares are a suitable investment for you (or that we will accept your subscription). Furthermore, we may modify such requirements in our sole discretion from time to time, and any such modification may raise the suitability requirements for investors.

The SEC adopted Regulation Best Interest, which establishes a new standard of conduct for broker-dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. A retail customer is any natural person, or the legal

representative of such person, who receives a recommendation of any securities transaction or investment strategy involving securities from a broker-dealer and uses the recommendation primarily for personal, family, or household purposes. When making such a recommendation, a broker-dealer and its associated persons must act in such customer's best interest at the time the recommendation is made, without placing their financial or other interest ahead of the retail customer's interests, and should consider reasonable alternatives in determining whether the broker-dealer and its associated persons have a reasonable basis for making the recommendation. This standard is different than the quantitative suitability standards we require for an investment in our shares and enhances the broker-dealer standard of conduct beyond existing suitability obligations. As Regulation Best Interest became effective on June 30, 2020, no administrative or case law currently exists under Regulation Best Interest and the full scope of its applicability is uncertain.

Under SEC rules, the broker-dealer must meet four component obligations:

- Disclosure Obligation: The broker-dealer must provide certain required disclosures before or at the time of the recommendation about the recommendation and the relationship between the broker-dealer and its retail customer. The disclosure includes a customer relationship summary on Form CRS. The broker-dealer's disclosures are separate from the disclosures we provide to investors in this memorandum.

- Care Obligation: The broker-dealer must exercise reasonable diligence, care, and skill in making the recommendation.

- Conflict of Interest Obligation: The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest.

- Compliance Obligation: The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest.

Our sponsor and each person selling shares on our behalf must make every reasonable effort to determine that the purchase of shares of our common stock is a suitable and appropriate investment for each investor. In making this determination, our sponsor will rely upon information provided by the investor, as well as the suitability assessment made by a participating broker-dealer, if shares are purchased through a broker-dealer. Before you purchase shares of our common stock, your authorized representative or other person placing shares on your behalf will rely on relevant information provided by you to determine that you:

- meet the minimum income and net worth standards established in your state;

- are in a financial position appropriate to enable you to realize the potential benefits described in the memorandum; and are able to bear the economic risk of the investment based on your overall financial situation.

Participating broker-dealers are required to maintain for six years records of the information used to determine that an investment in shares of our common stock is suitable and appropriate for a stockholder.

By signing the subscription agreement required for purchases of our common stock, you represent and warrant to us that you have received a copy of this memorandum and that you meet the net worth and annual gross income requirements described above. By making these representations, you do not waive any rights that you may have under federal or state securities laws.

Restrictions Imposed by the USA PATRIOT Act and Related Acts

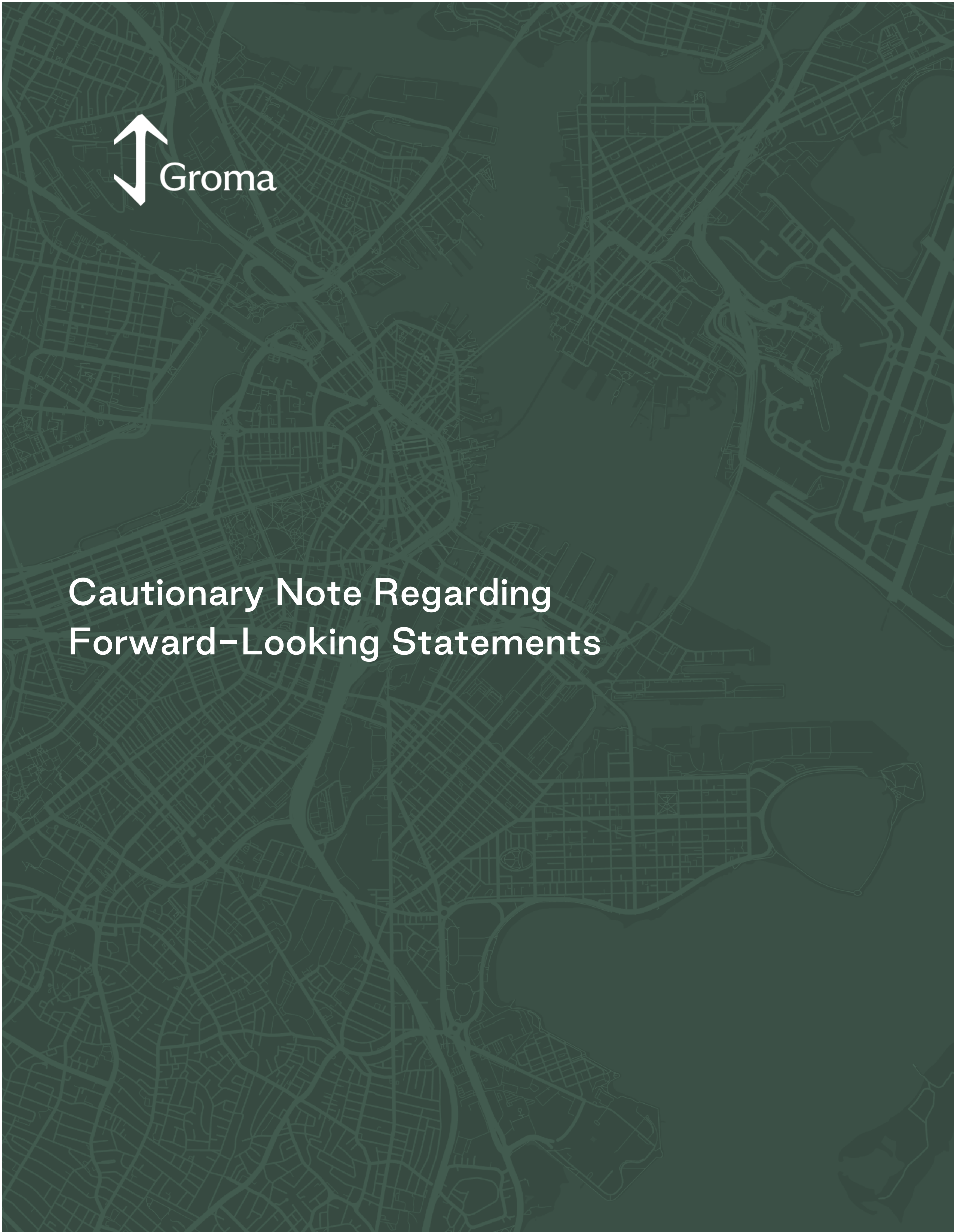
The United States and many other jurisdictions have created, and continue to revise and create, anti-money laundering, embargo and trade sanctions, and similar laws, regulations, requirements (whether or not with force of law) and regulatory policies, and many financial institutions have created, and continue to change, responsive disclosure and compliance policies, all of which we collectively refer to as the "AML Requirements." We could be requested or required to obtain additional information to verify the identity of potential and existing stockholders, obtain certain assurances from the stockholders subscribing for our common shares, disclose information pertaining to them to governmental, regulatory, or other authorities or

to financial intermediaries or other relevant third parties, or engage in due diligence or take other related actions in the future. It is our policy to comply with any AML Requirements to which we and our affiliates may become subject and to interpret them broadly in favor of disclosure. Each prospective stockholder will be deemed to have agreed by reason of owning any of our common shares that it will provide additional information or take such other actions as may be necessary or advisable for us to comply with any AML Requirements, related legal process, or appropriate request (whether formal or informal).

In accordance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, or the USA PATRIOT Act, and other AML Requirements, the securities offered hereby may not be offered, sold, transferred or delivered, directly or indirectly, to any "unacceptable investor," which means anyone who is acting, directly or indirectly: (a) in contravention of any U.S. or international laws and regulations, including, without limitation, any anti-money laundering or anti-terrorist financing sanction, regulation, or law promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury, or OFAC, or any other U.S. governmental entity (we refer to such sanctions, regulations and laws as the "AML Sanctions Laws"), such that the offer, sale, transfer, or delivery of the shares, directly or indirectly, would contravene such AML Sanctions Laws or other AML Requirements; or (b) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, as such list may be amended from time to time, or any other lists of similar import as to any non-U.S. country, individual, or entity. In addition, we and our affiliates will disclose any and all information required or requested by governmental or other authorities as required by or in connection with the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act, and other anti-money laundering, anti-terrorism and similar laws, rules and regulations including, without limitation, Executive Order 13224. Each prospective stockholder, by executing the subscription agreement, will consent, and by owning our common shares will be deemed to have consented, to disclosure by us and our affiliates to relevant third parties of information pertaining to such AML Requirements and any other requirements or information requests related thereto.

In order to ensure our compliance with the AML Requirements, we may request each stockholder to provide documentation verifying, among other things, such stockholder's identity and source of funds used to purchase its common shares. Each stockholder will be required to represent that the funds contributed by it are not derived from any criminal enterprise. Each prospective stockholder will represent in the subscription agreement that the stockholder, its principals, beneficial owners, senior management officials or investors, as applicable, are not named on or blocked by the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, as such list may be amended from time to time, or any other lists of similar import as to any non-U.S. country, individual, or entity. Requests for documentation and additional information may be made at any time during which a stockholder owns our common shares. We may provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the stockholders that the information has been provided. We reserve the right to require any payment or distribution to a stockholder to be paid into the account from which the stockholder's subscription funds originated.

We also reserve the right to refuse to make any distribution or other payment to a stockholder if we suspect or are advised that such payment might result in a breach or violation of any applicable anti-money laundering or other laws or regulations in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure our compliance with any such laws or regulations in any relevant jurisdiction.



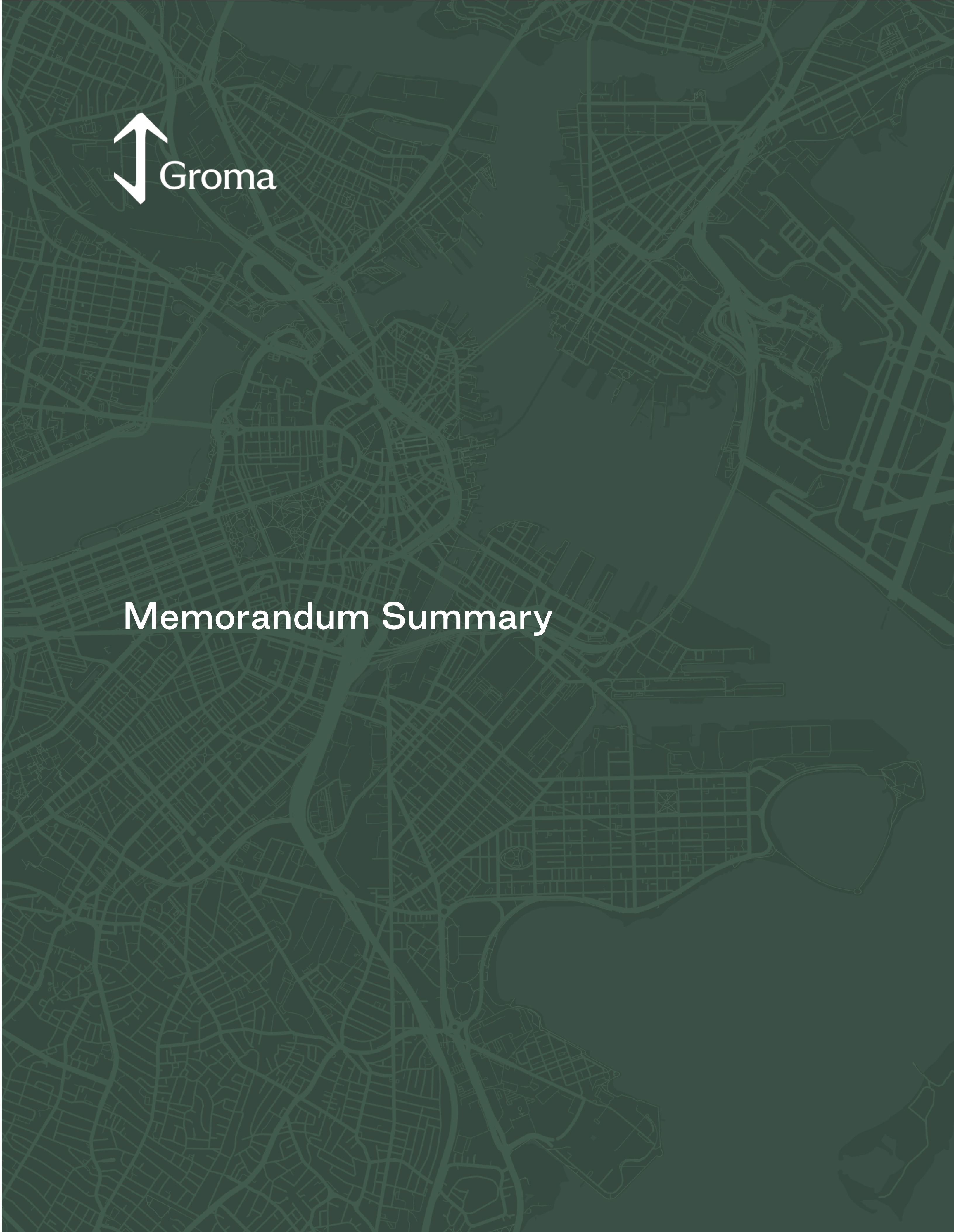
Cautionary Note Regarding Forward-Looking Statements

Statements included in this memorandum that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only targets, projections or predictions. We caution that forward-looking statements are not guarantees. Actual events or our investments and results of operations could differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. You can also identify forward-looking statements by discussions of strategy, plans, or intentions.

The forward-looking statements included in this memorandum are based upon our current expectations, plans, estimates, assumptions, and beliefs that involve numerous risks and uncertainties. Factors that 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 and any other sources of debt and equity financing;
- changes in economic conditions generally and the real estate and debt markets specifically;
- legislative or regulatory changes (including changes to the laws governing the taxation of real estate investment trusts ("REITs"));
- the availability of capital;
- interest rates;
- changes to generally accepted accounting principles; and
- any of the factors identified in the section entitled "Risk Factors" beginning on page 38 of this memorandum.

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 memorandum. All forward-looking statements are made as of the date on the cover of this memorandum (except for statements made in any supplements to the memorandum, which are made effective as of the date stated therein), and the risk that actual results will differ materially from the expectations expressed in this memorandum will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to update or revise any forward-looking statements after the date of this memorandum, 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 memorandum, including, without limitation, the risks described in the "Risk Factors" section beginning on page 38 of this memorandum, 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 memorandum will be achieved. Investors may not receive a return on, or even of, the capital invested in this offering.


Groma
Memorandum Summary

This memorandum summary highlights certain information contained elsewhere in this memorandum. This is only a summary and it may not contain all of the information that is important to you. Before deciding to invest in this offering, you should carefully read this entire memorandum, including the "Risk Factors" section beginning on page 38.

What is Groma NAV REIT, Inc.?

We (Groma NAV REIT, Inc.) are a Maryland corporation formed in 2021 that intends to elect to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") commencing with the year ending December 31, 2023, or, if deemed in the best interests of our shareholders, in a following year. Our offering is perpetual life, as described in additional detail below.

What is a REIT?

In general, a REIT is a company that:

- combines the capital of many investors to acquire a large-scale diversified real estate portfolio under professional management;
- allows individual investors to invest in a diversified real estate portfolio managed by a professional management team;
- makes a tax election to be treated as a REIT;
- pays annual distributions to investors of at least 90% of its REIT taxable income (which does not equal net income, as calculated in accordance with U.S. generally accepted accounting principles, or GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain; and
- generally avoids the "double taxation" treatment of income that normally results from investments in a corporation because a REIT generally is not subject to U.S. federal corporate income taxes on that portion of its net income distributed to its stockholders, provided certain U.S. federal income tax requirements are satisfied.

What is a non-listed, perpetual-life REIT?

A non-listed REIT is a REIT whose shares are not listed for trading on a stock exchange or other securities market. We use the term "perpetual-life REIT" to describe an investment vehicle of indefinite duration, whose shares of common stock are intended to be sold by the REIT monthly on a continuous basis at a price generally equal to the REIT's prior quarter's NAV per share; provided, however, we do not expect to calculate our initial NAV per share until at least sometime in 2024, and when our board of directors deems the initial NAV per share calculation to be in the best interests of our stockholders and duly authorizes such initial NAV per share calculation. Prior to calculating our NAV in accordance with the procedures disclosed in additional detail in the section on page 170 entitled "Net Asset Value Determinations," the per share purchase price for shares of our common stock in our offering will be $1.00 per share plus applicable upfront selling commissions and dealer manager fees, if any, which will represent the "transaction price" as used throughout this memorandum, and therefore $1.00 will be used as our NAV per share. In our perpetual-life structure, an investor may request that we repurchase his or her shares on a monthly basis under our repurchase program, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. While we may consider a liquidity event at any time in the future, we currently do not intend to undertake such consideration until at least 2028, five years after we launch our investment program, and we are not obligated by our charter or otherwise to effect a liquidity event at any time, and may never effect a liquidity event.

Why should I consider an investment in commercial real estate?

Allocating some portion of your investment portfolio to commercial real estate investments may provide you with (1) portfolio diversification, (2) a reduction of overall portfolio risk, (3) a hedge against inflation, (4) a stable level of income relative to more traditional asset classes like stocks and bonds and (5) attractive risk-

adjusted returns. For these reasons, commercial real estate has been embraced as a major asset class for purposes of asset allocations within investment portfolios.

In what types of commercial real estate will you invest?

We have and intend to continue invest primarily in multifamily real estate by focusing on properties with significant possibilities for short-term capital appreciation, such as those requiring development, redevelopment or repositioning (including office buildings that can be converted into multifamily properties), or those located in underserved markets, markets with lower barriers to entry and markets with high growth potential, including but not limited to qualified opportunity zones. Our initial investment strategy focuses on investing in small and mid-sized multifamily buildings in dense urban regions, with an emphasis on the Greater Boston Area. The parent of our advisor, GromaCorp, Inc. has developed technology that we believe increases the efficiency of sourcing, diligence, acquisition, renovation and management of smaller multifamily buildings. These small-unit-count assets are often referred to as the "missing middle housing[1]", i.e. not single family residences and not larger format multifamily buildings either. GromaCorp's platform enables these assets to be upgraded into "Modern Urban Rentals" ("MURs") which we believe is analogous to the in-city equivalent of the "Single Family Rental" ("SFR") investment trend that has been popularized over the last decade. More on this strategy is described later in this document. If the Company is able to execute its investment thesis, this could create potential for an efficient operation of managing distributed high-demand multifamily assets in other desirable urban regions. We may also, to a lesser extent, invest in real estate-related loans, including but not limited to mortgage, bridge or mezzanine loans, and real estate-related securities, including securities issued by other real estate companies, either for investment or in change of control transactions completed on a negotiated basis or otherwise. We may make our investments through the acquisition or origination of individual assets, through joint ventures, or by acquiring portfolios of assets or other companies. We anticipate that the majority of our investments will be made in the United States, although we may also invest outside the United States to the extent that opportunities exist that may help us meet our investment objectives.

Will you invest in anything other than real property?

Yes. We may also invest in real estate-related debt and securities that meet our investment strategy and return criteria; provided that we do not intend for such investments to constitute a significant portion of our assets, and we will evaluate our assets to ensure that any such investments do not cause us or any of our subsidiaries to be an investment company under the Investment Company Act or cause our advisor to have assets under management that would require our advisor to register as an investment advisor under the Investment Advisors Act of 1940, as amended, or the Investment Advisors Act. The number and mix of assets and other real estate-related investments comprising our portfolio will depend upon market conditions and other circumstances existing at the time we acquire assets and other real estate-related investments, and the amount of proceeds raised in this offering. As a result, we may acquire assets other than the types described in this memorandum. In addition, we may acquire assets that vary from the parameters described in this memorandum.

What are your investment objectives?

Our primary investment objectives are to: (1) assemble and operate a diversified portfolio of commercial real estate assets; (2) preserve and protect investor capital; (3) provide attractive risk-adjusted returns to our investors; (4) deliver tax-efficient income to our investors via regular distributions; and (5) increase and realize growth in the value of our investments over time. We cannot assure you that we will be able to attain these objectives or that the value of our assets will not decrease. Furthermore, within our investment objectives and policies, our advisor has substantial discretion with respect to the selection of specific investments and the purchase and sale of our assets, subject to the oversight of our board of directors.

What is your investment strategy?

Our investment strategy is to acquire and develop commercial real estate assets, with a primary focus on multifamily real estate assets, that have significant value-add potential in order to provide investors with stable, tax-efficient cash distributions, as well as growth in the value of their shares. Our strategy entails

[1] See "Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis" published in 2020 by Daniel Parolek.

acquiring, developing, repositioning, operating, managing and leasing multifamily real estate properties, and we may acquire real estate-related debt and securities that meet our investment strategy and return criteria. However, we do not intend for real estate-related debt and securities investments to constitute a significant portion of our assets, and we will evaluate our assets to ensure that any such investments do not cause us or any of our subsidiaries to be an investment company under the Investment Company Act or cause our advisor to have assets under management that would require our advisor to register as an investment advisor under the Investment Advisors Act.

How will you achieve your investment objectives and strategy?

We will pursue our investment objectives and strategy by leveraging our team's expertise in real estate and technology. Our founding team has decades of combined experience in real estate, technology and scaled company operations. We expect to leverage their experience to achieve our investment objectives by investing heavily in technology automation. For example, our property research and modeling leverages in-house software to scan for potential acquisition targets and auto-models them, giving our acquisitions team a digital helping hand to miss fewer good deals and waste less time on opportunities unlikely to pan out. Our leasing operation leverage automated syndication to ensure high-quality listings on the major listing sites and digital follow-up workflows that enable our in-house leasing operation to scale effectively. Our property management team leverages software to streamline and automate tenant interactions, as well as a system of IOT-enabled (internet of things) devices to allow for efficient, secure remote access and monitoring for our network of contractors, meaning we have to visit on-site less often, saving time and money. Our team continues to invest in technological innovations throughout the acquisition workflow with the aim of achieving better results for our investors and tenants.

How may you utilize blockchain technology in this program?

We believe in the power of technology to improve investor access to relevant information in general, and especially in the context of blockchain reporting on assets in the real-estate industry. Alongside the investments in property technology detailed in the section entitled "Investment Objectives and Strategies" beginning on page 93, we also are investigating ways to increase the efficiency of our investor experience using blockchain data storage technology. We will utilize blockchain technology to achieve certain efficiencies that we believe will be in our investors' best interests. While this innovation does not directly impact the performance of the underlying real-estate assets, we believe it will provide several key benefits to our investors, including:

- Increased Data Reporting & Transparency: By initializing our properties onto the Ethereum blockchain as ERC-721 non-fungible tokens ("NFTs"), we will be able to enhance our investor reporting by providing rapid, easily accessible records of the ownership of our properties and our properties' financial performance, rent rolls and data that informs our ongoing NAV determinations. We intend to utilize blockchain technology as an immutable, decentralized and public storage database for certain property information, including title, deed, monthly performance data and valuation data. We intend to make this information available to existing and prospective investors through access to the public blockchain directly using a blockchain browser tool, as well as simultaneously on our website, which will pull data from blockchain storage.

- Greater Investor Access & Flexibility: Ownership of our shares of common stock will be recorded with a third party transfer agent, as required by regulatory bodies. In addition, we anticipate recording a digital representation of your shares of common stock on chain as ERC-20 compatible tokens, or GromaCoins®, meaning that your ownership of the shares will be additionally recorded on the blockchain ledger in the form of GromaCoins®. While the official record of your share ownership will be held with the transfer agent, we believe this provides a flexible representation of your shares of common stock. For more information on the tokenization of our shares of common stock, see "Investment Objectives and Strategies — Blockchain Technology" on page 93 of this memorandum.

Are there any Investment Company Act considerations?

We operate and intend to continue to operate in such a manner that we will not become subject to regulation under the Investment Company Act and do not intend to register as an investment company thereunder. We

intend to conduct our operations so that we and each of our subsidiaries is not an investment company under the Investment Company Act. Under the Investment Company Act, a company is an "investment company" if:

- pursuant to Section 3(a)(1)(A), it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; and
- pursuant to Section 3(a)(1)(C), it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis (the "40% test"). "Investment securities" excludes U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We intend to continue to acquire multifamily real estate assets and other real estate-related assets directly, for example, by acquiring fee or easement interest in such assets, or by purchasing interests, including controlling interests, in other operating companies that own multifamily real estate assets and securities issued by pass-through entities of which substantially all of the assets consist of multifamily real estate. We also may acquire and develop multifamily real estate properties through investments in joint venture entities, including joint venture entities in which we may not own a controlling interest. We anticipate that our assets generally will be held in wholly and majority-owned subsidiaries of the Fund, each formed to hold a particular asset or group of assets.

We intend to conduct our operations so that we and most, if not all, of our wholly and majority-owned subsidiaries comply with the 40% test. We will continuously monitor our holdings on an ongoing basis to determine our compliance and that of each of our wholly and majority-owned subsidiaries with this test. We expect that most, if not all, of our wholly and majority-owned subsidiaries will not be relying on exemptions under either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Consequently, interests in these wholly and majority-owned subsidiaries generally will not constitute "investment securities." Accordingly, we believe that we and most, if not all, of our wholly and majority-owned subsidiaries will not be considered investment companies under Section 3(a)(1)(C) of the Investment Company Act.

In addition, we believe that neither us nor any of our wholly and majority-owned subsidiaries will be considered investment companies under Section 3(a)(1)(A) of the Investment Company Act because 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 our wholly and majority-owned 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 respective operations such that none of us will be required to register as an investment company under the Investment Company Act.

Are you permitted to enter into joint ventures, including joint ventures with affiliates?

Yes. We have one joint venture with another investment program that is externally advised by an affiliate of our advisor. We may make additional investments through joint ventures or other co-ownership arrangements when we determine it is advantageous. In many cases, we may not control the management of joint ventures in which we invest, but we may have the right to approve major decisions of the joint venture. We will not participate in joint ventures in which we do not have or share control to the extent that we believe such participation would potentially threaten our status as a non-investment company exempt from the Investment Company Act. This may prevent us from receiving an allocation with respect to certain investment opportunities that are suitable for both us and another affiliated program.

Who is responsible for selecting and managing your acquisitions, dispositions, and operations?

We have no employees and are externally managed by our advisor; therefore, our advisor will manage our day-to-day affairs and the acquisition and disposition of our investments on our behalf, subject to the approval, supervision and oversight of our board of directors. Our advisor does not have any employees and will utilize the employees and key personnel of the sponsor. See the "Management" section beginning on page 115 of this memorandum for a more detailed explanation of the management structure of our company and the key personnel associated with it.

Will your advisor and management face any conflicts of interest?

Yes. Our advisor, the officers of our advisor and manager, and the key personnel for each of these entities will experience significant conflicts of interest in connection with managing our business affairs. See the "Conflicts of Interest" section beginning on page 140 of this memorandum for a more detailed explanation of such conflicts.

Do your investment guidelines overlap with the objectives or guidelines of any of the sponsor's affiliates, and do any affiliates receive priority with respect to certain investments?

Conflicts of interest caused by more than one investment vehicle sponsored by the sponsor, our advisor, or their affiliates having funds available simultaneously for acquiring investments of the type we are targeting will be resolved in good faith by the sponsor, our advisor, or such affiliates. Our advisor will undertake to report to our board of directors, on a quarterly basis, all such investment opportunities and how the allocation of such investment opportunities were resolved. In resolving any such conflicts, the sponsor, through its subsidiary advisors and managers, will take into account a number of factors in allocating the investment opportunities for the vehicles they advise, including but not limited to: (a) which vehicle has available cash (including availability under lines of credit) to acquire an investment; (b) how the investment size, potential leverage, transaction structure and anticipated cash flows will affect each vehicle in light of the vehicles targeted returns and cash flow needs; (c) whether the estimated transaction timing will be more advantageous (or possible) for a particular vehicle; (d) how closely aligned the proposed investment is with a vehicle's investment objectives; (e) whether the proposed investment conforms to the operation parameters of a particular vehicle's property acquisitions objectives; (f) whether a particular investment vehicle has an existing strategic relationship with the tenant(s), operator, facility, franchisor, or system associated with the investment; (g) whether an investment vehicle has or lacks a geographic presence that would make the investment strategically more important for that vehicle; and (h) whether there would be positive or negative income tax effects on an investment vehicle and its investors relating to the investment opportunity. In the event all acquisition allocation factors have been exhausted and an investment opportunity remains equally suitable for more than one sponsor-affiliated vehicle, another investment program that is structured as a Qualified Opportunity Fund ("QOF") to invest in multifamily real estate assets located in "qualified opportunity zones" (as defined under the federal Tax Cuts and Jobs Act) in and around the Greater Boston Area, retains a right of first refusal for opportunities to acquire real estate or real estate-related assets that are appropriate for both us and the QOF.

Will you use leverage?

Yes. We expect to use leverage. Our target portfolio leverage ratio is 55 to 65, though it may deviate from that target on a specific property basis or in aggregate for a period of time in the sole determination of our board of directors. Our leverage ratio is measured by dividing (i) property-level and entity-level debt net of cash and loan-related restricted cash, by (ii) gross real estate assets (measured using the greater of fair market value and cost) plus the equity in our settled real estate debt portfolio. There is, however, no limit on the amount we may borrow with respect to any individual property or portfolio. Our current portfolio leverage ratio is 72.52%, which is higher than our target leverage ratio due, in part, to a short term secondary loan facility of $10 million on our Mosaic Property (as defined below) acquisition, which we will seek to pay down as that property stabilizes. This property is owned in partnership with a fund that is advised by an affiliate of our advisor, and that owns the majority interest, while we own 36.41%.

Financing a portion of the purchase price of our assets will allow us to broaden our portfolio by increasing the funds available for investment. Financing a portion, which may be substantial, of the purchase price is not free from risk. Using debt requires us to pay interest and principal, referred to as "debt service," all of which decrease the amount of cash available for distribution to our stockholders or other purposes. We may also be unable to refinance the debt at maturity on favorable or equivalent terms, if at all, exposing us to the potential risk of loss with respect to assets pledged as collateral for loans. Certain of our debt may be floating-rate and the effective interest rates on such debt will increase when the relevant interest benchmark (e.g., LIBOR) increases.

Are there any risks involved in buying your shares?

Investing in our common stock involves a high degree of risk. If we are unable to effectively manage the impact of these risks, we may not meet your investment objectives and, therefore, you should purchase our shares only if you can afford a complete loss of your investment. An investment in shares of our common stock involves significant risks and is intended only for investors with a long-term investment horizon and who do not require immediate liquidity or guaranteed income. Some of the more significant risks relating to an investment in shares of our common stock include those listed below. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. The following should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in the section entitled "Risk Factors" in this memorandum:

- Since there is no public trading market for shares of our common stock, repurchase of shares by us would likely be the only way to dispose of your shares. We will not be obligated to repurchase any shares under our share repurchase program and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases are subject to available liquidity and other significant restrictions. Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase program if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.

- We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of our assets, borrowings or offering proceeds (including from sales of our common stock or Operating Partnership units), and we have no limits on the amounts we may pay from such sources.

- The current purchase price for shares of our common stock was arbitrarily determined and is not based on a valuation of our assets or any public trading market. While we may prepare a valuation of our assets before 2024, we do not expect to begin calculating our NAV until at least sometime in 2024 when duly authorized by our board of directors. Therefore, until we begin calculating our NAV, the purchase price of shares in this offering will not accurately correspond to the value of our assets.

- We are dependent on our advisor to conduct our operations. Our advisor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and other real estate programs sponsored by our sponsor, the allocation of time of its investment professionals and the substantial fees that we will pay to our advisor.

- On acquiring shares, you will experience immediate dilution in the net tangible book value of your investment.

- Principal and interest payments on any borrowings will reduce the amount of funds available for distribution or investment in additional real estate assets.

- There are limits on the ownership and transferability of our shares. See "Description of Our Securities" on page 179 of this memorandum.

- If we fail to qualify as a REIT and no relief provisions apply, the value of your shares, and cash available for distribution to our stockholders, could materially decrease.

- While our investment strategy is to invest in multifamily real estate assets to provide income to our investors via regular distributions, an investment in the Company is not an investment in fixed income. Fixed income has material differences from an investment in the Company, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity and tax treatment.

- The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.

- Any outbreak of a pandemic, such as the novel coronavirus, or COVID-19, may have an adverse impact on our fundraising, ability to source new investments, and obtain financing, as well as our tenants' ability to make rental payments, which could have an adverse impact on our NAV, results of operations, ability to fund distributions to stockholders and satisfy repurchase requests, among other factors.

Who might benefit from an investment in our common shares?

An investment in our shares may be appropriate for you if you:

- meet the minimum suitability standards described above under "Suitability Standards" beginning on page 11 of this memorandum;
- seek to allocate a portion of your investment portfolio to a direct investment vehicle with an income-generating portfolio of real estate and real estate debt;
- seek to receive current income through regular distribution payments;
- wish to obtain the potential benefit of long-term capital appreciation; and
- are able to hold your shares as a long-term investment and do not need liquidity from your investment quickly in the near future.

We cannot assure you that an investment in our shares will allow you to realize any of these objectives. An investment in our shares is only intended for investors who do not need the ability to sell their shares quickly in the future since we are not obligated to repurchase any shares of common stock under our share repurchase program and we may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion, and the opportunity to have your shares repurchased under our share repurchase program may not always be available. Further, our share repurchase program will commence on the first anniversary of the date when we announce our initial quarterly NAV per share after due authorization from our board of directors; provided, however, our board of directors may process repurchases due to the death or "qualifying disability" of a stockholder while the share repurchase program is closed. See "Share Repurchases—Repurchase Limitations" on page 203 of this memorandum.

Do you currently have any shares outstanding?

We held our initial closing in our prior offering on November 4, 2021. We terminated our prior offering on April 27, 2023. As of the date of this memorandum, we had accepted investors' subscriptions totaling approximately $15,386,933 in gross proceeds and issued an aggregate of approximately $ $15,386,933 Class A Shares in aggregate in our offerings. Our sponsor holds a $200,000 investment in us through the purchase of approximately 200,000 Class A Shares at $1.00 per share, and Seth Priebatsch, our Chief Executive Officer, has committed to a $5,000,000 investment in us through the purchase of 5,000,000 Class A Shares at $1.00 per share of which $500,000 has been called so far, as described below in the section titled "Investment Strategy, Objectives and Policies—Capital Commitment of Our Chief Executive Officer" on page 93 in this memorandum.

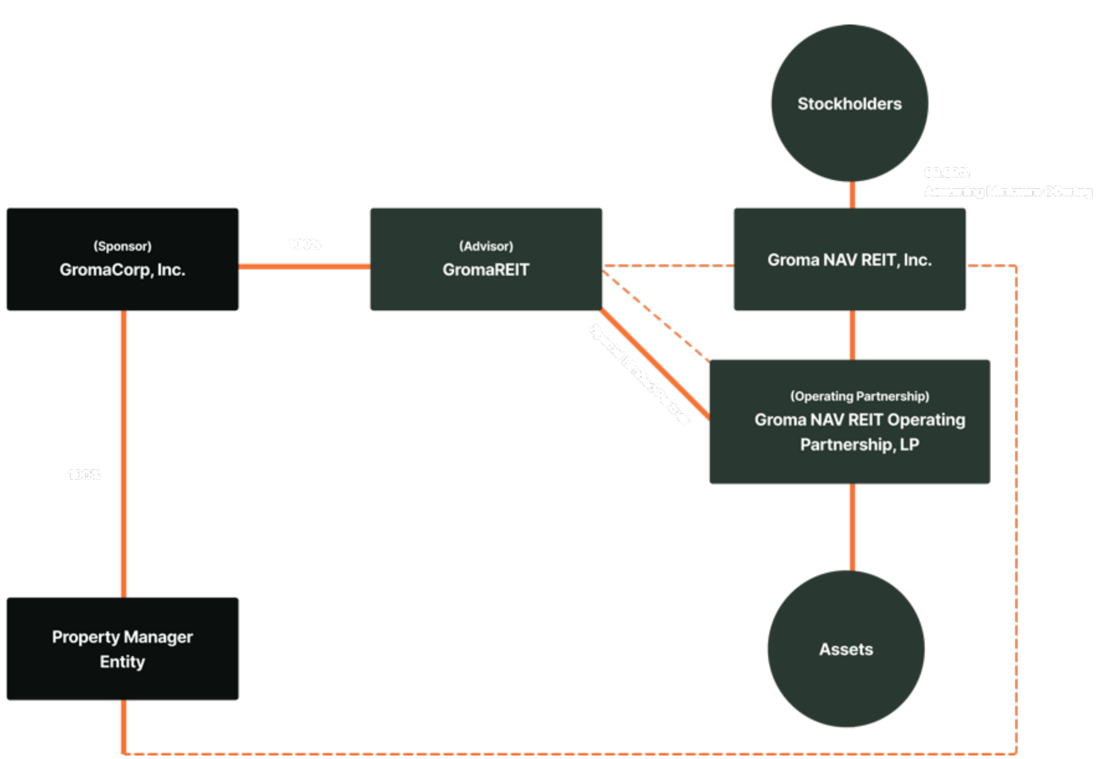
Do you currently own any assets?

Yes. As of the date of this memorandum, through a wholly-owned subsidiary of our Operating Partnership, we owned 100% of the fee simple interest in two multifamily properties in Boston, MA and, through a joint venture with a program sponsored and controlled by our sponsor, an approximately 36% interest in a mixed-use residential development project located in Lynn, MA. Additionally, through another joint venture with a program sponsored and controlled by our sponsor in which our affiliated advisor is the controlling entity approximately 19% interest in two other properties in Boston, MA. However, we have not yet identified all of the real estate assets we may acquire using the proceeds of this offering, and therefore this offering is a "blind pool" offering. As a result, you will not have the opportunity to evaluate our investments before you purchase our common shares. If we are delayed in finding, or unable to find, suitable investments, we may not be able to achieve our investment objectives.

How will you structure the ownership and operation of your assets?

We plan to own, all or substantially all of our assets through our operating partnership. We are the sole general partner of our operating partnership and our advisor owns a special limited partner interest in our operating partnership. In addition, our advisor may elect to receive units in our operating partnership in lieu of cash for its management fee and performance participation interest, respectively. See "Management Compensation." Our advisor may put these units back to our operating partnership and receive cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or our operating partnership's partnership agreement, in which case such operating partnership units will be repurchased for shares of our common stock. The use of our operating partnership to hold all of our assets is referred to as an Umbrella Partnership Real Estate Investment Trust, or UPREIT. Using an UPREIT structure may give us an advantage in acquiring properties from persons who want to defer recognizing a gain for U.S. federal income tax purposes.

The following chart shows our current ownership structure and our relationship with our advisor and other affiliated entities.



In the chart above, please note that assets, either individually or in groups of related properties, are held in single purpose entities, which are in turn owned either wholly or in part by Groma NAV REIT Operating Partnership, LP. These entities are not reflected in this chart..

1) **Seth Priebatsch, our Chief Executive Officer, President and Director, holds a majority controlling interest in our sponsor.**

What is the role of our board of directors?

We operate under the direction of our board of directors. We currently have one director — Seth Priebatsch — who is accountable to us and our stockholders as a fiduciary. We expect to eventually increase the size of our board of directors by appointing additional directors, and if we were to become a public company, our board of directors will consist of a majority of members who are independent of us, our advisor, our sponsor and its affiliates. Our director(s) will be elected annually by our stockholders. Mr. Priebatsch's biographical information is provided under "Management—Directors and Executive Officers" beginning on page 115 of this memorandum.

How does a "reasonable best efforts" offering work?

We are directly issuing Class A Shares to investors through this memorandum for which no underwriting compensation will be paid in reliance on the safe harbor from broker-dealer registration set out in Rule 3a4-1 under the Exchange Act. We may also offer Class A Shares on a non-exclusive basis on the Republic Platform, which is operated for the benefit of OpenDeal Broker LLC, or ODB, a broker-dealer registered with FINRA and the SEC. ODB is not purchasing the Class A Shares and is not required to sell any specific number or dollar amount of the Class A Shares. For more information regarding the Republic Platform and ODB, see "Plan of Distribution." We may in the future engage other broker-dealers that are registered as a broker dealer with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers.

We are conducting this offering on a "reasonable best efforts" basis to "accredited investors," as that term is defined in Regulation D under the Securities Act. When common shares are offered on a "reasonable best efforts" basis, we and our affiliates or a dealer manager are only required to use our good faith best efforts and reasonable diligence to sell the shares and has no firm commitment or obligation to purchase any of the shares. Therefore, we may not sell all of the shares that we are offering. We do not believe that the meaning of reasonable best efforts is materially different from the generally understood meaning of best efforts in connection with the offering of securities by dealer managers and placement agents, but we have used the term reasonable best efforts to clarify that extraordinary efforts are not required to satisfy a dealer manager's obligations.

What is the offering price for your common shares?

Until we calculate our initial NAV per share, the per share purchase price for shares of our common stock in our offering will be $1.00 per share plus applicable upfront selling commissions and dealer manager fees, if any. While we may prepare a valuation of our assets before 2024, we do not expect to calculate our initial NAV per share based on a valuation of our assets until sometime in 2024 when duly authorized by our board of directors. Following our initial NAV per share calculation, the purchase price per share of common stock will vary and will generally equal our prior quarter's NAV per share, as determined quarterly, plus applicable upfront selling commissions and dealer manager fees, if any. Although the offering price for shares after we calculate our initial NAV per share of our common stock will generally be based on the prior quarter's NAV per share, the NAV per share of such stock as of the date on which your purchase is settled may be significantly different. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior quarter's NAV per share, including by updating a previously disclosed offering price and in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior quarter.

How will the NAV per share be calculated?

As noted above, we do not expect to calculate our initial NAV per share until at least sometime in 2024, and when our board of directors deem in best interest of stockholders. Once we begin calculating our NAV per share, our NAV per share will be calculated quarterly based on the net asset values of our investments (including securities investments), the addition of any other assets (such as cash on hand), and the deduction of any other liabilities. Our advisor, with the approval of our board of directors, has engaged an independent valuation firm, Apex Group, to serve as our independent valuation advisor and review annual third-party appraisals of our properties. Apex Group also provides fund administration services and support to the Company.

We expect that our NAV per share will be calculated by Apex Group, which also provides us with certain administrative and accounting services, and such calculation is reviewed and confirmed by our advisor. In addition, we will update the valuations of our properties quarterly, based on the most recent annual third-party appraisals and current market data and other relevant information, with review and confirmation for reasonableness by our independent valuation advisor. However, our advisor will ultimately be responsible for the determination of our NAV.

NAV is not a measure used under generally accepted accounting principles in the U.S., or GAAP, and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure. See "Net Asset Value Determinations" on page 170 of this memorandum for more

information regarding the calculation of our NAV per share and how our properties and real estate debt will be valued.

How long will this offering last?

This offering is a perpetual life offering; however, we may terminate this offering at any time in our sole discretion. We may elect to register our securities for public sale under the Securities Act of 1933, as amended, or the Securities Act. If we elect to publicly offer our securities, this private offering would terminate prior to the commencement of such public offering. We may terminate this offering at any time in our sole discretion. We would be required to register as a public reporting company under the Securities Exchange Act of 1934, as amended, or the Exchange Act, if, as of the end of a calendar year, we have more than $10 million in assets and securities "held by record" by either 2,000 persons who are accredited investors, or 500 persons who are not accredited investors.

When may I make purchases of shares and at what price?

Subscriptions to purchase our common stock may be made on an ongoing basis, and after we calculate our initial NAV per share, investors may only purchase our common stock pursuant to accepted subscription orders as of the first calendar day of each month (based on the prior quarter's transaction price), and to be accepted, a subscription request must be received in good order at least five business days prior to the first calendar day of the month (unless waived by us). Until we calculate our initial NAV per share, the per share purchase price for shares of our common stock in our offering will be $1.00 per share plus applicable upfront selling commissions and dealer manager fees, if any. Thereafter, the purchase price per share will be equal to the then-current transaction price, which will generally be our prior quarter's NAV per share as of the last calendar day of such quarter, plus applicable upfront selling commissions. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior quarter's NAV per share, including by updating a previously disclosed transaction price, in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior quarter. See "How to Subscribe" on page 8 of this memorandum for more details.

For example, if you wish to subscribe for shares of our common stock in October, your subscription request must be received in good order at least five business days before November 1. Generally, the offering price will equal the NAV per share as of the last calendar day of September, plus applicable upfront selling commissions. If accepted, your subscription will be effective on the first calendar day of November.

When will the transaction price be available?

Once we begin calculating our NAV per share, generally, within 15 calendar days after the last calendar day of each quarter, we will determine our NAV per share as of the last calendar day of the prior quarter, which will generally be the transaction price for the then-current quarter. However, in certain circumstances, the transaction price will not be made available until a later time. We will disclose the transaction price for each quarter when available in supplements to this memorandum and provide notice of the transaction price directly to subscribing investors when such transaction price is available. You will have at least three business days from delivery of such notice before your subscription is accepted. See "How to Subscribe."

May I withdraw my subscription once I have made it?

Yes. Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be canceled at any time before the time it has been accepted. You may withdraw your purchase request by notifying us, through your financial intermediary or directly on our toll-free, automated telephone line 1 (855) 476-6291.

What will you do with the money raised in this offering before you invest all of the net proceeds in real estate?

Until we invest all of the net proceeds of this offering in real estate, we may invest the net proceeds in short-term, highly liquid, interest-bearing investments, such as money market mutual funds, certificates of deposit, commercial paper, interest-bearing government securities and other short-term investments. We also may use a portion of the proceeds to fund distributions. We may not be able to invest all of the net proceeds in

real estate promptly and such short-term investments will not earn as high of a return as we expect to earn on our real estate investments.

Who can buy common shares in this offering?

In general, you may buy our common shares pursuant to this memorandum provided that you are an accredited investor and meet the suitability requirements described in the "Suitability Standards" section beginning on page 11 of this memorandum. Each investor will be required to provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify the investor's status as an accredited investor in accordance with Rule 506(c)(2) of Regulation D.

Are there any special restrictions on the ownership of shares?

Yes. Our charter provides that no person or group may acquire or hold, directly or indirectly through application of constructive ownership rules, in excess of 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock or 9.8% in value or number of shares, whichever is more restrictive, of our outstanding stock of all classes or series unless they receive an exemption (prospectively or retroactively) from our board of directors. This prohibition may discourage large investors from purchasing our shares and may limit your ability to transfer your shares. To comply with tax rules applicable to REITs, we will require our record holders to provide us with detailed information regarding the beneficial ownership of our shares on an annual basis. These restrictions are designed to enable us to comply with the ownership restrictions imposed on REITs by the Code. See "Description of Our Securities — Restrictions on Ownership and Transfer" beginning on page 179 of this memorandum for more information.

Is there any minimum purchase requirement?

Yes. To purchase our common shares in this offering, you must make an initial purchase of at least $1,000 of our common shares. However, we may permit, in our sole discretion, investments for less than that amount. Once you have satisfied the minimum initial purchase requirement, any additional purchases of our common shares in this offering must be in amounts of at least $500. The minimum subsequent investment does not apply to purchases made under our distribution reinvestment plan.

How is an investment in your common shares different from publicly registered, listed REITs?

Investors should bear in mind that investing in our common shares differs from investing in listed REITs in significant ways. An investment in shares of our common stock generally differs from an investment in listed REITs in a number of ways, including:

- Shares of listed REITs are priced by the trading market, which is influenced generally by numerous factors, not all of which are related to the underlying value of the entity's real estate assets and liabilities. The estimated value of our real estate assets and liabilities, rather than the trading market, will be used to determine our NAV.

- An investment in our shares has limited or no liquidity. Our share repurchase program will commence on the first anniversary of the date when we announce our initial quarterly NAV per share, subject to authorization by our board of directors. Such program may be modified, suspended or terminated. In contrast, an investment in a listed REIT is a liquid investment, as shares can be sold on an exchange at any time.

- Listed REITs are often self-managed, whereas our investment and other operations are managed by our advisor and its affiliates.

May I make an investment through my IRA, SEP or other tax-deferred account?

Yes. You may make an investment through your IRA, a simplified employee pension, or a SEP, plan or other tax-deferred account. In making these investment decisions, you should consider, at a minimum, (a) whether the investment is in accordance with the documents and instruments governing your IRA, plan or other account, (b) whether the investment satisfies the fiduciary requirements associated with your IRA, plan or other account, (c) whether the investment will generate unrelated business taxable income, or UBTI, to your IRA, plan or other account, (d) whether there is sufficient liquidity for such investment under your IRA, plan or other account, (e) the need to value the assets of your IRA, plan or other account annually or more

frequently, and (f) whether the investment would constitute a prohibited transaction under applicable law. You should read carefully the more detailed description under the section entitled "Investment by Certain Tax-Exempt Entities, including Retirement Plans, and ERISA Considerations" beginning on page 93 of this memorandum.

If I buy shares, will I receive distributions and, if so, how often?

We intend to declare quarterly or monthly distributions as authorized by our board of directors (or a duly authorized committee of the board of directors) and pay such distributions to stockholders of record on a monthly basis once we begin authorizing distributions, which is expected to be the month following stabilization of our initial property. Any distributions we make are at the discretion of our board of directors, considering factors such as our earnings, cash flow, capital needs and general financial condition and the requirements of Maryland law. As a result, our distribution rates and payment frequency may vary from time to time. You will not be entitled to receive a distribution if your shares are repurchased prior to the applicable record date for the distribution. The discretion of our board of directors as to the payment of distributions will be directed, in substantial part, by its determination to cause us to comply with the REIT requirements. To qualify as a REIT, we generally are required to make aggregate annual distributions to our stockholders of at least 90% of our REIT taxable income determined without regard to the dividends-paid deduction and excluding net capital gains. See "Description of Our Securities—Distribution Policy" and "Material U.S. Federal Income Tax Considerations" beginning on page 179 of this memorandum.

There is no assurance we will pay distributions in any particular amount, if at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the extent to which our advisor elects to receive its management fee in Class A Shares or Class A OP Units and if it elects to receive distributions on its performance participation interest in Class A OP Units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of this offering will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares.

May I reinvest my distributions in your common shares?

Yes. We have adopted a distribution reinvestment plan whereby stockholders may elect to have their cash distributions reinvested in additional shares of our common stock. If you participate in our distribution reinvestment plan, the cash distributions attributable to the class of shares that you own will be automatically invested in additional shares of the same class. See the "Material U.S. Federal Income Tax Considerations" section on page 145 of this memorandum for information concerning the U.S. federal income tax consequences of participating in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan will be equal to the transaction price for such shares at the time the distribution is payable. Stockholders will not pay selling commissions or other upfront fees when purchasing shares under our distribution reinvestment plan. Participants may terminate their participation in the distribution reinvestment plan with ten business days' prior written notice to us. In order to participate in the distribution reinvestment plan, you will need to provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify prior to each distribution payment date that you are an "accredited investor" within the meaning of Regulation D under the Securities Act. If you wish to participate in the distribution reinvestment plan, you will receive, via email, a subscription agreement to purchase shares under our distribution reinvestment plan, as well as providing the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify your status as an "accredited investor" in accordance with Rule 506(c)(2) of Regulation D. In the event the Company Is unable to verify your accredited investor status within ten days prior to the distribution payment date, you will receive a cash distribution. See "Description of Capital Stock — Distribution Reinvestment Plan" for more information regarding the reinvestment of distributions you may

receive from us. For the complete terms of the distribution reinvestment plan, see Appendix B to this memorandum.

We reserve the right to amend any aspect of our distribution reinvestment plan without the consent of our stockholders, provided that notice of any material amendment is sent to participants at least ten business days prior to the effective date of that amendment. In addition, we may suspend or terminate the distribution reinvestment plan for any reason at any time upon ten business days' prior written notice to participants. A stockholder's participation in the plan will be terminated to the extent that a reinvestment of such stockholder's distributions in our shares would cause the percentage ownership or other limitations contained in our charter to be violated. Participants may terminate their participation in the distribution reinvestment plan with ten business days' prior written notice to us. For the complete terms of the distribution reinvestment plan, see Appendix B on page 211 of this memorandum.

Account Statements

Our transfer agent will provide on a quarterly basis to each participant in the distribution reinvestment plan a statement of account describing, as to such participant, (1) the distributions reinvested during the quarter, (2) the number of shares purchased during the quarter, (3) the per share purchase price for such shares and (4) the total number of shares purchased on behalf of the participant under the plan. On an annual basis, tax information with respect to income earned on shares under the plan for the calendar year will be provided to each applicable participant.

What information about your portfolio of real estate investments do you intend to provide to stockholders?

We expect to provide our stockholders with periodic business updates, including quarterly reports with unaudited financial statements and a letter from our board of directors. We intend to deliver these quarterly reports to our stockholders within 60 days after the end of each quarter. We also may supplement this memorandum upon the occurrence of certain events, such as material property acquisitions. We also intend to provide annual audited financial statements, which will be delivered within 120 days of the fiscal year end. We are currently engaging the services of independent auditor of our financial statements for the year ended 2021 and year ending 2022. We will use the accrual method of accounting and prepare our financial statements in accordance with GAAP. We will report income and deductions for income tax purposes in accordance with the Code and treasury regulations.

Will the distributions I receive be taxable?

Generally, distributions that you receive, including deemed distributions and cash distributions that are reinvested pursuant to the distribution reinvestment plan, will be taxed as ordinary income to the extent they are paid from our current or accumulated earnings and profits. Dividends received from REITs are generally not eligible to be taxed at the lower U.S. federal income tax rates applicable to individuals for "qualified dividends" from C corporations (i.e., corporations generally subject to U.S. federal corporate income tax). However, under the Tax Cuts and Jobs Act of 2017 (the "Tax Reform Bill"), commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, individual taxpayers may be entitled to claim a deduction in determining their taxable income of 20% of ordinary REIT dividends (dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us), which temporarily reduces the effective tax rate on such dividends.

We may designate a portion of distributions as capital gain dividends taxable at capital gain rates to the extent we recognize net capital gains from sales of assets. In addition, a portion of your distributions may be considered return of capital for U.S. federal income tax purposes. Amounts considered a return of capital generally will not be subject to tax, but will instead reduce the tax basis of your investment. This, in effect, defers a portion of your tax until your shares are repurchased, you sell your shares or we are liquidated, at which time you generally will be taxed at capital gains rates. Because each investor's tax position is different, you should consult with your tax advisor. In particular, non-U.S. investors should consult their tax advisors regarding potential withholding taxes on distributions that you receive. See "Material U.S. Federal Income Tax Considerations" on page 145 of this memorandum.

Can I request that my shares be repurchased?

Our share repurchase program will commence on the first anniversary of the date when we announce our initial quarterly NAV per share, subject to authorization by our board of directors; provided, however, our board of directors may repurchase shares due to the death or "qualifying disability" of a stockholder while our share repurchase program is closed. While stockholders may request on a monthly basis that we repurchase all or any portion of their shares pursuant to our share repurchase program, we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, our ability to fulfill repurchase requests is subject to a number of limitations. As a result, share repurchases may not be available each month. Under our share repurchase program, to the extent we choose to repurchase shares in any particular month, we will only repurchase shares as of the opening of the last calendar day of that month (each such date, a "Repurchase Date"). Repurchases will be made at the transaction price in effect on the Repurchase Date, except that shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price (an "Early Repurchase Deduction"). The one-year holding period is measured as of the first calendar day immediately following the prospective repurchase date. Additionally, stockholders who have received shares of our common stock in exchange for their Operating Partnership units may include the period of time such stockholder held such Operating Partnership units for purposes of calculating the holding period for such shares of our common stock. The Early Repurchase Deduction may only be waived in the case of repurchase requests arising from the death, qualified disability or divorce of the holder. To have your shares repurchased, your repurchase request and required documentation must be received in good order by 4:00 p.m. (Eastern Time) by the fifth business day prior to last business day of the applicable month. Settlements of share repurchases will be made within three business days of the Repurchase Date. The Early Repurchase Deduction will not apply to shares acquired through our distribution reinvestment plan. An investor may withdraw its repurchase request by notifying us before 4:00 p.m. (Eastern Time) on the last business day of the applicable month.

The aggregate NAV of total repurchases of Class A Shares is limited to no more than 2% of our aggregate NAV per month (measured using the aggregate NAV as of the end of the immediately preceding month) and no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV as of the end of the immediately preceding three months).

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

We expect that the vast majority of our assets will consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have sufficient liquid resources to satisfy repurchase requests. In order to provide liquidity for share repurchases, we intend to, subject to any limitations and requirements relating to our intention to qualify as a REIT, generally maintain under normal circumstances an allocation to securities, cash, cash equivalents and other short-term investments, which may be up to 20% of our assets. We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales of our common stock and operating partnership units to our advisor), and we have no limits on the amounts we may pay from such sources. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase program if it deems such action to be in our best interest and the best interest of our stockholders. If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests. See "Share Repurchases—Repurchase Limitations" on page 203 of this memorandum.

What fees do we pay to our advisor and its affiliates?

We pay our advisor and its affiliates the fees and expense reimbursements described below in connection with performing services for us.

We do not intend to pay our advisor or its affiliates any separate fees for property acquisitions, dispositions, financings (except interest and other payments to the lender in cases where the lender is an affiliate of our advisor) or development, or adopt a long-term incentive plan, although our charter permits us to do so, subject to certain limitations. We do, however, reimburse our advisor and its affiliates for out-of-pocket and other expenses related to the foregoing activities to the extent such expenses are paid by our advisor and its affiliates. See table on following page:

Types of Compensation + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Organization and Offering Expense Reimbursement – The Advisor	
We reimburse our advisor for any organization and offering expenses associated with this offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, if applicable, fees to attend retail seminars sponsored by participating broker-dealers and reimbursements for customary travel, lodging, and meals, but excluding any underwriting compensation) as and when incurred. Wholesaling compensation expenses of persons associated with a dealer manager, if engaged, would be paid by the advisor without reimbursement from us. After the termination of this Offering, our advisor has agreed to reimburse us to the extent that the organization and offering expenses that we incur exceed 15% of our gross proceeds from this Offering.	*We estimate our organization and offering expenses to be approximately $5 million if we sell $500,000,000 in shares.*

Types of Compensation + Recipients

Organization and Offering Activities	
Determination of Amount	Estimated Amount
Acquisition Expense Reimbursement – The Advisor	
We do not intend to pay our advisor any acquisition, financing (except interest payments to the lender in cases where the lender is an affiliate of our advisor) or other similar fees in connection with making investments. We will, however, reimburse our advisor for out-of-pocket expenses in connection with the selection and acquisition of properties and real estate debt, whether or not such investments are acquired, and make payments to third parties or certain of our advisor's affiliates in connection with making investments as described in "—Fees from Other Services" below.	*Actual amounts are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.*

Types of Compensation + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Management Fee – The Advisor	
We pay our advisor a management fee equal to 1.00% of aggregate purchase price of our assets excluding any debt, or the Net Purchase Price, per annum payable monthly; provided, however, after we determine our initial NAV, such management fee will equal 1.00% of the NAV per annum payable monthly. Additionally, to the extent that our Operating Partnership issues Operating Partnership units to parties other than us, our Operating Partnership will pay our advisor a management fee equal to 1.00% of the Net Purchase Price or NAV, as applicable, of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly. The management fee may be paid, at our advisor's election, in cash, Class A Shares or Class A OP Units of our Operating Partnership. To the extent that our advisor elects to receive any portion of its management fee in Class A Shares or Class A OP Units of our Operating Partnership, we may repurchase such Class A Shares or Class A OP Units of our Operating Partnership from our advisor at a later date. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or our charter, in which case such Operating Partnership units will be repurchased for shares of our common stock. Our advisor will have registration rights with respect to shares of our common stock. In addition to the organization and offering expense and acquisition expense reimbursements described above, we will reimburse our advisor for out-of-pocket costs and expenses it incurs in connection with the services it provides to us, including, but not limited to, (1) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, and (2) expenses of managing and operating our properties, whether payable to an affiliate or a non-affiliated person. See "Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements."	*Actual amounts of the management fee depend upon our aggregate Net Purchase Price or NAV, as applicable. The management fee attributed to the shares sold in this offering will equal approximately $5,000,000 per annum if we sell $500,000,000 in shares, assuming that the NAV per share of our shares remains constant at $1.00.* *Actual amounts of out-of-pocket expenses paid by the advisor that we reimburse are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.*

Types of Compensation + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Performance Participation Allocations – The Advisor	
After we have calculated our initial quarterly NAV per share, so long as the advisory agreement has not been terminated, our advisor, as the special limited partner of our Operating Partnership, holds a performance participation interest in the Operating Partnership that entitles it to receive a performance participation allocation from our Operating Partnership as follows: (i) When the Total Return (as defined below) is less than 5%, our advisor shall not receive any Performance Allocation, but the foregone distribution may be subject to a "catch-up" if performance exceeds certain benchmarks set forth (ii) and (iii) below. (ii) When the Total Return is between 5% and 7.5%, our advisor shall receive 12.5% of the amount of Total Return, if any, for an applicable period that exceeds the sum of (A) a Hurdle Amount equal to or greater than 5% but less than or equal to 7.5% and (B) the Loss Carryforward Amount (as defined below); (iii) When the Total Return exceeds 7.5%, our advisor shall receive 100% of the amount of Total Return, if any, for any applicable period that exceeds the sum of (A) a Hurdle Amount greater than 7.5% and (B) the Loss Carryforward Amount until the total amount allocated to our advisor equals 12.5% of the sum of (x) the applicable Hurdle Amount for that period and (y) any amount allocated to our advisor pursuant to clause (ii) above; and (iii) After the "catch up" value has been reclaimed pursuant to the subsections above, to the extent there are remaining excess profits, our advisor shall be entitled to 12.5% of such remaining excess profits. Such allocation is made annually and accrues monthly. For a detailed explanation of how the performance participation allocation is calculated, see "Summary of Our Operating Partnership Agreement—Special Limited Partner Interest." For a hypothetical calculation of the performance participation calculation, see "Compensation—Performance Participation Allocation Example."	*Actual amounts of the performance participation depend upon the Operating Partnership's actual annual total return and, therefore, cannot be calculated at this time.*

Types of Compensation + Recipients

Organization and Offering Activities	
Determination of Amount	Estimated Amount
Property Management Fee — Groma Property Management, LLC	
We will pay our property manager, Groma Property Management, LLC, an affiliate of our advisor, a monthly property management fee specific to each property ranging from 4.0% to 8.0% of the rents paid by or on behalf of tenants of each property. Such fee will be paid to our property manager in arrears on or before the 15th day of the next prescribed monthly accounting period. We also may reimburse the property manager and its affiliates for asset-level expenses that any of them pay or incur on our behalf, including salaries, bonuses and benefits of persons employed by the property manager and its affiliates except for the salaries, bonuses and benefits of persons who also serve as one of our sponsor's executive officers. Our property manager may subcontract with third party property managers and is responsible for supervising and compensating those third party property managers and will be paid an oversight fee equal to 1.0% of the rents paid by or on behalf of tenants of each property. In no event will we pay our property manager or any affiliate both a property management fee and an oversight fee with respect to any particular property.	*Not determinable at this time. Because fees are based on a fixed percentage of collected rent, there is no maximum dollar amount of these fees.*
Project Management Fee — Groma Property Management, LLC	
We pay our construction manager a project management fee of approximately 10% of the capital cost of a project (prorated over the duration of the project) if the project is managed by the construction manager in whole or in-part.	*Not determinable at this time.*
Fees from Other Services — Affiliates of the Advisor	
We retain certain of our advisor'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, construction management services, transaction support services, transaction consulting services and other similar operational matters. Our Operating Partnership or its subsidiary may also issue equity incentive compensation to certain employees of such affiliates for services provided. Any compensation paid to our advisor's affiliates for any such services will not reduce the management fee or performance participation allocation. Any such arrangements will be at or below market rates. For more information about such services, please see "Risk Factors—Risks Related to Conflicts of Interest."	*Actual amounts depend on to what extent affiliates of our advisor are actually engaged to perform such services.*

Will I receive information regarding the performance of my investment?

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

- four quarterly distribution and financial reports
- an annual report; and
- an annual IRS Form 1099-DIV, if required.

We will provide this information to you via U.S. mail or other courier. However, with your permission, we may furnish this information to you by electronic delivery, including, with respect to our annual report, by notice of the posting of our annual report on our password-protected web site, the link to which will be emailed to you at your designated email address. If we become a reporting company under the Exchange Act, we will also include on this web site access to our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, our proxy statement and other filings we make with the SEC, which filings will provide you with periodic updates on our performance. In addition, our quarterly and annual reports will set forth information regarding the sources of our distribution payments, which such disclosures will be consistent with the staff positions of federal and state regulators if we commence a public offering and become subject to state regulation.

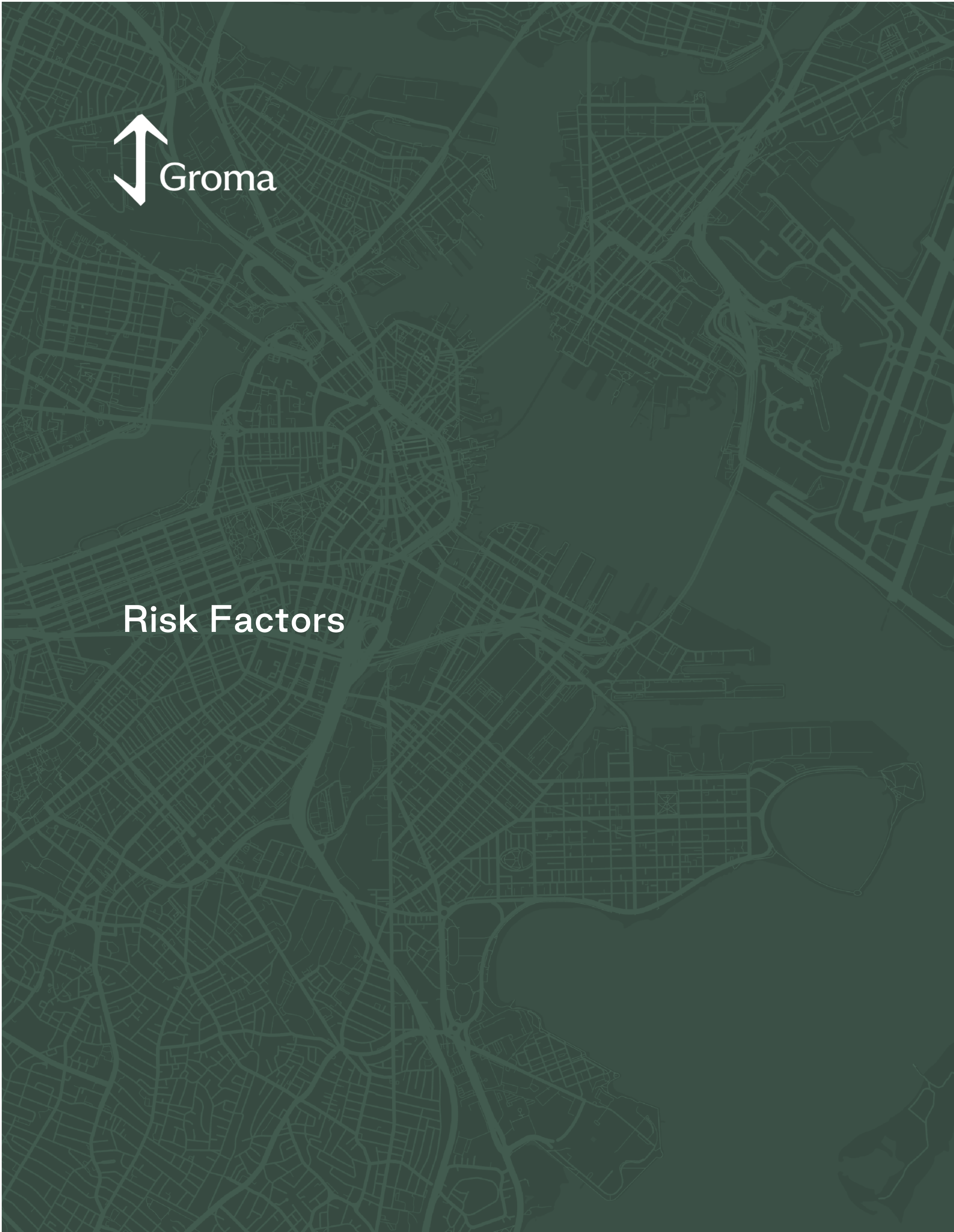
We may in the future begin using blockchain, discussed above under "How to Subscribe," to record acquisitions, dispositions and the financial performance metrics of our underlying real estate assets to provide you with additional insight into the overall performance of our assets. For example, monthly performance metrics and potential valuation criteria can be recorded in real time to each property's record on the blockchain. Such information would be supplemental to the periodic updates that we will provide, which are noted above.

Who provides transfer agent functions?

We have engaged Apex Group to serve the function of our transfer agent. To ensure that any account changes are made promptly and accurately, all changes (including your address, ownership type and distribution mailing address) should be directed to the us.

Who can answer my questions?

If you have additional questions about this offering or if you would like additional copies of this memorandum, you should contact your registered selling representative or contact us at (855) 476-6291.


Groma
Risk Factors

An investment in our common shares involves various risks and uncertainties. You should carefully consider the following risk factors in conjunction with the other information contained in this memorandum before purchasing our common shares. The risks discussed in this memorandum can adversely affect our business, operating results, prospects and financial condition. These risks could cause the value of our common shares to decline and could cause you to lose all or part of your investment. The risks and uncertainties described below represent those risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition as of the date of this memorandum. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may harm our business.

Risks Related to an Investment in Groma NAV REIT, Inc.

We have a limited operating history and limited established financing sources, and the prior performance of real estate programs sponsored by affiliates of our advisor may not be an indication of our future results.

We were formed on July 16, 2021, and therefore, have a limited operating history and you should not rely upon the past performance of other real estate investment programs sponsored by affiliates of our advisor to predict our future results. Although the members of our advisor's management have significant experience in the acquisition, finance, management and development of commercial real estate, the prior performance of real estate investment programs sponsored by the members of our advisor's management team and other affiliates of our advisor may not be indicative of our future results.

Moreover, we have limited established financing sources.

We may not succeed in achieving our goals, and our failure to do so could cause you to lose all or a portion of your investment.

Because this is a "blind pool" offering, you will not have the opportunity to evaluate our investments before we make them, which makes an investment in us more speculative.

We have not identified all of the properties we will acquire with the net proceeds from this offering. Additionally, we will not provide you with information to evaluate our investments prior to our acquisition of properties. We intend to invest the net proceeds from this offering in multifamily real estate assets. We also may, in the discretion of our board of directors, invest in other types of real estate or in entities that invest in real estate.

Our use of blockchain technology may draw enhanced scrutiny from regulators which may increase our expenses, despite significant efforts to ensure and showcase our compliance with relevant rules and regulations.

We intend to use blockchain as a database to increase reporting transparency, accuracy and immutability. Blockchain can also be an efficiency technical solution to enable access to investors, alongside traditional web and database technologies.

All our intended uses of blockchain are as a supporting technology. For example, shares are tracked by a registered transfer agent, and also may be recorded on chain, as a duplicate copy, but providing a new method of access to those interested in using it. In this example, any requested transfers, purchases or sales, would first have to be recorded, verified and validated, inclusive of appropriate KYC and AML checks, by the transfer agent, and then could be recorded on chain as well. Groma NAV REIT Inc. and its advisor, GromaCorp, Inc. have gone to great lengths to showcase valuable uses of blockchain technology that enhance investor disclosure and protections and are compliant with the relevant laws and regulations in their entirety. Nevertheless, the blockchain industry, and the crypto subset of that industry specifically has suffered significant reputational damage since the beginning of 2022 due to the actions of several bad actors, and this potentially casts a reputational stain on all members of the industry. It may also cause heightened scrutiny from regulators towards actors like the Company, which could cause slowdowns in our regulatory review periods or increased costs as we respond to such inquiries. However, our attention to regulatory compliance and significant commitment to such efforts may also prove to be a differentiator in the broader industry and could accordingly bring benefits to our investors.

Regulatory changes or actions may alter the nature of an investment in us or restrict the use of digital assets in a manner that adversely affects our business, prospects, or operations.

As digital assets have grown in both popularity and market size, governments around the world have reacted differently to digital assets; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the U.S., subject the mining, ownership and exchange of digital assets to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. Ongoing and future regulatory actions could have a material adverse effect on our business, prospects or operations.

Digital assets may be made illegal in certain jurisdictions which could adversely affect our business prospects and operations.

Although we do not anticipate any material adverse regulations on digital assets in our jurisdictions of operation, it is possible that state or federal regulators may seek to impose harsh restrictions or total bans on digital assets which may make it impossible for us to do business. Further, although digital assets in general are largely unregulated in most countries (including the United States), regulators in certain jurisdictions may undertake new or intensify existing regulatory actions in the future that could severely restrict the right to mine, acquire, own, hold, sell, or use digital assets or to exchange it for traditional fiat currency such as the United States Dollar. Such restrictions may adversely affect us as the large-scale use of digital assets as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on us, which could have a material adverse effect on our business, prospects or operations and potentially the value of digital assets we acquire and thus harm investors.

Our stockholders may be more likely to sustain a loss on their investment because our sponsor and chief executive officer do not have as strong an economic incentive to avoid losses as do sponsors and executive officers who have made significant equity investments in their companies.

Our sponsor holds a $200,000 investment in us through the purchase of approximately 200,000 Class A Shares at $1.00 per share, and Seth Priebatsch, our chief executive officer, has committed to a $5,000,000 investment in us through the purchase of approximately 5,000,000 Class A Shares at $1.00 per share, of which $500,000 has been called and invested. Additionally, if we are successful in raising enough proceeds to be able to reimburse our sponsor for our significant organization and offering expenses, our sponsor will have little exposure to loss in value of our shares. Without this exposure, our investors may be at a greater risk of loss because our sponsor and chief executive officer may have less to lose from a decrease in the value of our shares as does a sponsor or executive officer that makes more significant equity investments in its company.

The common shares we are offering have not been registered under the Securities Act or state securities laws and are subject to restrictions upon transfer, and there is no public market for our shares. As a result, it will be difficult for you to sell your common shares and, if you are able to sell your common shares, you are likely to sell them at a substantial discount.

The common shares we are offering with this memorandum have not been registered under the Securities Act or the securities laws of any state, are being offered and sold in reliance upon exemptions from the registration requirements of the Securities Act and such state securities laws and may not be transferred or resold except as permitted pursuant to registration or applicable exemption under the Securities Act and applicable state securities laws. In addition, the common shares are subject to restrictions on transferability and resale designed to protect our status as a REIT. There is no public market for our shares, and our charter does not require that we list our shares on any public securities market. It will, therefore, be difficult for you to sell your common shares. See the "Description of Our Securities — Restrictions on Ownership and Transfer" section beginning on page 179 of this memorandum for a more complete discussion on the restrictions on your ability to transfer your shares. Even if you are able to sell your common shares, the absence of a public market may cause the price you receive to be less than what you paid or less than your proportionate value of the assets we own. Therefore, repurchase of shares by us will likely be the only way for you to dispose of your shares, and we are not obligated to repurchase shares under our share repurchase program. Our share repurchase program will commence on the first anniversary of the date when we

announce our initial quarterly NAV per share, subject to authorization by our board of directors; provided, however, our board of directors may repurchase shares due to the death or "qualifying disability" of a stockholder. We will repurchase shares at the transaction price on the date of repurchase (which will generally be equal to our prior quarter's NAV per share) and not based on the price at which you initially purchased your shares; provided, however, the "transaction price" will equal $1.00 per share prior to the calculation of our initial quarterly NAV per share. Subject to limited exceptions, shares repurchased within one year of the date of issuance are expected to be repurchased at 95% of the transaction price. As a result, you may receive less than the price you paid for your shares when you sell them to us pursuant to our share repurchase program.

Your ability to have your shares repurchased through our share repurchase program (once available) is limited. We may choose to repurchase fewer shares than have been requested to be repurchased, in our discretion at any time, and the amount of shares we may repurchase is subject to caps. Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase program if it deems such action to be in our best interest and the best interest of our stockholders.

We may choose to repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase program, or none at all, in our discretion at any time. We may repurchase fewer shares than have been requested to be repurchased due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than repurchasing our shares. In addition, the total amount of shares that we will repurchase is limited, in any calendar month, to shares whose aggregate value (based on the repurchase price per share on the date of the repurchase) is no more than 2% of our aggregate NAV as of the last day of the previous calendar month and, in any calendar quarter, to shares whose aggregate value is no more than 5% of our aggregate NAV as of the last day of the previous calendar quarter (measured using the average aggregate NAV attributable to stockholders at the end of the immediately preceding three months). Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase program if it deems such action to be in our best interest and the best interest of our stockholders. If the full amount of all shares of our common stock requested to be repurchased in any given month are not repurchased, funds will be allocated pro rata based on the total number of shares of common stock being repurchased subject to the volume limitation. All unsatisfied repurchase requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share repurchase program, as applicable.

The vast majority of our assets consist of properties that cannot generally be readily liquidated without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy repurchase requests. Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than repurchasing our shares is in the best interests of the Company as a whole, then we may choose to repurchase fewer shares than have been requested to be repurchased, or none at all. Because we are not required to authorize the recommencement of the share repurchase program within any specified period of time, we may effectively terminate the plan by suspending it indefinitely. As a result, your ability to have your shares repurchased by us may be limited and at times you may not be able to liquidate your investment. See "Share Repurchases—Repurchase Limitations" on page 203 of this memorandum.

Financial volatility and geopolitical instability outside of the U.S. may adversely impact the U.S. and global economies.

We could experience negative impacts to our business and results of operations as a result of macroeconomic, geopolitical and other challenges, uncertainties and volatility. For example, any terrorist attack, other act of violence or war, including military conflicts, such as the escalating conflict between Russia and Ukraine, could result in increased volatility in, or damage to, the worldwide financial markets and economy. This risk may be magnified in the case of the conflict between Russia and Ukraine, due to the significant sanctions and other restrictive actions taken against Russia by the U.S. and other countries in response to Russia's February 2022 invasion of Ukraine, as well as the cessation of all business in Russia by

many global companies. The actions of Russian military forces and support personnel in Ukraine and the foregoing actions by the U.S. other jurisdictions could have a lasting impact on regional and global economies. It is not possible to predict to what extent the foregoing events may negatively impact economies around the world, including the U.S. Continued or increased adverse macroeconomic conditions could have a material adverse effect on our business, financial condition, and results of operations.

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

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

We will not seek to list the shares sold in this offering on an exchange, and we are not required to provide for a liquidity event. Therefore, if you purchase shares in this offering, it will be difficult for you to sell your shares and, if you are able to sell your shares, you will likely sell them at a substantial discount.

The shares offered by us are illiquid assets for which there is not expected to be any secondary market nor is it expected that any will develop in the future. In addition, stockholders may not be able to have their shares repurchased under our share repurchase program once it commences. Therefore, it will be difficult for you to sell your shares promptly or at all. If you are able to sell your shares, you may only be able to sell them at a substantial discount from the price you paid. The shares should be purchased as a long-term investment only.

While we may consider a liquidity event at any time in the future, we currently do not intend to undertake such consideration until at least 2028, five years after we launch our investment program, and we are not obligated by our charter or otherwise to effect a liquidity event at any time. If we do not pursue a liquidity event, or delay such an event due to market conditions, your shares 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 suffer from delays in locating suitable investments, which could adversely affect our ability to make distributions and the value of your investment.

Except for investors who purchase shares in this offering after such time as this memorandum is supplemented to describe one or more identified investments, you will have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments. We could suffer from delays in locating suitable investments. The more money we raise in this offering, the more difficult it will be to invest the net offering proceeds promptly. Therefore, the size of this offering increases the risk of delays in investing our net offering proceeds. Our reliance on our advisor to locate suitable investments for us at times when the management of our advisor is simultaneously seeking to locate suitable investments for other investment programs sponsored by our advisor's affiliates could also delay the investment of the proceeds of this offering. Delays we encounter in the selection and acquisition of income-producing properties would likely limit our ability to pay dividends to you and reduce your overall returns.

We may be unable to make or maintain cash distributions or increase distributions over time.

There are many factors that can affect the availability and timing of cash distributions to stockholders, including the amount of cash flow from operations. On March 28, 2023, our board of directors previously authorized and declared distributions to stockholders of record on as of March 28, 2023 at a rate of $0.0025 per share of our common stock, and, such distributions were paid on or about March 30, 2023. We cannot guaranty additional distributions, or if distributions are authorized, the rate of such distributions. Our current distributions are, and we expect future distributions to be, based on a combination of offering proceeds and

cash available from our operations, and we cannot assure you that we will generate cash from operations to sustain our distributions. The amount of cash available for distributions is affected by many factors, such as our ability to buy assets as offering proceeds become available, income from such properties and our operating expense levels, as well as many other variables. Actual cash available for distributions may vary substantially from estimates. We cannot assure you that we will be able to continue to pay distributions or maintain our current level of distributions, or that distributions will increase over time. We also cannot give any assurance that rents from the properties we acquire will increase, that the properties or securities we buy will increase in value or provide constant or increased distributions over time, or that future acquisitions of real estate or any investments in securities will increase our cash available for distributions to stockholders. We may not have sufficient cash from operations to make a distribution required to maintain our REIT status. We may make distributions from the proceeds of this offering or from borrowings in anticipation of future cash flow. Any such distributions will constitute a return of capital and may reduce the amount of capital we ultimately invest in properties and negatively impact the value of your investment. For a description of the factors that can affect the availability and timing of cash distributions to stockholders, see the section entitled "Description of Our Securities — Distribution Policy" on page 179 this memorandum.

Distributions paid from sources other than our cash flows from operations, particularly from proceeds of this offering, will result in us having fewer funds available to acquire properties, which may adversely affect our ability to fund future distributions with cash flows from operations, may dilute your interest in us, and may adversely affect the value of an investment in our common shares.

Until we are generating sufficient cash flows from operations to fund distributions to our stockholders, we may pay all or a substantial portion of our distributions from the proceeds of this offering or from borrowings, including possible borrowings from our advisor or its affiliates, the sale of additional securities and our advisor's deferral, suspension or waiver of its fees and expense reimbursements.

Our board of directors may change our distribution policy, in its sole discretion, at any time, subject to Maryland law. Under Maryland law, we may not make distributions that would: (1) cause us to be unable to pay our debts as they become due in the usual course of business; or (2) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences, if any. Distributions made from offering proceeds are a return of capital to stockholders, from which we will have already paid offering expenses in connection with this offering. We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions, subject to Maryland law.

There is no guarantee that we will pay any particular amount of distributions or continue to pay distributions. If we encounter any delays in locating suitable investments, we may pay all or a substantial portion of our distributions from the proceeds of this offering or from borrowings in anticipation of future cash flow, which may constitute a return of your capital. If we fund distributions from the proceeds of this offering, we will have less funds available to acquire properties. As a result, the return you realize on your investment may be reduced. Funding distributions from borrowings could restrict the amount we can borrow for investments, which may adversely affect our profitability and cash flow. Funding distributions with proceeds from the sale of assets or the proceeds of this offering may affect our ability to generate cash flows. Funding distributions from the sale of additional securities could dilute your interest in us if we sell our common shares or securities convertible or exercisable into our common shares to third-party investors. Payment of distributions from the mentioned sources could restrict our ability to generate sufficient cash flows from operations, affect our profitability or affect the distributions payable to you upon a liquidity event, any or all of which may have an adverse effect on your investment.

Our board of directors may change our investment policies without stockholder approval, which could alter the nature of your investments.

Our investment policies may change over time. The methods of implementing our investment policies also may vary, as new real estate development trends emerge and new investment techniques are developed. Our investment objectives and strategies, the methods for their implementation, and our other objectives, policies and procedures may be altered by our board of directors without the approval of our stockholders. As a result, the nature of your investment could change without your consent.

The continuing novel coronavirus, or COVID-19, pandemic could adversely impact our operations, the value of our investments and our ability to raise capital in this offering.

The global impact of the outbreak of COVID-19 has been widespread and many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions have created disruption in global supply chains and have adversely impacted many industries. Although vaccines are widely available, vaccine rates vary, vaccines may lose effectiveness without boosters, and vaccines may be less effective against new strains of COVID-19. Considerable uncertainty still surrounds the coronavirus and its potential effects, and the extent of and effectiveness of any responses taken on a national and local level. As a result, the pandemic could have a continued adverse impact on economic and market conditions.

Further, as a result of shutdowns, quarantines or actual viral health issues, tenants at our multifamily apartment communities may experience reduced wages for a prolonged period of time and may be unable to make their rental payments. We may be unable to evict tenants due to federal, state and/or local laws or regulations or lender requirements implemented as a result of the COVID-19 virus outbreak. In addition, our property manager may be limited in its ability to properly maintain our multifamily apartment communities. Market fluctuations may affect our ability to obtain new borrowings. In addition, we may be unable to obtain financing for the acquisition of investments on satisfactory terms, or at all.

The extent to which the coronavirus pandemic may impact our investments and operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of COVID-19 and the actions taken to contain COVID-19 or treat its impact, new strains of COVID-19 and the availability of effective therapies or vaccines, among others. COVID-19 and the resulting current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, results of operations and ability to pay distributions.

If we are unable to raise substantial funds, we will be limited in the number and type of investments we may make, and the value of your investment in us will fluctuate with the performance of the specific properties we acquire.

This offering is being made on a "reasonable best efforts" basis, whereby we and our affiliates or any future dealer manager or broker-dealers participating in the offering are only required to use their reasonable best efforts to sell our shares and have no firm commitment or obligation to purchase any of the shares. We currently are directly issuing Class A Shares to investors through this memorandum for which no underwriting compensation will be paid in reliance on the safe harbor from broker-dealer registration under the Exchange Act. We are also offering Class A Shares on the Republic Platform, which is operated for the benefit of ODB, a broker-dealer registered with FINRA and the SEC. ODB is not purchasing the Class A Shares and is not required to sell any specific number or dollar amount of the Class A Shares. For more information regarding the Republic Platform and ODB, see "Plan of Distribution" on page 198 of this memorandum. We may in the future engage other broker-dealers that are registered as a broker dealer with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers.

As a result, the amount of proceeds we raise in this offering may be substantially less than the amount we would need to achieve a broadly diversified property portfolio. If we are unable to raise substantial proceeds from this offering, we will make fewer investments resulting in less diversification in terms of the number of investments owned, the geographic regions in which our investments are located and the types of investments that we make. In such event, the likelihood of our profitability being affected by the performance of any one of our investments will increase. Additionally, we are not limited in the number or size of our investments or the percentage of net proceeds we may dedicate to a single investment. Your investment in our shares will be subject to greater risk to the extent that we lack a diversified portfolio of investments.

In addition, our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, and our financial condition and ability to pay distributions could be adversely affected.

A high concentration of our properties in a particular geographic area, or of tenants in a similar industry, would magnify the effects of downturns in that geographic area or industry.

If there is a concentration of our properties in any particular geographic area, any adverse situation that disproportionately affects that geographic area would have a magnified adverse effect on our portfolio. Similarly, since we expect the tenants of our properties to be concentrated in the multifamily industry, any adverse effect to that industry generally would have a disproportionately adverse effect on our portfolio.

If the advisor is unable to find suitable investments or successfully implement our investment strategy, then we may not be able to achieve our investment objectives or pay distributions.

Our advisor is responsible for, among other things, identifying, structuring and negotiating investments and providing asset management and disposition services in connection with our investments. Accordingly, our ability to achieve our investment objectives and to pay distributions depends on our advisor's performance, including its ability to locate suitable investments and successfully structure and negotiate our investment and financing arrangements. We cannot be sure that our advisor will be successful in locating suitable investments on financially attractive terms or that our investment objectives will be achieved. If our advisor is unable to find suitable investments or otherwise fails to successfully implement our investment strategy, our performance will suffer, and, if our board of directors determines, we may liquidate. In these events, our ability to pay distributions to our stockholders and the value of your investment would be adversely affected.

If our advisor and its affiliates are unable to retain key personnel, our ability to implement our investment strategies could be delayed or hindered, which could adversely affect our ability to make distributions and the value of your investment.

Our success depends to a significant degree upon the contributions of certain of the executive officers and other key personnel of our advisor, including our President and Chief Executive Officer, Seth Priebatsch, who would be difficult to replace. Our advisor does not have an employment agreement with any of these key personnel and we cannot guarantee that all, or any particular one, will remain affiliated with our advisor. If any of such key personnel were to cease their affiliation with our advisor, our operating results could suffer. Further, we do not intend to separately maintain key person life insurance on or any person. We believe that our future success depends, in large part, upon our advisor's ability to hire and retain highly skilled managerial, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you that our advisor will be successful in attracting and retaining such skilled personnel. If our advisor loses or is unable to obtain the services of key personnel, our ability to implement our investment strategies could be delayed or hindered, and the value of your investment may decline.

Our advisor can resign on 60 days' notice from its role as advisor, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business, and results of operations and cash flows.

Our advisor has the right, under the advisory agreement, to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If our advisor resigns, we may not be able to find a new advisor or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, and our financial condition, business and results of operations, as well as our ability to pay dividends, are likely to be adversely affected. In addition, the coordination of our management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our advisor and its affiliates. Even if we are able to retain comparable management, the integration of such management and its lack of familiarity with our investment objectives may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

If we consummate a public offering, or if we exceed 2,000 stockholders, we will incur significant costs as a result of being a public reporting company.

If we consummate a public offering, or if we exceed 2,000 stockholders, we will be required to register our securities under the Exchange Act, and we will incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and other rules implemented by the SEC.

Our rights and the rights of our stockholders to recover claims against our directors are limited, which could reduce your and our recovery against them if they negligently cause us to incur losses.

Maryland law provides that a director has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Our charter provides that no director generally will be liable to us or our stockholders for monetary damages and that we generally will indemnify them for losses unless, in the case of an independent director, such director is grossly negligent or engages in willful misconduct or, in the case of our directors who are also our executive officers or affiliates of our advisor, such directors are negligent or engage in misconduct. As a result, you and we may have more limited rights against our directors than might otherwise exist under common law, which could reduce your and our recovery from these persons if they act in a negligent manner. In addition, we may be obligated to fund the defense costs incurred by our independent directors (as well as by our other directors, officers, employees and agents) in some cases, which would decrease the cash otherwise available for distributions to you. See "Management — Limited Liability and Indemnification of Directors, Officers and Other Agents" beginning on page 115 of this memorandum.

The failure of any bank in which we deposit our funds could reduce the amount of cash we have available to pay distributions, make additional investments and service our debt.

The Federal Deposit Insurance Corporation only insures interest-bearing accounts in amounts up to $250,000 per depositor per insured bank. While we will monitor our cash balance in our operating accounts, if any of the banking institutions in which we deposit funds ultimately fails, we may lose our deposits over $250,000. The loss of our deposits may have a material adverse effect on our financial condition.

We could be negatively impacted by changes in the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing.

Fannie Mae and Freddie Mac have been a major source of financing for multifamily real estate in the United States and we may use loan programs sponsored by these agencies to finance our acquisitions of multifamily properties. There have been ongoing discussions by the government and other interested parties with regard to the long term structure and viability of Fannie Mae and Freddie Mac, which could result in adjustments to guidelines for their loan products. Should these agencies have their mandates changed or reduced, lose key personnel, be disbanded or reorganized by the government or otherwise discontinue providing liquidity for the multifamily sector, our ability to obtain financing through loan programs sponsored by the agencies could be negatively impacted. Should our access to financing provided through Fannie Mae and Freddie Mac loan programs be reduced or impaired, it could significantly reduce our access to debt capital and/or increase borrowing costs and could significantly limit our ability to acquire properties on acceptable terms and reduce the values to be realized upon property sales.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption.

The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our tenant and investor relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those we have outsourced. There is no guarantee that any processes, procedures and internal controls we have implemented or will implement will prevent cyber intrusions, which could have a negative impact on our financial results, operations, business relationships or confidential information.

Risks Related to Conflicts of Interest

We are subject to conflicts of interest arising out of our relationships with our advisor and its affiliates, including the material conflicts discussed below. The "Conflicts of Interest" section on page 140 of this memorandum provides a more detailed discussion of the conflicts of interest between us and our advisor and its affiliates, and our policies to reduce or eliminate certain potential conflicts.

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

Our sponsor has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of our sponsor, our advisor and the affiliates, partners, members, stockholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. If any matter arises that we and our affiliates (including the advisor) determine in our good faith judgment constitutes an actual and material conflict of interest, we and our affiliates (including the advisor) will take such actions as we determine appropriate to mitigate the conflict. Transactions between us and our sponsor or its affiliates will require approval by our board of directors. There can be no assurance that our board of directors or our sponsor will identify or resolve all conflicts of interest in a manner that is favorable to us.

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

The compensation paid to our advisor and other affiliates of our advisor for services they provide us was not determined on an arm's-length basis. All service agreements, contracts or arrangements between or among our advisor and its affiliates, including the advisor and us, were not negotiated at arm's-length. Such agreements include our advisory agreement, the Operating Partnership's partnership agreement and any property related corporate services and other agreements we may enter into with affiliates of the advisor from time to time. In addition, we may choose not to enforce, or to enforce less vigorously, our rights and remedies under these agreements because of our desire to maintain our ongoing relationship with our advisor and its affiliates. Any such decision, however, may breach our fiduciary obligations to our stockholders. However, any recovery against our board of directors may be limited by the terms of our charter.

The advisor faces a conflict of interest because the fees it receives for services performed will be based in part on our NAV, which the advisor is ultimately responsible for determining.

The advisor will be paid a management fee for its services based on our NAV, which will be calculated by a third-party based on valuations provided by the advisor. In addition, the distributions to be received by the advisor, in its capacity as the special limited partner of the Operating Partnership, with respect to its performance participation interest in the Operating Partnership will be based in part upon the Operating Partnership's net assets (which is a component of our NAV). The calculation of our NAV will include certain subjective judgments with respect to estimating, for example, the value of our portfolio and our accrued expenses, net portfolio income and liabilities, and therefore, our NAV may not correspond to realizable value upon a sale of those assets. The advisor may benefit by us retaining ownership of our assets at times when our stockholders may be better served by the sale or disposition of our assets in order to avoid a reduction in our NAV. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price

of shares of our common stock or the price paid for the repurchase of your shares of common stock on a given date may not accurately reflect the value of our portfolio, and your shares may be worth less than the purchase price or more than the repurchase price. The valuation of our investments will affect the amount and timing of the management fee paid to the advisor and its performance participation interest. As a result, there may be circumstances where the advisor is incentivized to determine valuations that are higher than the actual fair value of our investments.

Our advisor's management fee and performance participation interest may not create proper incentives or may induce the advisor and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

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

The existence of our advisor's 12.5% performance participation interest in our Operating Partnership, which is based on our total distributions plus the change in NAV per share, may create an incentive for the advisor to make riskier or more speculative investments on our behalf or cause us to use more leverage than we would otherwise in the absence of such performance-based compensation. In addition, the change in NAV per share will be based on the value of our investments on the applicable measurement dates and not on realized gains or losses. As a result, the performance participation interest may receive distributions based on unrealized gains in certain assets at the time of such distributions and such gains may not be realized when those assets are eventually disposed of.

Because the management fee and performance participation are based on our NAV, our advisor may also be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail repurchases to maintain a higher NAV, which would, in each case, increase amounts payable to the advisor, but may make it more difficult for us to efficiently deploy new capital.

Our advisor's liability will be limited under the advisory agreement, and we have agreed to indemnify our advisor against certain liabilities, which may lead our advisor to act in a riskier manner on our behalf than it would when acting for its own account.

Under the advisory agreement, our advisor will not assume any responsibility to us other than to render the services called for under that agreement, and it will not be responsible for any action of our board of directors in following or declining to follow our advisor's advice or recommendations. Our advisor maintains a contractual, as opposed to a fiduciary, relationship with us. Under the terms of the advisory agreement, our advisor, its officers, members and personnel, and any person controlling or controlled by our advisor will not be liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the advisory agreement, except those resulting from acts constituting negligence or misconduct. In addition, we have agreed to indemnify our advisor and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the advisory agreement, except where attributable to negligence or misconduct. These protections may lead our advisor to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Our advisor faces potential conflicts of interest relating to the purchase and leasing of properties, and such conflicts may not be resolved in our favor, which could adversely affect our investment opportunities.

Our sponsor may sponsor other real estate investment programs in the future that target the same or similar asset types. We may buy properties at the same time as one or more of the other programs sponsored by affiliates of our advisor and managed by officers and key personnel of our advisor. There is a risk that our

advisor will choose a property that provides lower returns to us than a property purchased by another program sponsored by affiliates of our advisor. We cannot be sure that officers and key personnel acting on behalf of our advisor and on behalf of managers of other programs that may be sponsored by affiliates of our advisor will act in our best interests when deciding whether to allocate any particular property to us. In addition, we may acquire properties in geographic areas where other programs sponsored by affiliates of our advisor own properties. Also, we may acquire properties from, or sell properties to, other programs sponsored by affiliates of our advisor. If one of the other programs sponsored by affiliates of our advisor attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. You will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making your investment.

Our advisor faces conflicts of interest relating to joint ventures with its affiliates, which could result in a disproportionate benefit to the other venture partners at our expense.

We may enter into joint ventures with other programs sponsored by affiliates of our advisor for the acquisition, development or improvement of properties. Our advisor may have conflicts of interest in determining which program sponsored by affiliates of our advisor should enter into any particular joint venture agreement. In addition, our advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer managing the joint venture. Since our advisor and its affiliates will control both the affiliated co-venturer and, to a certain extent, us, agreements and transactions between the co-venturers with respect to any such joint venture will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers, which may result in the co-venturer receiving benefits greater than the benefits that we receive. In addition, we may assume liabilities related to the joint venture that exceed the percentage of our investment in the joint venture.

Our advisor and its affiliates and their officers and other key personnel face competing demands relating to their time, and this may cause our operating results to suffer.

Our advisor, its affiliates and their officers are key personnel of general partners, sponsors, directors, managers, owners and advisors of other real estate investment programs, including, with respect to our advisor, certain of our advisor's key personnel and their respective affiliates, some of which may in the future have investment objectives and legal and financial obligations similar to ours, and may own real properties or provide services with respect to other real properties, some of which may compete with us, as well as owning other business interests. Because these persons have competing demands on their time and resources, they may have conflicts of interest in allocating their time between our business and these other activities. If this occurs, the returns on our investments may suffer.

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

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

Additionally, the partnership agreement expressly limits our liability by providing that we and our officers, directors, agents and employees will not be liable or accountable to our Operating Partnership for losses sustained, liabilities incurred or benefits not derived if we or our officers, directors, agents or employees acted in good faith. In addition, our Operating Partnership is required to indemnify us and our officers, directors, employees, agents and designees to the extent permitted by applicable law from and against any and all claims arising from operations of our Operating Partnership, unless it is established that: (1) the act or

omission was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (2) the indemnified party received an improper personal benefit in money, property or services; or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful.

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

There is no separate counsel for us, our advisor, and certain of our and our advisor's affiliates, which could result in conflicts of interest.

Troutman Pepper Hamilton Sanders LLP acts as legal counsel to us and also represents our advisor and certain of our and our advisor's affiliates. There is a possibility in the future that the interests of the various parties may become adverse and, under the Code of Professional Responsibility of the legal profession, Troutman Pepper Hamilton Sanders LLP may be precluded from representing any one or all such parties. If any situation arises in which our interests appear to be in conflict with those of our advisor or its affiliates, additional counsel may be retained by one or more of the parties to assure that their interests are adequately protected. Moreover, should a conflict of interest not be readily apparent, Troutman Pepper Hamilton Sanders LLP may inadvertently act in derogation of the interest of the parties, which could affect our ability to meet our investment objectives.

Risks Related to Our Organization and Our Structure

No investor may own more than 9.8% of our stock unless exempted by our board of directors, which may discourage a takeover that could otherwise result in a premium price to our stockholders.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. There is a limitation on ownership that prohibits any person or entity from actually, constructively or beneficially acquiring or owning more than 9.8% in value or in number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of our capital stock, or more than 9.8% in value or in number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of our common stock, unless exempted, prospectively or retroactively, by our board of directors. Our board of directors may waive this ownership limit with respect to a particular person if the board receives certain representations and warranties as required by our charter. This restriction may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for holders of our capital stock. See "Description of Our Securities — Restrictions on Ownership and Transfer" beginning on page 179.

Our charter permits our board of directors to authorize us to issue preferred stock on terms that may subordinate the rights of the holders of our current common stock or discourage a third party from acquiring us.

Our board of directors is permitted, subject to certain restrictions set forth in our charter, to authorize the issuance of shares of preferred stock without stockholder approval. Further, our board of directors may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock that we have authority to issue without stockholder approval. Thus, our board of directors could authorize us to issue shares of preferred stock with terms and conditions that could subordinate the rights of the holders of our common stock or have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

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

Our board of directors approved very broad investment guidelines that delegate to the advisor the authority to execute acquisitions and dispositions of real estate and real estate debt on our behalf, in each case so long as such investments are consistent with the investment guidelines and our charter. Our advisor will implement on our behalf the strategies and discretionary approaches it believes from time to time may be best suited to prevailing market conditions in furtherance of that purpose, subject to the limitations under our investment guidelines and our charter. There can be no assurance that our advisor will be successful in implementing any particular strategy or discretionary approach to our investment activities. Our board of directors reviews our investment guidelines on an annual basis (or more often as it deems appropriate) and reviews our investment portfolio periodically. The prior approval of our board of directors or a committee of independent directors will be required only as set forth in our charter (including for transactions with affiliates of our advisor) or for the acquisition or disposition of assets that are not in accordance with our investment guidelines. In addition, in conducting periodic reviews, our directors rely primarily on information provided to them by our advisor. Furthermore, transactions entered into on our behalf by our advisor may be costly, difficult or impossible to unwind when they are subsequently reviewed by our board of directors.

You will have limited control over changes in our policies and operations, which increases the uncertainty and risks you face as a stockholder.

Our board of directors determines our major policies, including our policies regarding financing, growth, debt capitalization, REIT qualification and distributions. Our board of directors may amend or revise these and other policies without your vote except to the extent that such policies are set forth in our charter. Our board's broad discretion in setting policies and your inability to exert control over those policies increases the uncertainty and risks you face as a stockholder.

Under the Maryland General Corporation Law and our charter, our stockholders are generally entitled to vote only on the following matters: a) election and removal of directors; b) amendment of the charter, except that our board of directors may amend our charter without stockholder approval to i) increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock that we have the authority to issue, and ii) change our name or the name or other designation or the par value of any class or series of our stock and the aggregate par value of our stock; c) our liquidation or dissolution; and d) to the extent required under Maryland law, a merger, conversion or consolidation of us, a statutory share exchange, or the sale or other disposition of all or substantially all of our assets. With respect to all matters, other than the election or removal of directors, our board of directors must first adopt a resolution declaring that a proposed action is advisable and direct that such matter be submitted to our stockholders for approval or ratification.

These limitations on voting rights may limit your ability to influence decisions regarding our business. Holders of our common shares will have identical voting rights except that, with respect to a) any amendment of our charter that would materially and adversely affect the rights, preferences and privileges of only a particular class of common stock, b) any matter submitted to stockholders that relates solely to a particular class of common stock or c) any matter submitted to stockholders in which the interests of a particular class of common stock differ from the interests of all other classes of common stock, only the affirmative vote of the holders of a majority of such affected class of common stock, with no other class of common stock voting except such affected class of common stock voting as a separate class, will be required.

We may change our targeted investments without stockholder consent.

We expect our portfolio of investments in commercial real estate to consist primarily of multifamily real estate. Though this is our current target portfolio, we may make adjustments to our target portfolio based on real estate market conditions and investment opportunities, and we may change our targeted investments and investment guidelines at any time without the consent of our stockholders. Any such change could result in our making investments that are different from, and possibly riskier than, the investments described in this memorandum. A change in our targeted investments or investment guidelines, which may occur without your

consent, may increase our exposure to interest rate risk, default risk and real estate market fluctuations, all of which could adversely affect our ability to make distributions to you and the value of the securities we are offering through this memorandum.

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

We intend to continue to conduct our operations so that neither we, nor our Operating Partnership nor the subsidiaries of our Operating Partnership are investment companies under the Investment Company Act. However, there can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an investment company. See "Memorandum Summary—Are there any Investment Company Act considerations?" beginning on page 17.

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

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

Investing in our common shares may involve an above average degree of risk and is intended for long-term investors.

The investments we make in accordance with our investment objectives and strategies may result in a higher amount of risk of loss of principal than alternative investment options. Our investments in real estate assets may be highly speculative and aggressive, and therefore, an investment in our common shares may not be suitable for someone with lower risk tolerance. In addition, our common shares are intended for long-term investors.

The offering price was not established on an independent basis and bears no relationship to our net asset value. The offering price is likely to be higher than the amount you would receive per share if we were to liquidate at this time because of the fees paid in connection with the issuance of our shares.

The offering price of the securities offered hereby was not established on an independent basis and bears no relationship to our net asset value, or to any other established criteria for valuing issued or outstanding shares of capital stock. The offering price is likely to be higher than the amount you would receive per share if we were to liquidate at this time because of the fees paid or payable in connection with the issuance of our shares. Further, the offering price may be significantly more than the price at which the shares would trade if they were to be listed on an exchange or actively traded by broker-dealers. Because the initial offering price is not based on any independent valuation, the offering price is not indicative of the proceeds you would receive upon liquidation.

We will not disclose an estimated NAV per share until at least sometime in 2024, and when our board of directors deems it in the best interest of the stockholders to do so. When we do disclose such estimate NAV, the purchase price you pay for our shares in this offering may be higher than our estimated NAV per share. Any such estimated NAV per share may not be an accurate reflection of the fair value of our assets and liabilities and likely will not represent the amount of net proceeds that would result if we were

liquidated or dissolved. An estimated NAV is not approved by our board of directors and is not necessarily the price at which we will issue new shares nor allow redemption of existing shares.

We are not currently required to prepare or disclose a per share estimated value of our common shares. Our advisor currently intends to use the price paid to acquire shares in this offering (ignoring purchase price discounts for certain categories of purchasers) as the per share value of our common shares until we calculate our initial NAV per share and have such NAV approved by our board of directors. While we may prepare a valuation of our assets before 2024, we do not expect to calculate our initial quarterly NAV and have such NAV approved by our board of directors until sometime in 2024. For the purposes of calculating our quarterly NAV, our assets will generally initially be valued at cost, which we expect to represent fair value at that time. Thereafter, valuations of properties will be determined by the advisor based in part on appraisals of each of our properties by independent third-party appraisal firms reviewed by our independent valuation advisor at least once per year in accordance with valuation guidelines approved by our board of directors. The advisor will also conduct a quarterly valuation of our properties that will be reviewed and confirmed for reasonableness by our independent valuation advisor. Investments in real estate debt and other securities with readily available market quotations will be valued quarterly at fair market value. Certain investments, such as mortgages and mezzanine loans, are unlikely to have market quotations. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. Each such investment will then be valued by the advisor within the first three full months after we invest in such investment and no less than quarterly thereafter. Additionally, the advisor may in its discretion consider material market data and other information that becomes available after the end of the applicable quarter in valuing our assets and liabilities and calculating our NAV for a particular quarter. For more information regarding our valuation process, see "Net Asset Value Determinations" on page 170 of this memorandum.

While we may provide estimated NAV per share in certain reporting, until such NAV per share is approved by our board of directors it is only an estimate and will not be relied upon for new share issuances or redemptions.

Although quarterly valuations of each of our real properties will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on asset- and portfolio-level information provided by the advisor, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real property, which information will not be independently verified by our independent valuation advisor. Similarly, although our quarterly valuations of our real estate debt and other securities for which market quotations are not readily available will be reviewed and confirmed for reasonableness by our independent valuation advisor, such valuations are based on information provided by the advisor, which information will not be verified by our independent valuation advisor.

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

(after we calculate our initial quarterly NAV per share), you may pay more than realizable value or receive less than realizable value for your investment.

Our NAV per share amounts may change materially if the appraised values of our real estate assets materially change from prior appraisals or the actual operating results for a particular quarter differ from what we originally budgeted for that quarter.

We anticipate that after we calculate our initial NAV per share, the annual appraisals of our real estate assets will be conducted on a rolling basis, such that properties may be appraised at different times but each property would be appraised at least once per year. When these appraisals are considered by the advisor for purposes of valuing the relevant real estate asset, there may be a material change in our NAV per share amounts from those previously reported. In addition, actual operating results for a given quarter may differ from what we originally budgeted for that quarter, which may cause a material increase or decrease in the NAV per share amounts. We will not retroactively adjust the NAV per share reported for the previous quarter. Therefore, because a new annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what we previously budgeted for a particular quarter, the adjustment to take into consideration the new appraisal or actual operating results may cause the NAV per share to increase or decrease, and such increase or decrease will occur in the quarter the adjustment is made.

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

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

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

The methods we expect to be used by our advisor to calculate our NAV, including the components used in calculating our NAV, is not prescribed by rules of the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and our NAV is not audited by our independent registered public accounting firm. We expect to calculate and publish NAV solely for purposes of establishing the price at which we sell and repurchase shares of our common stock, which will not occur until sometime in 2024, and you should not view our NAV as a measure of our historical or future financial condition or performance. The components and methodology used in calculating our NAV may differ from those used by other companies now or in the future.

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

Additionally, errors may occur in calculating our NAV, which could impact the price at which we sell and repurchase shares of our common stock and the amount of our advisor's management fee and performance participation interest. Our advisor has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the advisor, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which shares of our common stock were sold or repurchased or on the amount of our advisor's management fee or performance participation interest, may determine in its sole discretion to take certain corrective actions in response to such errors, including, subject to our sponsor's policies and procedures, making adjustments to prior NAV calculations. You should carefully review the disclosure of our valuation policies and how NAV is expected to be calculated under "Net Asset Value Determinations" on page 170 of this memorandum.

You will not have the benefit of an independent review of the memorandum or us, which is customarily performed in underwritten offerings.

We are directly issuing Class A Shares to investors through this memorandum (other than shares issued through ODB) for which no underwriting compensation will be paid in reliance on the safe harbor from broker-dealer registration set out in Rule 3a4-1 under the Exchange Act. We have not, but may in the future, engage a wholesale dealer manager registered as a broker dealer with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers.

As of the date of this memorandum, there has been no due diligence investigation of us that can be considered to be an independent review and, therefore, may not be as meaningful as a review conducted by an unaffiliated broker-dealer or investment banker. In addition, we do not, and do not expect to, have research analysts reviewing our performance or our securities on an ongoing basis. Further, if you purchase through a financial professional that does not conduct an independent review, you will not have the benefit of an independent review of us, our performance, the value of our common shares or the terms of this offering.

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

Existing stockholders and potential investors in this offering do not have preemptive rights to any shares we issue in the future. Upon commencement of this offering, our charter will authorize us to issue 6,000,000,000 common shares, all of which are classified as Class A Shares. Our board of directors may amend the charter from time to time to increase or decrease the aggregate number of authorized shares of stock or the number of authorized Class A Shares or any other class or series of stock without stockholder approval. . After you purchase shares in this offering, our board may elect to (1) sell additional shares in this or future private placements or public offerings; (2) issue shares of capital stock under a long-term incentive plan to our independent directors or to employees of our advisor or its affiliates; (3) issue shares to our advisor, its successors or assigns, in payment of an outstanding fee obligation or as consideration in a related-party transaction; or (4) issue shares to sellers of properties we acquire in connection with an exchange of property for limited partnership interests of our operating partnership. To the extent we issue additional equity interests after your purchase in this offering, your percentage ownership interest in us will be diluted. Investors will also experience dilution if we issue equity compensation pursuant to our equity incentive plan. Further, depending upon the terms of such transactions (most notably the offering price per share, which may be less than the price paid per share in any offering under this memorandum) and the value of our real estate assets, existing stockholders may also experience a dilution in the book value of their investment in us.

Payments to the advisor in the form of common stock or Operating Partnership units it elects to receive in lieu of fees or distributions will dilute future cash available for distribution to our stockholders.

The advisor may choose to receive our common stock or Operating Partnership units in lieu of certain fees or distributions. The holders of all Operating Partnership units are entitled to receive cash from operations pro rata with the distributions being paid to us and such distributions to the holder of the Operating Partnership units will reduce the cash available for distribution to us and to our stockholders. Furthermore, under certain circumstances the Operating Partnership units held by the advisor are required to be

repurchased, in cash at the holder's election, and there may not be sufficient cash to make such a repurchase payment; therefore, we may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in our operations. Repurchases of our shares or Operating Partnership units from the advisor paid to the advisor as a management fee are not subject to the repurchase limits of our share repurchase program or any Early Repurchase Deduction, and such sales will receive priority over other shares being put for repurchase during such period. Repurchases of our shares or Operating Partnership units from the advisor with respect to its performance participation interest will not be subject to the Early Repurchase Deduction, but, in the case of shares, such repurchases will subject to the monthly and quarterly volume limitations and will not receive priority over other shares being put for repurchase during such period.

Our board of directors has opted out of provisions of the Maryland General Corporation Law relating to deterring or defending hostile takeovers. Although we will not currently be afforded this protection, our board of directors could opt into these provisions of Maryland law in the future, which may discourage others from trying to acquire control of us and may prevent you from receiving a premium price for their shares in connection with a business combination.

Under Maryland law, "business combinations" between a Maryland corporation and certain interested stockholders, or affiliates of interested stockholders, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10% or more of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time during the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding securities of the corporation.
- after the five-year prohibition, any business combination between a Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:
    - 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
    - two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

Also, under Maryland law, control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of stockholders entitled to cast two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquirer, an officer of the corporation or an employee of the corporation who is also a director of the corporation, are excluded from the vote on whether to accord voting rights to the control shares. We have opted out of these provisions of Maryland law, by board resolution in the case of the business combination provisions provided that the applicable business combination is first approved by our board of directors and in our bylaws in the case of the control share acquisition provisions. However, should our board opt into these provisions of Maryland law or, in the case of the business combination provisions, our board does not first approve the applicable business combination, it may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Similarly, provisions of Title 3, Subtitle 8 of the Maryland General Corporation Law could provide similar anti-takeover protection. For more information about the business combination, control share acquisition and Subtitle 8 provisions of Maryland law, see "Certain Provisions of Maryland Law and Our Charter and Bylaws".

If we sell real estate assets by providing financing to purchasers, defaults by the purchasers would adversely affect our cash flows and our ability to make distributions to our stockholders.

If we decide to sell any of our real estate assets, we intend to sell them for cash, if possible. However, nothing prohibits us from selling our real estate assets and providing financing to purchasers. If we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash distributions to stockholders. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our stockholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price, and subsequent payments will be spread over a number of years. If any purchaser defaults under a financing arrangement with us, it could negatively impact our ability to pay cash distributions to our stockholders.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of co-venturers and disputes between us and our co-venturers.

We may enter into joint ventures, partnerships and other co-ownership arrangements for the purpose of making investments. In such arrangements, we may not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their required capital contributions. Co-venturers may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the co-venturer would have full control over the joint venture. Disputes between us and co-venturers may result in litigation or arbitration that would increase our expenses and prevent our advisor from focusing its time and effort on our business. Consequently, actions by or disputes with co-venturers might result in subjecting properties owned by the joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our co-venturers.

We will be subject to additional risks of our joint venture partner or partners when we enter into a joint venture, which could reduce the value of our investment.

We may enter into joint ventures with other real estate groups. The success of a particular joint venture may be limited if our joint venture partner becomes bankrupt or otherwise is unable to perform its obligations in accordance with the terms of the particular joint venture arrangement. The joint venture partner may have economic or business interests or goals that are or may become inconsistent with our business interests or goals. In addition, a dispute between us and our joint venture partners may result in litigation, which may cause us to incur additional expenses, require additional time and resources from our advisor and result in liability, each of which could adversely affect our operating results and the value of your investment. In addition, we may assume liabilities related to the joint venture that exceed the percentage of our investment in the joint venture.

Fees and expenses may adversely impact our ability to pay dividends.

Identifying attractive investment opportunities and performing due diligence with respect to prospective investments will require significant expenditures, which we will bear whether or not we acquire the investment. In addition, acquiring investments may require us to participate in auctions or other forms of competitive bids, which may also require significant expenditures, including expenses relating to legal fees, the fees of third-party advisors, and other costs. Moreover, even after investments are made, the returns may not be realized by the stockholders for a period of several years.

Payment or accrual of fees will result in immediate dilution to the value of your investment, and any such current payments will reduce the amount of cash available to acquire investments. Payment of such fees and expenses increases the risk that the amount available for distribution to our stockholders would be less than the purchase price of the securities sold in this offering.

General Risks Related to Investments in Real Estate

Our operating results may be affected by economic and regulatory changes that have an adverse impact on the real estate market in general, and there can be no assurance that we will be profitable or that we will realize growth in the value of our real estate properties.

Our operating results are subject to risks generally incident to the ownership of real estate, including:

- changes in general economic or local conditions;
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive;
- changes in tax, real estate, environmental and zoning laws; and
- periods of high interest rates and tight money supply.

These and other risks may prevent us from being profitable or from realizing growth or maintaining the value of our real estate properties. Groma NAV REIT Inc. issued its first dividend in the first quarter of 2023. There is no guarantee we can continue to issue dividends at all, or at the same rate.

A concentration of our investments in the multifamily sector or in certain geographic regions may leave our profitability vulnerable to a downturn or slowdown in the sector or state or region.

We expect that our property portfolio will be comprised solely of multifamily properties. As a result, we will be subject to risks inherent in investments in a single type of property. If our investments are solely in the multifamily sector, the potential effects on our revenues, and as a result, on cash available for distribution to our stockholders, resulting from a downturn or slowdown in the multifamily sector could be more pronounced than if we had more fully diversified our investments.

The underlying value of our properties and the ability to make distributions to our stockholders depend upon the ability of the residents of our properties to generate enough income to pay their rents in a timely manner, and the success of our investments depends upon the occupancy levels, rental income and operating expenses of our properties and our company. Residents' inability to timely pay their rents may be impacted by employment and other constraints on their personal finances, including debts, purchases and other factors. These and other changes beyond our control may adversely affect our residents' ability to make rental payments. In the event of a resident default or bankruptcy, we may experience delays in enforcing our rights as landlord and may incur costs in protecting our investment and re-leasing our property. We may be unable to re-lease the property for the rent previously received. We may be unable to sell a property with low occupancy without incurring a loss. These events and others could cause us to reduce the amount of distributions we make to stockholders and the value of our stockholders' investment to decline.

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

expense, and therefore our financial condition and our ability to make cash distributions to our stockholders may be adversely affected.

In addition, if our investments are concentrated in a particular state or geographic region, and such state or geographic region experiences economic difficulty disproportionate to the nation as a whole, then the potential effects on our revenues, and as a result, on cash available for distribution to our stockholders, could be more pronounced than if we had more fully diversified our investments geographically. The geographic concentration of our portfolio may make us particularly susceptible to adverse economic developments in the real estate markets of those areas. In addition to general, regional and national economic conditions, our operating results may be impacted by the economic conditions of the specific markets in which we have concentrations of properties. Any adverse economic or real estate developments in these markets, such as business layoffs or downsizing, industry slowdowns, relocations of businesses, changing demographics and other factors, or any decrease in demand for multifamily property space resulting from the local business climate, could adversely affect our property revenue, and hence net operating income.

If capitalization rates increase, or interest rates increase or remain elevated, the value of our assets may decrease and we may not be able to sell our assets at anticipated prices. Additionally, banking instability may lower the effective availability of capital, impacting our operations.

The value of real estate is generally based on capitalization rates. Capitalization rates generally trend with interest rates. Consequently, if interest rates go up, so do capitalization rates. Based on historical interest rates, current interest rates are low, as are current capitalization rates. However, if interest rates rise in the future, capitalization rates may also rise, and as a result, the value of real estate will decrease. If capitalization rates increase, our assets will likely achieve a lower sales price than anticipated, potentially resulting in reduced returns.

The failure of Silicon Valley Bank, Silvergate and Signature, as well as general instability in the banking industry may limit the availability of credit, negatively impacting our ability to finance our operations or for others to finance theirs, resulting in a smaller potential buyer pool of our assets. Groma NAV REIT Inc. had no direct relationship with Silicon Valley Bank, Silvergate or Signature.

We will depend on residents for our revenue, and therefore, our revenue and our ability to make distributions to our stockholders will depend upon the ability of the residents of our properties to generate enough income to pay their rents in a timely manner. A substantial number of non-renewals, terminations or lease defaults could reduce our net income and limit our ability to make distributions to our stockholders.

The underlying value of our properties and the ability to make distributions to our stockholders will depend upon the ability of the residents of our properties to generate enough income to pay their rents in a timely manner, and the success of our investments depends upon the occupancy levels, rental income and operating expenses of our properties and our company. Residents' inability to timely pay their rents may be impacted by employment and other constraints on their personal finances, including debts, purchases and other factors. These and other changes beyond our control may adversely affect our residents' ability to make rental payments. In the event of a resident default or bankruptcy, we may experience delays in enforcing our rights as landlord and may incur costs in protecting our investment and re-leasing our property. We may be unable to re-lease the property for the rent previously received. We may be unable to sell a property with low occupancy without incurring a loss. These events and others could cause us to reduce the amount of distributions we make to stockholders and the value of our stockholders' investment to decline.

A property that experiences significant vacancy could hinder our ability to make distributions and could be difficult to sell or re-lease.

A property may experience significant vacancy through the eviction of residents and/or the expiration of leases. Certain of the multifamily properties we acquire may have some level of vacancy at the time of our acquisition of the property and we may have difficulty obtaining new residents. If vacancies continue for a long period of time, we may suffer reduced revenues resulting in lower cash distributions to stockholders. In

addition, the resale value of the property could be diminished because the market value may depend principally upon the occupancy of, and rental rates at, such property.

We may obtain only limited warranties when we purchase a property and would have only limited recourse if our due diligence did not identify any issues that lower the value of our property, which could adversely affect our financial condition and ability to make distributions to our stockholders.

The seller of a property often sells its property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all our invested capital in the property as well as the loss of rental income from that property.

Our strategy for acquiring value-enhancement multifamily properties involves greater risks than more conservative investment strategies.

We expect to implement a "value-enhancement" strategy for the conventional multifamily homes we invest in. Our value-enhancement strategy involves the acquisition of under-managed, stabilized apartment communities in high job and population growth neighborhoods and the investment of additional capital to make strategic upgrades of the interiors of the apartment homes. These opportunities will vary in degree based on the specific business plan for each asset, but could include new appliances, upgraded cabinets, countertops and flooring. Our strategy for acquiring value-enhancement multifamily properties involves greater risks than more conservative investment strategies. The risks related to these value-enhancement investments include risks related to delays in the repositioning or improvement process, higher than expected capital improvement costs, possible borrowings necessary to fund such costs, and ultimately that the repositioning process may not result in the higher rents and occupancy rates anticipated. In addition, our value-enhancement properties may not produce revenue while undergoing capital improvements. Furthermore, we may also be unable to complete the improvements of these properties and may be forced to hold or sell these properties at a loss. For these and other reasons, we cannot assure you that we will realize growth in the value of our value-enhancement multifamily properties, and as a result, our ability to make distributions to our stockholders could be adversely affected.

Our inability to sell a property when we desire to do so could adversely impact our ability to make distributions to you.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property.

We may be required to expend funds to correct defects or to make improvements before a property can be sold. There can be no assurance that we will have funds available to correct these defects or to make these improvements. Moreover, in acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These provisions would restrict our ability to sell a property.

We may be required to indemnify the purchasers of our investments, which could hurt our ability to make distributions or result in a decline in the value of your investment.

In connection with the disposition of a property from our portfolio, we may be required to make representations about our assets typical of those made in connection with the sale of any property. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate, incorrect, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by us out of assets other than the net proceeds made available from such disposition, which would hurt our ability to make distributions to you and result in a decline in the value of our assets and hence your investment in us.

We may acquire or finance properties with lock-out provisions, which may prohibit us from selling a property, or may require us to maintain specified debt levels for a period of years on some properties, which could have an adverse effect on your investment.

Our financing agreements may contain lock-out provisions, which are provisions in loan agreements that prohibit us from prepaying a debt obligation before a certain time (or that prohibit us from prepaying without incurring significant additional expense). Lock-out provisions could materially restrict us from selling or otherwise disposing of or refinancing properties, and thus affect cash available for distributions to you. Lock-out provisions may prohibit us from reducing the outstanding indebtedness with respect to any properties. Lock-out provisions could impair our ability to take other actions during the lock-out period that could be in the best interests of our stockholders and, therefore, may have an adverse impact on the value of our units, relative to the value that would result if the lock-out provisions did not exist. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control even though that disposition or change in control might be in the best interests of our stockholders.

Acquiring or attempting to acquire multiple properties in a single transaction may adversely affect our operations.

From time to time, we may attempt to acquire multiple properties in a single transaction. Portfolio acquisitions can be more complex than single-property acquisitions, and the risk that a multiple-property acquisition does not close may be greater than in a single-property acquisition. Portfolio acquisitions may also result in us owning investments in geographically dispersed markets, placing additional demands on our ability to manage the properties in the portfolio. In addition, a seller may require that a group of properties be purchased as a package even though we may not want to purchase one or more properties in the portfolio. In these situations, if we are unable to identify another person or entity to acquire the unwanted properties, we may be required to operate or attempt to dispose of these properties. To acquire multiple properties in a single transaction we may be required to accumulate a large amount of cash. We would expect the returns that we earn on such cash to be less than the ultimate returns in real property and therefore, accumulating such cash could reduce the funds available for distributions. Any of the foregoing events may have an adverse effect on our operations.

We may be unable to adjust our portfolio in response to changes in economic or other conditions or sell a property if or when we decide to do so, limiting our ability to pay cash distributions to you.

We plan to invest in real estate assets, which are generally illiquid investments. Many factors that are beyond our control affect the real estate market and could affect our ability to sell properties for the price, on the terms or within the time frame that we desire. These factors include general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Because real estate investments are relatively illiquid, we have a limited ability to vary our portfolio in response to changes in economic or other conditions. Further, before we can sell a property on the terms we want, it may be necessary to expend funds to correct defects or to make improvements. However, we can give no assurance that we will have the funds available to correct such defects or to make such improvements. We may be unable to sell our properties at a profit. Our inability to sell properties at the time and on the terms we want could reduce our cash flow and limit our ability to make distributions to you and could reduce the value of your investment. Moreover, in acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. Our inability to sell a property when we desire to do so may cause us to reduce our selling price for the property. Any delay in our receipt of proceeds, or diminishment of proceeds, from the sale of a property could adversely impact our ability to make distributions to our stockholders.

If we suffer losses that are not covered by insurance or that are in excess of insurance coverage, we could lose invested capital and anticipated profits.

We will carry comprehensive general liability coverage and umbrella liability coverage on all our properties with limits of liability that we deem adequate to insure against liability claims and provide for the costs of defense. Similarly, we will be insured against the risk of direct physical damage in amounts we estimate to be adequate to reimburse us on a replacement cost basis for costs incurred to repair or rebuild each property, including loss of rental income during the rehabilitation period. Material losses may occur in excess of insurance proceeds with respect to any property, as insurance may not be sufficient to fund the losses. However, there are types of losses, generally of a catastrophic nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, which are either uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with potential terrorist acts could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders in some cases have begun to insist that commercial property owners purchase specific coverage against terrorism as a condition for providing mortgage loans. It is uncertain whether these insurance policies will be available, or available at reasonable cost, which could inhibit our ability to finance or refinance our potential properties. In these instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. We may not have adequate, or any, coverage for these losses. The Terrorism Risk Insurance Program Reauthorization Act of 2015 is designed for a sharing of terrorism losses between insurance companies and the federal government,and extends the federal terrorism insurance backstop through 2020. We cannot be certain how this act will impact us or what additional cost to us, if any, could result. If an act of terrorism damaged or destroyed one or more of our properties, we could lose both our invested capital and anticipated profits from that property.

Delays in acquisitions of properties may have an adverse effect on your investment.

There may be a substantial period of time before the proceeds of our offering are invested. Delays we encounter in the selection or acquisition of properties could adversely affect our ability to make distributions and the value of an investment in our units.

Competition with third parties in acquiring properties and other investments may reduce our profitability and the return on your investment.

We compete with many other entities engaged in real estate investment activities, including individuals, corporations, bank and insurance company investment accounts, REITs, real estate limited partnerships, and other entities engaged in real estate investment activities, many of which have greater resources than we do. Larger real estate investors 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 investments 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 or loss on your investment.

Costs of complying with governmental laws and regulations related to environmental protection and human health and safety may be high.

All real property investments and the operations conducted in connection with such investments are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose joint and several liability on customers, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such real property. These environmental laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such real property as collateral for future borrowings. Environmental laws may also impose restrictions on the manner in which real property may be used or businesses may be operated. Some of these laws and regulations have been amended so as to require compliance with new or more stringent

standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations may impose material environmental liability. Additionally, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties, may affect our properties. There are also various local, state and federal fire, health, life-safety and similar regulations with which we may be required to comply, and which may subject us to liability in the form of fines or damages for noncompliance. In connection with the acquisition and ownership of our properties, we may be exposed to these costs in connection with such regulations. The cost of defending against environmental claims, any damages or fines we must pay, compliance with environmental regulatory requirements or remediating any contaminated real property could materially and adversely affect our business and results of operations, lower the value of our assets and, consequently, lower the amounts available for distribution to our stockholders.

The costs associated with complying with the Americans with Disabilities Act may reduce the amount of cash available for distribution to our stockholders.

Investment in properties may also be subject to the Americans with Disabilities Act of 1990, as amended, or the ADA. Under the ADA, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. We are committed to complying with the ADA to the extent to which it applies. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services be made accessible and available to people with disabilities. With respect to the properties we acquire, the ADA's requirements could require us to remove access barriers and could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. We will attempt to acquire properties that comply with the ADA or place the burden on the seller or other third party, such as residents, to ensure compliance with the ADA. We cannot assure you that we will be able to acquire properties or allocate responsibilities in this manner. Any monies we use to comply with the ADA will reduce the amount of cash available for distribution to our stockholders.

The multifamily residential properties in which we invest must comply with the Fair Housing Amendment of 1988.

The multifamily residential properties in which we invest domestically, if any, must comply with the Fair Housing Amendment Act of 1988 ("FHAA") which requires that multifamily communities first occupied after March 13, 1991 be accessible to handicapped residents and visitors. Compliance with the FHAA could require removal of structural barriers to handicapped access in a community, including the interiors of apartment units covered under the FHAA. Recently there has been heightened scrutiny of multifamily housing communities for compliance with the requirements of the FHAA and the ADA and an increasing number of substantial enforcement actions and private lawsuits have been brought against multifamily communities to ensure compliance with these requirements. Noncompliance with the FHAA and the ADA could result in the imposition of fines, awards of damages to private litigants, payment of attorneys' fees and other costs to plaintiffs, substantial litigation costs and substantial costs of remediation.

Costs of complying with other governmental laws and regulations may adversely affect our income and the cash available for any distributions.

All real property and the operations conducted on real property are subject to various other federal, state and local laws and regulations, including various fire, health, life-safety and similar regulations with which we may be required to comply, and that may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines, or damages we must pay will reduce our ability to make distributions and may reduce the value of your investment.

If we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our cash flows and our ability to make distributions to our stockholders.

If we decide to sell any of our properties, we intend to sell them for cash, if possible. However, nothing prohibits us from selling our properties and providing financing to purchasers. If we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash

distributions to stockholders. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our stockholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price, and subsequent payments will be spread over a number of years. If any purchaser defaults under a financing arrangement with us, it could negatively impact our ability to pay cash distributions to our stockholders.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of co-venturers and disputes between us and our co-venturers.

We may enter into joint ventures, partnerships and other co-ownership arrangements for the purpose of making investments. In such arrangements, we may not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their required capital contributions. Co-venturers may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the co-venturer would have full control over the joint venture. Disputes between us and co-venturers may result in litigation or arbitration that would increase our expenses and prevent our advisor from focusing its time and effort on our business. Consequently, actions by or disputes with co-venturers might result in subjecting properties owned by the joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our co-venturers.

Multifamily Real Estate Assets Risks

Competition from other multifamily communities and housing alternatives for residents could reduce our profitability and the return on your investment.

The multifamily property market in particular is highly competitive. This competition could reduce occupancy levels and revenues at our multifamily properties, which would adversely affect our operations. We face competition from many sources, including from other multifamily properties in our target markets. In addition, overbuilding of multifamily properties may occur, which would increase the number of multifamily units available and may decrease occupancy and unit rental rates. Furthermore, multifamily properties we acquire most likely compete, or will compete, with numerous housing alternatives in attracting residents, including owner-occupied single and multifamily units available to rent or purchase. Competitive housing in a particular area and the increasing affordability of owner-occupied single- and multifamily units available to rent or buy (caused by declining mortgage interest rates and government programs to promote home ownership) could adversely affect our ability to retain our residents, lease multifamily units and increase or maintain rental rates.

Increased construction of similar properties that compete with our multifamily communities in any particular location could adversely affect the operating results of our properties and our cash available for distribution to our stockholders.

We may acquire multifamily communities in locations that experience increases in construction of properties that compete with our multifamily communities. This increased competition and construction could:

1. make it more difficult for us to find residents to lease multifamily units in our multifamily communities;
2. force us to lower our rental prices in order to lease multifamily units in our multifamily communities; or
3. substantially reduce our revenues and cash available for distribution to our stockholders.

Our strategy for acquiring value-add multifamily properties involves greater risks than more conservative investment strategies.

We expect to implement value add strategy for certain of the multifamily units we acquire. Our value-add strategy involves the acquisition of under-managed, stabilized multifamily communities in high job and population growth neighborhoods and the investment of additional capital to make strategic upgrades of the interiors of the multifamily units. These opportunities will vary in degree based on the specific business plan for each asset, but could include new appliances, upgraded cabinets, countertops and flooring. Our strategy for acquiring value add multifamily properties involves greater risks than more conservative investment strategies. The risks related to these value add investments include risks related to delays in the repositioning or improvement process, higher than expected capital improvement costs, possible borrowings necessary to fund such costs, and ultimately that the repositioning process may not result in the higher rents and occupancy rates anticipated. In addition, our value add properties may not produce revenue while undergoing capital improvements. Furthermore, we may also be unable to complete the improvements of these properties and may be forced to hold or sell these properties at a loss. For these and other reasons, we cannot assure you that we will realize growth in the value of our value add multifamily properties, and as a result, our ability to make distributions to our stockholders could be adversely affected.

Short-term multifamily unit leases expose us to the effects of declining market rent, which could adversely impact our ability to make distributions to our stockholders.

We expect that substantially all of our multifamily unit leases will be for a term of one year or less. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues may be impacted by declines in market rents more quickly than if our leases were for longer terms.

Increased levels of unemployment could adversely affect the occupancy and rental rates of the multifamily properties we acquire.

Increased levels of unemployment in residential markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, residential occupancy and rental rates have historically been adversely affected by:

1. oversupply or reduced demand for apartment homes;
2. rental residents deciding to share rental units and therefore rent fewer units;
3. potential residents moving back into family homes or delaying leaving family homes;
4. a reduced demand for higher-rent units;
5. a decline in household formation;
6. persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
7. the inability or unwillingness of residents to pay rent increases; and
8. increased collection losses.

These factors generally have contributed to lower rental rates, and our results of operations, financial condition and ability to make distributions to you may be adversely affected if these factors do not improve or worsen.

Local, state or national policy changes could adversely affect our business model.

Across the country, and world, many towns, cities, states and countries have sought different policy approaches to regulate housing providers. Some of these policies provide regulatory clarity and may benefit, or be neutral to, our business model. However, many policies could be negative to our business model. For example, rent control or rent stabilization laws, or other laws regulating housing, could prevent us from raising rents sufficiently to offset increases in operating costs. Eviction moratoriums, or changes to eviction processes, could make it impossible, or expensive, for us to remove non-performing tenants under a

reasonable timeframe. These are just a few examples of a broad range of potential policy and regulatory changes that could impact our business model.

While we always aim to engage with city councils to both stay on top of plans and trends, as well as advocate for policies that we believe are better approaches for the housing challenges many cities face, there is no guarantee that these efforts will be successful, or that our predictions of outcomes or policy changes will be accurate. We always seek to project potentially unfavorable real estate policy changes into the prices we're willing to pay for buildings, which can create opportunities to buy at a discount, but can also create risks where we overpay for properties ahead of negative policy changes, or underbid for properties and lose opportunities when negative policy changes don't end up happening.

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

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

Presence of mold in our investment properties will increase our expenses and adversely affect our ability to make distributions to our stockholders.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed for a long period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of mold to which residents could be exposed at any of our properties could require us to undertake a remediation program to contain or remove the mold from the affected property, which could be costly. In addition, exposure to mold by residents or others could expose us to liability if property damage or health concerns arise. Expenses associated with any remediation programs or personal or property damage liability will adversely affect our cash flow and our ability to make distributions to our stockholders.

Multifamily Real Estate-Related Assets Risks

Our investments in multifamily real estate-related assets will be subject to the risks typically associated with real estate.

Our investments in mortgage, mezzanine or other real estate loans will generally be directly or indirectly secured by a lien on real property (or the equity interests in an entity that owns real property) that, upon the occurrence of a default on the loan, could result in our taking ownership of the entity that owns the real estate. We will not know whether the values of the multifamily apartment communities ultimately indirectly securing our loans will remain at the levels existing on the dates of origination or acquisition of those loans. If the values of the underlying multifamily apartment communities drop, our 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 our loan investments. Therefore, our multifamily real estate-related assets will be subject to the risks typically associated with real estate, which are described above under the heading "General Risks Related to Investments in Real Estate" on page 58 of this memorandum.

Any mortgage loans we acquire or originate and the mortgage loans underlying any mortgage securities we may invest in are subject to delinquency, foreclosure and loss, which could result in losses to us.

Commercial real estate loans generally are secured by commercial real estate properties 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, occupancy rates, 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, fiscal policies and regulations (including environmental legislation), natural disasters, terrorism, social unrest and civil disturbances.

In the event of any default under any mortgage loan held by us, we will bear a risk of loss of principal and accrued interest 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 our cash flow from operations. Foreclosure on a property securing a mortgage loan can be an expensive and lengthy process that could have a substantial negative effect on our anticipated return on the foreclosed investment. 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 underlying collateral 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.

Delays in liquidating defaulted mortgage loans could reduce our investment returns.

If there are defaults under any mortgage loan we acquire or originate, we may not be able to repossess and sell the underlying properties quickly. The resulting time delay could reduce the value of our investment in the defaulted mortgage loans. An action to foreclose on a property securing a mortgage loan is regulated by state statutes and regulations and is subject to many of the delays and expenses of other lawsuits if the borrower raises defenses or counterclaims. In the event of default by a borrower, these restrictions, among other factors, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to us on the mortgage loan.

The mezzanine and bridge loans in which we may invest would involve greater risks of loss than loans secured by a first deed of trust or mortgage on property.

We may invest in mezzanine and bridge loans that take the form of subordinated loans secured by a pledge of the ownership interests of either the entity owning (directly or indirectly) the real property or the entity that owns 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, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some or all of our 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.

The B Notes in which we invest may be subject to additional risks relating to the privately negotiated structure and terms of the transaction, which may result in losses to us.

We may invest in B Notes in the future. A B Note is a mortgage loan typically (i) secured by a first mortgage on a single large commercial property or group of related properties and (ii) subordinated to an A Note secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there may not be sufficient funds remaining for B Note holders after payment to the A Note holders. Since each transaction is privately negotiated, B Notes can vary in their structural characteristics and risks. For example, under the agreement between the A Note holders and the B Note holders, the A Note holders, whose economic interests may not align with the economic interests of the B Note holders, typically are empowered to take the lead on loan administration, on decisions whether to enforce or negotiate a work-out of a defaulted or

stressed loan, and on pricing and market timing for the sale of foreclosed property. While the B Note holders can exercise some influence over those decisions through consent rights, the B Note holders typically lose their consent rights under certain circumstances, including if the liquidation value of the B Note, based on an appraisal, falls below an agreed threshold. We cannot predict the terms of each B Note investment. Further, B Notes typically are secured by a single property, and so reflect the increased risks associated with a single property compared to a pool of properties.

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

We may invest in noncontrolling equity positions and other real estate-related interests. Preferred equity investments are subordinate to any indebtedness obtained by the entity, but senior to the owners' common equity. These interests are not secured by the underlying real estate, but upon the occurrence of a default, the preferred equity provider has the right to effectuate a change of control in certain circumstances with respect to the ownership of the property. Preferred equity investments typically earn a preferred return rather than interest payments and often have the right for such preferred return to accrue if there is insufficient cash flow to pay currently. The preferred return provided as a term of our preferred equity investments is not a measure of our investment performance and is not indicative of distributions that we may provide to investors. It should not be relied on to predict an investor's returns and is subject to the development and performance of the project for which the preferred equity is being provided. Furthermore, the preferred return is only a contractual preference on allocations, and is subordinate to any construction debt and senior preferred equity and there is no guarantee that it will be achieved or paid.

We may invest in the preferred equity of other entities, the management of which may adversely affect our business.

We may invest in the preferred equity of other entities. However, we will not control the management, investment decisions, or operations of these companies. Management of those enterprises may decide to change the nature of their assets, or management may otherwise change in a manner that is not satisfactory to us. We will have no ability to affect these management decisions and we may have only limited ability to dispose of our investments.

Risks Associated with Debt Financing and Investments

We expect to incur indebtedness and other borrowings, which could adversely impact the value of your investment if the value of the property securing the debt falls or if we are forced to refinance the debt during adverse economic conditions.

We expect that in most instances, we will acquire multifamily real estate by using either existing financing or borrowing new funds. In addition, we may incur mortgage debt and pledge all or some of our real properties as security for that debt to obtain funds to acquire additional real properties. We may borrow if we need funds to satisfy the REIT tax qualification requirement that we distribute annually to our stockholders at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. We also may borrow if we otherwise deem it necessary or advisable to assure that we qualify as a REIT.

There is no limitation on the amount we may borrow against any single improved property. We expect that our debt levels will be higher until we have raised equity capital and repaid a portion of our initial leverage. High debt levels would cause us to incur higher interest charges, would result in higher debt service payments and could be accompanied by restrictive covenants. These factors could limit the amount of cash we have available to distribute and could result in a decline in the value of your investment.

If there is a shortfall between the cash flow from an asset and the cash flow needed to service mortgage debt on a property, then the amount available for distributions to stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default, thus reducing the value of your investment. For U.S. federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the

outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds. In such event, we may be unable to pay the amount of distributions required in order to maintain our REIT status. We may give full or partial guarantees to lenders of mortgage debt to the entities that own our properties. When we provide a guaranty on behalf of an entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgages contain cross-collateralization or cross-default provisions, a default on a single property could affect multiple properties. If any of our properties are foreclosed upon due to a default, our ability to pay cash distributions to our stockholders will be adversely affected which could result in our losing our REIT status and would result in a decrease in the value of your investment.

Changes in the debt markets could have a material adverse impact on our earnings and financial condition.

The domestic debt markets are subject to changing levels of volatility, resulting in, from time to time, the tightening of underwriting standards by lenders and credit rating agencies, which results in lenders increasing the cost of debt financing. Should the overall cost of borrowings increase, either by increases in the index rates or by increases in lender spreads, we will need to factor such increases into the economics of future acquisitions. This may result in future acquisitions generating lower overall economic returns and potentially reducing future cash flow available for distribution. If these disruptions in the debt markets persist, our ability to borrow monies to finance the purchase of, or other activities related to, multifamily real estate assets will be negatively impacted. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of assets we can purchase, and the return on the assets we purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance indebtedness that is maturing. In addition, the state of the debt markets could have an impact on the overall amount of capital invested in real estate, which may result in price or value decreases of real estate assets. Although this may benefit us for future acquisition, it could negatively impact the value of our assets after the time we acquire them.

High lending rates may make it difficult for us to finance or refinance assets, which could reduce the number of assets we can acquire and the amount of cash distributions we can make.

If we place debt on assets, we run the risk of being unable to refinance the assets when the loans come due, or of being unable to refinance on favorable terms. If interest rates are higher when the assets are refinanced, we may not be able to finance the assets and our income could be reduced. If any of these events occur, our cash flow would be reduced. This, in turn, would reduce our cash flow and cash available for distribution to members, as well as hinder our ability to raise more capital by issuing more Shares or by borrowing more money.

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

In connection with providing us financing, certain of our lenders may impose restrictions on us that affect our distribution, investment and operating policies and our ability to incur additional debt. Loan documents we enter into may also contain covenants that limit our ability to further borrow against the asset or discontinue insurance coverage. These or other limitations may adversely affect our flexibility and our ability to achieve our distribution, investment and operating objectives.

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to pay distributions to our stockholders.

We expect that we will incur indebtedness in the future. To the extent that we incur variable rate debt, increases in interest rates would increase our interest costs, which could reduce our cash flows and our ability to pay distributions to you. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in assets at times that may not permit realization of the maximum return on such investments.

Changes to, or the elimination of, LIBOR may adversely affect interest expense related to borrowings under our credit facilities and real estate-related investments.

We may in the future pay interest on credit facilities and asset-level loans, and receive interest through our real estate-related investments, based on LIBOR, which is the subject of recent national, international and regulatory guidance and proposals for reform.

On July 27, 2017, the United Kingdom's Financial Conduct Authority announced it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The administrator of LIBOR ceased the publication of the one-week and two-month LIBOR settings immediately following the LIBOR publication on December 31, 2021. On November 30, 2020, the ICE Benchmark Administration Limited announced its plan to extend the date that the remaining U.S. LIBOR values would cease being computed and published from December 31, 2021 to June 30, 2023. The Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee, which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to U.S. dollar LIBOR in derivatives and other financial contracts. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities, published by the Federal Reserve Bank of New York. It is expected that new contracts will not reference LIBOR and will instead use SOFR or other alternative reference rates. At this time, we are not able to predict when LIBOR will cease to be available or how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years.

Any real estate debt securities that we originate or purchase is subject to the risks of delinquency and foreclosure.

We may originate and purchase real estate debt securities, which are subject to risks of delinquency and foreclosure and risks of loss. Typically, we will have limited recourse, if any, to the personal assets of our borrowers. The ability of a borrower to repay a debt security secured by an income-producing asset depends primarily upon the successful operation of the asset, rather than upon the existence of independent income or assets of the borrower. If the net operating income of the asset is reduced, the borrower's ability to repay the debt security may be impaired. An asset's net operating income can be affected by, among other things:

- increased costs, including added costs imposed by franchisors for improvements or operating changes required, from time to time, under the franchise agreements;
- asset management decisions;
- asset location and condition;
- competition from comparable types of assets;
- changes in specific industry segments;
- declines in regional or local real estate values, or occupancy rates; and
- increases in interest rates, real estate tax rates and other operating expenses.

We bear the risks of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the multifamily real estate debt security, which could have a material adverse effect on our cash flows from operations and limit amounts available for distribution to you. In the event of the bankruptcy of a multifamily real estate debt security borrower, the multifamily real estate debt security to that borrower will be deemed to be collateralized only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the multifamily real estate debt security 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. Foreclosure of a multifamily real estate debt security can be an expensive and lengthy process that could have a substantial negative effect on our anticipated return on the foreclosed multifamily real estate debt security. We also may be forced to foreclose on certain assets, be unable to sell these assets and be forced to incur substantial expenses to improve operations at the asset.

U.S. Federal Income Tax Risks

Our failure to qualify as a REIT would subject us to U.S. federal income tax and potentially state and local tax, and would adversely affect our operations and the price of our common shares.

We intend to elect to be taxed as a REIT commencing with our taxable year ending December 31, 2023. We intend to operate in a manner that would allow us to qualify as a REIT. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. We have structured and intend to continue structuring our activities in a manner designed to satisfy all requirements for qualification as a REIT. However, the REIT qualification requirements are extremely complex and interpretation of the U.S. federal income tax laws governing qualification as a REIT is limited, and it is possible our REIT status may terminate inadvertently.

Our ability to satisfy the asset tests depends on our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income or quarterly asset requirements also depends on our ability to successfully manage the composition of our income and assets on an ongoing basis. Accordingly, if certain of our operations were to be recharacterized by the IRS, such recharacterization could jeopardize our ability to satisfy all the requirements for qualification as a REIT. Furthermore, future legislative, judicial or administrative changes to the U.S. federal income tax laws could be applied retroactively, which could result in our disqualification as a REIT.

If we fail to qualify as a REIT for any taxable year, and we do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT qualification. Losing our REIT qualification would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

In certain circumstances, we may incur tax liabilities that would reduce our cash available for distribution to you.

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

If we fail to invest a sufficient amount of the net proceeds from selling our common shares 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 shares 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 the sales of our common shares 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.

To qualify as a REIT, we must meet annual distribution requirements, which may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our investment objectives and reduce your overall return.

In order to qualify as a REIT, we must distribute annually to our stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. To the extent that we do not distribute our net capital gains or distribute at least 90% but less than 100% of our REIT taxable income, as adjusted, we will have to pay tax on those amounts at regular federal corporate tax rates. We will be subject to U.S. federal income tax on our undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay (or are deemed to have paid) with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on investments in real estate assets and it is possible that we might be required to borrow funds, possibly at unfavorable rates, or sell assets to fund these distributions. Although we intend to make distributions sufficient to meet the annual distribution requirements and to avoid U.S. federal income and excise taxes on our earnings while we qualify as a REIT, it is possible that we might not always be able to do so.

If we were considered to actually or constructively pay a "preferential dividend" to certain of our stockholders, our status as a REIT could be adversely affected.

As stated above, in order to qualify as a REIT, we must distribute as dividends to our stockholders at least 90% of our annual REIT taxable income, determined without regard to the dividends-paid deduction and excluding net capital gains. Historically, in order for dividends to be counted as satisfying the annual distribution requirements for REITs, and to provide a REIT with a REIT-level tax deduction, the dividends could not be "preferential dividends." A dividend is not a preferential dividend if the distribution is pro rata among all outstanding shares within a particular class and in accordance with the preferences among different classes of shares as set forth in a REIT's organizational documents.

REITs that file annual and periodic reports with the SEC under the Exchange Act are not subject to the rules prohibiting preferential dividends. If we elect to pursue and ultimately consummate an initial public offering, we will become a reporting company under the Exchange Act, and the preferential dividend rule will be inapplicable to us. However, if we do not consummate an initial public offering, we will remain a private REIT, and we will not be exempt from the preferential dividend rules until we sell stock to at least 2,000 stockholders and register a class of our securities under the Exchange Act. We cannot guarantee that we will commence and consummate a public offering or when we may be otherwise required to register under the Exchange Act. If we paid a preferential dividend, the entire amount of such dividend would not be deductible by us and would be ineligible for consideration in determining if we met the 90% distribution test, and our status as a REIT could be terminated for the year in which such determination is made if we were unable to cure such failure and for a period of four years thereafter.

If our leases are not respected as true leases for U.S. federal income tax purposes, we would fail to qualify as a REIT.

To qualify as a REIT, we must satisfy two gross income tests, under which specified percentages of our gross income must be derived from certain sources, including "rents from real property." See "Material U.S. Federal Income Tax Considerations — Gross Income Tests". In order for rent paid to us to qualify as "rents from real property" for purposes of the REIT gross income tests, the leases must be respected as true leases for U.S. federal income tax purposes and not be treated as service contracts, joint ventures, or some other type of arrangement. If our leases are not respected as true leases for U.S. federal income tax purposes, we would fail to qualify as a REIT, which would materially adversely impact the value of an investment in our securities and in our ability to pay distributions to you.

The use of taxable REIT subsidiaries, which may be required for REIT qualification purposes, would increase our overall tax liability and thereby reduce our cash available for distribution to you.

Some of our assets may need to be owned by, or operations may need to be conducted through, one or more taxable REIT subsidiaries. Any of our taxable REIT subsidiaries would be subject to U.S. federal, state and local income tax on their taxable income. The after-tax net income of our taxable REIT subsidiaries would be available for distribution to us. Further, we would incur a 100% excise tax on transactions with our taxable REIT subsidiaries that are not conducted on an arm's-length basis. While we intend that all transactions between us and our taxable REIT subsidiaries would be conducted on an arm's-length basis, and therefore, any amounts paid by our taxable REIT subsidiaries to us would not be subject to the excise tax, no assurance can be given that no excise tax would arise from such transactions.

Certain of our business activities are potentially subject to the prohibited transaction tax, which could reduce the return on your investment.

For so long as we qualify as a REIT, our ability to dispose of property may be restricted to a substantial extent as a result of our REIT qualification. Under applicable provisions of the Code regarding prohibited transactions by REITs, while we qualify as a REIT, we will be subject to a 100% penalty tax on any gain recognized on the sale or other disposition of any property (other than foreclosure property) that we own, directly or indirectly through any subsidiary entity other than a taxable REIT subsidiary, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of a trade or business, unless certain safe harbor provisions apply. Whether property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each property. Any losses we incur on such prohibited transactions may not be used to offset gains from prohibited transactions. Any taxes we pay would reduce our cash available for distribution to you. To avoid incurring prohibited transactions tax, we may forgo disposition opportunities that would otherwise be available if we were not a REIT.

Recharacterization of sale-leaseback transactions may cause us to fail to qualify as a REIT, or when qualified, lose our REIT status, which would subject us to U.S. federal income tax at corporate rates, which would reduce the amounts available for distribution to you.

We may purchase properties and lease them back to the sellers of such properties. While we will use our best efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes, the IRS could challenge such characterization. In the event that any such sale-leaseback is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification asset tests or income tests and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated, which also might cause us to fail to meet the annual distribution requirement for a taxable year in the event we cannot make a sufficient deficiency dividend.

The taxation of distributions to our stockholders can be complex; however, distributions that we make to our stockholders generally will be taxable as ordinary income.

Distributions that we make to our taxable stockholders out of current and accumulated earnings and profits (and not designated as capital gain dividends or qualified dividend income) generally will be taxable as ordinary income. However, a portion of our distributions may (1) be designated by us as capital gain dividends generally taxable as long-term capital gain to the extent that they are attributable to net capital gain recognized by us, (2) be designated by us as qualified dividend income generally to the extent they are attributable to dividends we receive from any taxable REIT subsidiaries we may own, or (3) constitute a return of capital generally to the extent that they exceed our accumulated earnings and profits as determined for U.S. federal income tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our common shares.

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

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

Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends.

Currently, the maximum tax rate applicable to qualified dividend income payable to U.S. stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates for qualified dividends and are taxed at ordinary income rates. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the shares of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common shares. However, U.S. stockholders that are individuals, trusts and estates generally may deduct 20% of ordinary dividends from a REIT for taxable years beginning after December 31, 2017, and before January 1, 2026.

Our taxable income may substantially exceed our net cash flow, which may make it difficult for us to meet the REIT distribution requirements.

If we have differences in timing between the recognition of taxable income and the actual receipt of cash, we may generate less cash flow than taxable income. As a result of the foregoing, we may be required to (1) sell assets in adverse market conditions, (2) borrow on unfavorable terms, (3) distribute amounts that would otherwise be used for future acquisitions or used to repay debt or (4) make a taxable distribution of our common shares as part of a distribution in which stockholders may elect to receive common shares or (subject to a limit measured as a percentage of the total distribution) cash, in order to comply with the REIT distribution requirements.

We may not request an opinion of counsel as to our status as a REIT, which increases the risk that we may not be appropriately structured and operated to qualify and maintain qualification as a REIT.

REITs engaging in a registered public offering must obtain a written opinion of counsel as to whether the REIT will qualify for taxation as a REIT under the Code and make that opinion available to the public as part of its registration process. Opinions of counsel as to an entity's eligibility to qualify as a REIT are not binding on the IRS and are not guarantees that such an entity will qualify and continue to qualify as a REIT. In addition, legal counsel's tax opinions are based upon the law existing and applicable as of the date of the opinions, all of which can change, either prospectively or retroactively. However, accounting firms and law firms that render opinions to entities desiring to qualify as REITs would advise their clients as to the likelihood of meeting the qualification requirements and may suggest changes in an entity's intended structure or intended method of operation to enhance the likelihood that an entity will meet the applicable requirements. While we have consulted with our legal counsel, we are not required to request, and may not request, a written opinion that sets forth our legal counsel's opinion on whether we will be appropriately structured and operated to meet the complex requirements necessary to be taxed as a REIT. Accordingly, no such opinion is available for you to review, and you face a greater risk that we may not be appropriately structured and operated to qualify and maintain our qualification as a REIT. Moreover, to the extent that we were required to request a written opinion, it is uncertain what level of opinion we would receive.

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

The REIT provisions of the Code may limit our ability to hedge our liabilities. Any income from a hedging transaction we enter into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets, if properly identified under applicable Treasury Regulations, does not constitute "gross income" for purposes of the 75% or 95%

gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions will likely be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a taxable REIT subsidiary. This could increase the cost of our hedging activities because our taxable REIT subsidiaries would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a taxable REIT subsidiary generally will not provide any tax benefit, except for being carried forward against future taxable income of such taxable REIT subsidiary.

Complying with REIT requirements may force us to forgo or liquidate otherwise attractive investment opportunities.

To qualify as a REIT, we must ensure that we meet the REIT gross income tests annually and that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of our investment in securities (other than government securities, interests in taxable REIT subsidiaries 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 assets (other than government securities, interests in taxable REIT subsidiaries and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our total securities can be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any 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 and suffering adverse tax consequences. As a result, we may be required to liquidate assets from our portfolio or not make otherwise attractive investments in order to qualify and maintain our qualification as a REIT. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

You may be restricted from acquiring or transferring certain amounts of our common shares.

In order to qualify as a REIT, among other requirements, no more than 50% in value of our outstanding shares 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 our REIT election is effective. To assist us in qualifying as a REIT, among other purposes, our charter contains share ownership limits. Generally, any of our shares owned by affiliated owners will be added together for purposes of the share ownership limits.

If anyone attempts to transfer or own shares in a way that would violate the share ownership limits (or would prevent us from continuing to qualify as a REIT), unless such ownership limits have been waived prospectively or retroactively by our board of directors, those shares instead will be deemed transferred to a trust for the benefit of a charitable beneficiary and will be either repurchased by us or sold to a person whose ownership of the shares will not violate the aggregate share ownership limit or the common share 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 a disqualification as a REIT, then the initial transfer or ownership will be null and void from the outset. Anyone who acquires or owns shares in violation of the aggregate share ownership limit or the common share ownership limit, unless such ownership limit or limits have been waived prospectively or retroactively by our board of directors, or the other restrictions on transfer or ownership in our charter, bears the risk of a financial loss when the shares are repurchased or sold.

The ability of our board of directors to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our board of directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for distributions paid to stockholders 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 stockholders.

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

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the U.S. federal income tax laws applicable to investments similar to an investment in our common shares. Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect your taxation, the investment in the common shares or the market value or the resale potential of our properties. You are urged to consult with your own tax advisor with respect to the impact of recent or proposed legislation on your investment in the common shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our common shares.

Non-U.S. stockholders will be subject to U.S. federal withholding tax and may be subject to U.S. federal income tax on distributions received from us and upon the disposition of our shares.

Subject to certain exceptions, distributions received from us will be treated as dividends of ordinary income to the extent of our current or accumulated earnings and profits. Such dividends ordinarily will be subject to U.S. withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as “effectively connected” with the conduct by the non-U.S. stockholder of a U.S. trade or business. Pursuant to the Foreign Investment in Real Property Tax Act of 1980, or “FIRPTA,” capital gain distributions attributable to sales or exchanges of U.S. real property interests, or “USRPIs,” generally will be taxed to a non-U.S. stockholder as if such gain were effectively connected with a U.S. trade or business. However, a capital gain distribution will not be treated as effectively connected income if (1) the distribution is received with respect to a class of shares that is regularly traded on an established securities market located in the United States and (2) the non-U.S. stockholder does not own more than 10% of the class of our shares at any time during the one-year period ending on the date the distribution is received. We do not anticipate that our shares will be “regularly traded” on an established securities market, and, therefore, this exception is not expected to apply.

Gain recognized by a non-U.S. stockholder upon the sale or exchange of our common shares generally will not be subject to U.S. federal income taxation unless such shares constitute a USRPI within the meaning of FIRPTA. Our common shares will not constitute a USRPI so long as we are a “domestically-controlled qualified investment entity.” A domestically-controlled qualified investment entity includes a REIT if at all times during a specified testing period, less than 50% in value of such REIT’s shares is held directly or indirectly by non-U.S. stockholders. We believe, but cannot be sure, that we will be a domestically-controlled qualified investment entity.

Even if we do not qualify as a domestically-controlled qualified investment entity at the time a non-U.S. stockholder sells or exchanges our common shares, gain arising from such a sale or exchange would not be subject to U.S. taxation under FIRPTA as a sale of a USRPI if: (1) our common shares are “regularly traded,” as defined by applicable Treasury regulations, on an established securities market, and (2) such non-U.S. stockholder owned, actually and constructively, 10% or less of our common shares at any time during the five-year period ending on the date of the sale. However, as noted above, we do not anticipate that our common shares will be “regularly traded” on an established securities market. We encourage our non-U.S. stockholders to consult an independent tax advisor to determine the tax consequences applicable to them.

Retirement Plans and Other ERISA Risks

General Risks

There are special considerations that apply to tax-qualified pension, profit-sharing, employee benefit plans described in Section 3(3) of ERISA (such as a 401(k) plan), and other retirement plans or accounts subject to Section 4975 of the Code (such as an IRA or annuity described in Section 408 or 408A of the Code, annuities described in Sections 403(a) or (b) of the Code, Archer MSAs described in Section 220(d) of the Code, health savings accounts described in Section 223(d) of the Code, and Coverdell education savings accounts described in Section 530 of the Code) that are investing in our securities. If you are investing the assets of such a plan or account in our securities, you should satisfy yourself that:

- your investment is consistent with your fiduciary and other obligations under ERISA, the Code and other similar law applicable to your plan or account;
- your investment is made in accordance with the documents and instruments governing your plan or account, including your plan's or account's investment policy, if applicable;
- your investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA (if applicable) and all other applicable provisions of ERISA, the Code, and other applicable law;
- your investment in our shares, for which no trading market exists or is expected to develop, is consistent with, and will not impair, the liquidity needs of the plan or account, including liquidity needs to satisfy minimum and other distribution requirements and tax withholding requirements that may be applicable;
- your investment will not produce an unacceptable amount of unrelated business taxable income, or "UBTI," for the plan or account;
- you will be able to value the assets of the plan or account annually or more frequently in accordance with ERISA, the Code, and other applicable law requirements and any applicable provisions of the plan or account;
- your investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code; and
- our assets will not be treated as "plan assets" of your plan or account under ERISA and U.S. Department of Labor regulations.

Certain of these considerations are described in more detail below and in the section titled "Investment by Certain Tax-Exempt Entities, including Retirement Plans, and Other ERISA Considerations" on page 164 of this memorandum.

Certain employee benefit plans, retirement plans and IRAs are subject to valuation requirements that may not be suited for investment in our common shares.

With respect to the annual valuation requirements described above, we expect to use the net offering price of a common share in our offering as the per common share value thereof. While we may periodically conduct any appraisals or valuations of our investments before 2024, but we do not expect to publish any additional estimated fair value per share until sometime in 2024. You should ensure that this approach to valuation is acceptable to the trustee or custodian of any plan or account before any investment in our common shares is made by such plan or account.

The estimated value noted above (the gross offering price) is not likely to reflect the proceeds you would receive upon our liquidation or upon the sale of your common shares. Accordingly, we can make no assurances that such estimated value will satisfy the applicable annual (or more frequent) valuation requirements under ERISA and the Code. The U.S. Department of Labor or the IRS may determine that a plan fiduciary or an IRA custodian is required to take further steps to determine the value of our common shares. In the absence of an appropriate determination of value, a plan fiduciary or an IRA custodian may be subject to damages, penalties or other sanctions.

If the fiduciary of an employee benefit plan subject to ERISA, the Code or similar applicable law or any other retirement plan (including an IRA) fails to meet the required fiduciary and other standards under ERISA, the Code, or similar applicable law as a result of an investment in our shares, the fiduciary could be subject to civil (and criminal, if the failure is willful) penalties.

ERISA imposes certain requirements on employee benefit plans and on those persons who are fiduciaries with respect to such plans. A person is generally a "fiduciary" with respect to a plan if the person exercises discretionary authority or control with respect to the management of the plan or the management or

disposition of the plan assets or provides investment advice for a fee with respect to plan assets. Investments by plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a plan's investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of a plan by taking into account the plan's particular circumstances and all of the facts and circumstances of the investment.

Each plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold our common shares should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the plan, an investment in the common shares is appropriate for the plan, taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio and the risks and lack of liquidity inherent in an investment in the common shares.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA and the Code may result in the imposition of civil (and, if willful, criminal) penalties, and can subject the fiduciary to claims for damages or for equitable remedies. In addition, if an investment in our shares constitutes a prohibited transaction under ERISA or the Code, the "party-in-interest" or "disqualified person" who engaged in the prohibited transaction may be subject to the imposition of excise taxes with respect to the amount involved, and for IRAs, the tax-exempt status of the IRA may be lost and all of the assets of the IRA may be deemed distributed and subjected to tax. ERISA plan fiduciaries and IRA custodians should consult with counsel before making an investment in our common shares. IRA owners are strongly urged to consult with the custodian or trustee of their IRAs before making any investment in our securities.

Significant investment by benefit plan investors (as defined by ERISA) could result in treatment of our assets as plan assets.

The U.S. Department of Labor has promulgated regulation Section 2510.3-101, as modified by ERISA Section 3(42), which we refer to as the "Plan Assets Regulation," describing what constitutes the assets of an entity whose underlying assets are considered to include "plan assets" of such plans, accounts, and arrangements (each of which we refer to as a "benefit plan") with respect to the benefit plan's investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Assets Regulation, if a benefit plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the benefit plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or the equity participation by "benefit plan investors" (as defined in Section 3(42) of ERISA) is not "significant."

Under the Plan Assets Regulation and Section 3(42) of ERISA, equity participation in an entity by benefit plan investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity is held by benefit plan investors. We refer to this as the "25% limitation." For purposes of making determinations under the 25% limitation, (i) the value of any equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets, any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, is disregarded, and (ii) an entity that holds plan assets shall be considered to be a benefit plan investor only to the extent of its equity interests held by other benefit plan investors. The definition of a "benefit plan investor" generally excludes governmental, church and foreign benefit plans, but for purposes of calculating the 25% limitation, includes IRAs. We are not currently a publicly traded company (and we do not have any present intent to become one), we will not be registered under the Investment Company Act, and we do not intend to limit equity participation in our securities by benefit plan investors to less than 25% of the total value of each class of our equity securities. We, do, however, intend to structure and conduct our operations so that we meet the "operating company" exception. Specifically, we intend to structure and operate so that we (Groma NAV REIT, Inc.) qualify as a "venture capital operating company" investing in a series of other "operating companies," as defined in the Plan Assets Regulation. Additionally, we believe that each subsidiary that owns one or more properties will qualify as a "real estate operating company" for ERISA purposes.

However, it is possible that we may not qualify as an "operating company" for purposes of the Plan Assets Regulation. Therefore, if participation in us through the acquisition of any class of equity interest by benefit plan investors is "significant" within the meaning of the Plan Assets Regulation and Section 3(42) of ERISA, our assets could be deemed to be the assets of benefit plans investing in our securities, which could severely restrict our operations or subject us to fines if we fail to comply with the requirements of ERISA, including among other things:

i. the prudence and other fiduciary responsibility standards of ERISA would apply to investments we make;

ii. certain transactions in which we might seek to engage could constitute "prohibited transactions" under ERISA and the Code, which, absent an exemption, could restrict us from acquiring an otherwise desirable investment or from entering into an otherwise favorable transaction;

iii. our assets could be subject to ERISA's reporting and disclosure requirements;

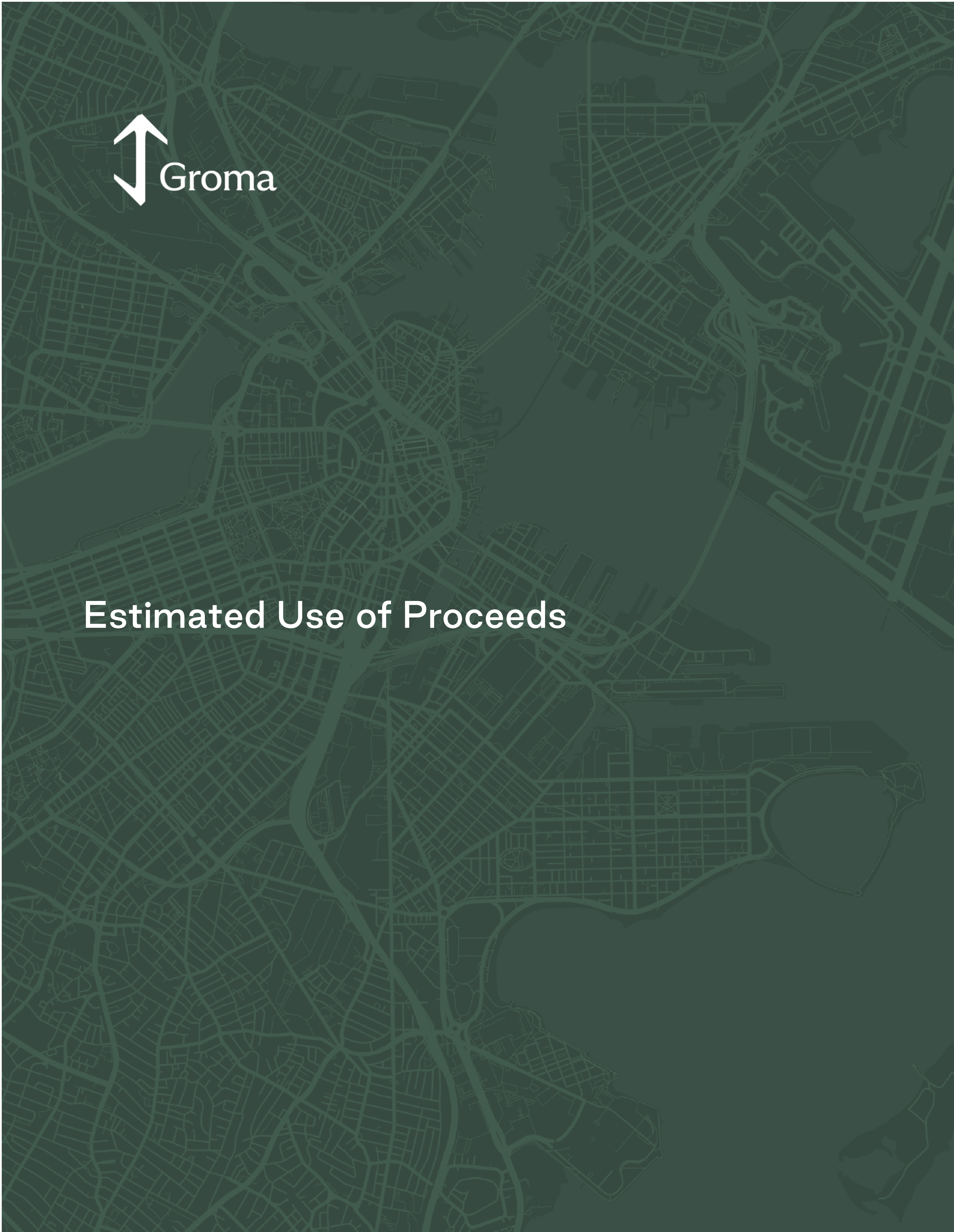
iv. the fiduciary causing the benefit plan to make an investment in our securities could be deemed to have delegated its responsibility to manage the assets of the benefit plan; and

v. the indicia of ownership of our assets would have to be maintained within the jurisdiction of the district courts of the United States unless certain regulatory exceptions were applicable.

If we determine that we fail to meet the operating company exception to plan assets treatment and we also determine that participation by benefit plan investors equals or exceeds 25% of the total value of any class of our equity securities, we may redeem stockholders in sufficient quantities to reduce benefit plan investor participation so that it is no longer "significant."

If you invest in our shares through an IRA or other retirement plan, you may be limited in your ability to withdraw required minimum distributions.

If you establish a plan or account through which you invest in our shares, federal law may require you to withdraw required minimum distributions from such plan in the future. Our shares may generate insufficient distributions, and the relative illiquidity of our shares may not allow you to sell your shares on a timely basis or to receive sufficient proceeds, to allow you to satisfy the required minimum distribution requirements under your plan or account. Even if you are able to sell your shares, such sale may be at a price less than the price at which you initially purchased the shares. If you fail to withdraw required minimum distributions from your plan or account, you may be subject to certain taxes and tax penalties.



Estimated Use of Proceeds

The following table presents information about the net proceeds raised in this offering, assuming that we sell the $500,000,000 in shares in this offering. We will only use the proceeds raised in this offering for the purposes set forth in this memorandum and in a manner within the investment guidelines approved by our board of directors, who serve as fiduciaries to our stockholders.

The actual amount of upfront selling commissions and dealer manager fees, if any, however, will vary from the estimated amounts shown because (1) once we calculate our initial NAV per share, our Class A Shares will be sold at a price that varies quarterly generally based on our prior quarter's NAV per share and actual upfront selling commissions and dealer manager fees per Class A are a percentage of the transaction price and (2) any upfront selling commissions and dealer manager fees may be reduced in connection with certain categories of sales of Class A Shares. Any reduction in upfront selling commissions and dealer manager fees will be accompanied by a corresponding reduction in the applicable per share purchase price to such stockholder, but will not affect the amounts available to us for investment. Because amounts in this table are estimates, they may not accurately reflect the actual receipt or use of the offering proceeds.

We intend to use the net proceeds from this offering to (1) make investments in accordance with our investment strategy and policies, (2) reduce borrowings and repay indebtedness incurred under various financing agreements we may enter into and (3) fund repurchases under our share repurchase program. Generally, our policy will be to pay distributions from cash flow from operations. However, subject to Maryland law and the discretion of our board of directors, particularly in the earlier part of this offering, we may choose to use cash flows from the sale of assets, borrowings, return of capital or offering proceeds, or other sources to fund distributions to our stockholders.

Cash received in connection with purchases made through the Republic Platform will be placed into an escrow account established by the Company with an escrow agent designated by ODB for the benefit of the Offering (the "Escrow Account"). Purchasers in the Offering using the Republic Platform will not have the right to revoke their purchase at any time. If a purchase is rejected for any reason, it will be refunded without interest or deduction save any applicable wires fees. Purchasers will follow instructions for completing payment when making their investment via the Republic Platform that is operated for the benefit of the offering. Any subscription made through the Republic Platform will have the consideration directed and immediately be deposited into the bank account of an escrow agent designated by ODB (the "Escrow Agent"). The Escrow Agent follows a monthly closing process as long as subscriptions amount to a total of greater than $50,000. The company will work with Republic on a commercial reasonable efforts basis to ensure a subscription will be accepted or rejected no longer than 30 days after completion of that subscription.

We have agreed to reimburse ODB, at the time of closing for payment processing servicing costs associated with the Escrow Agent and related service providers.

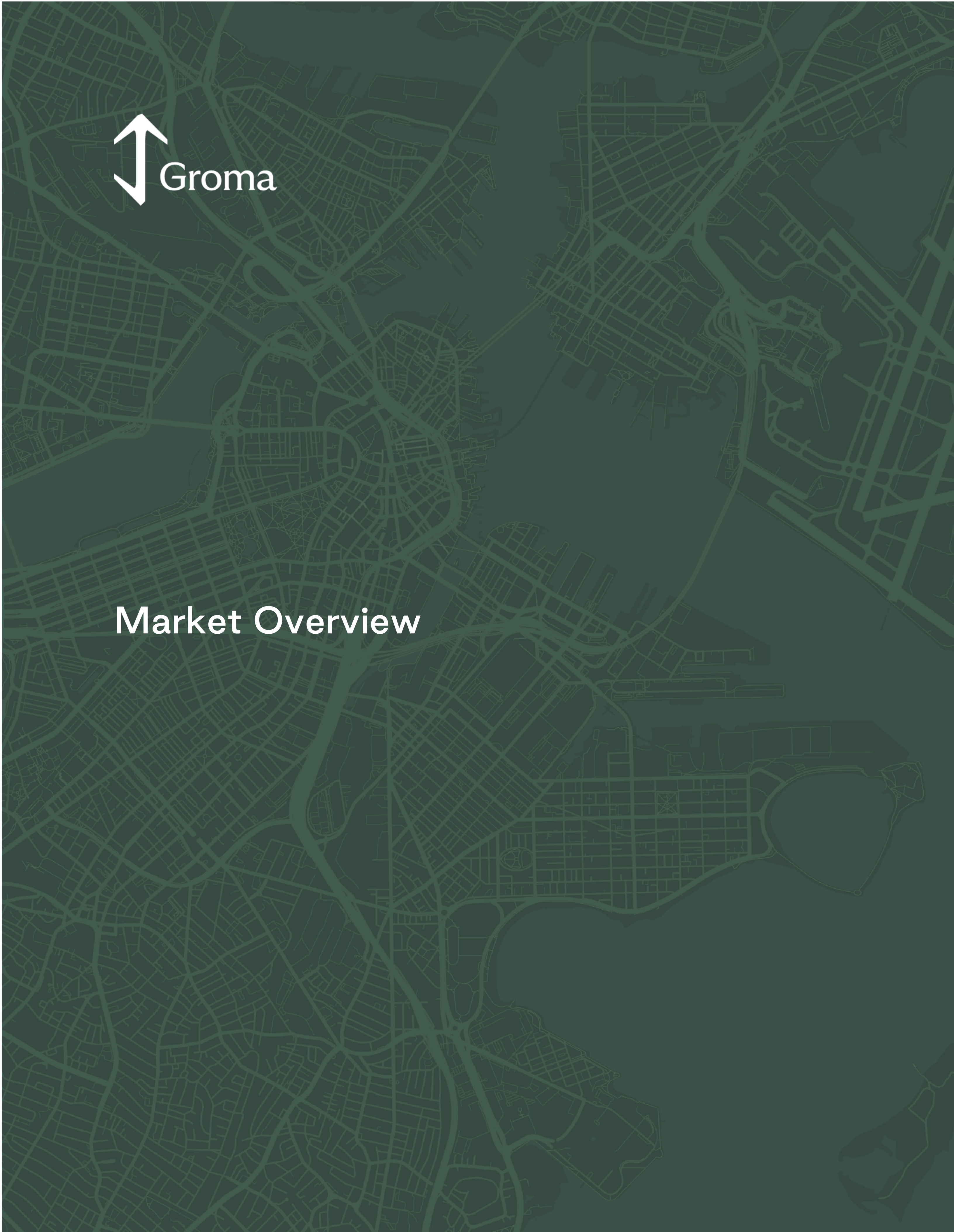
Maximum Offering of $500,000,000 in Class A Shares		
Gross Proceeds[1]	$500,000,000	100 %
Upfront Selling Commissions & Dealer Manager Fees [2]	$32,550,000	≤7%
Organization and Offering Expenses [3]	$1,000,000	1 %
Net Proceeds Available for Investment	$462,750,000	92.5 %

1. Gross offering proceeds include maximum upfront selling commissions and dealer manager fees our dealer manager may be entitled to receive (including any amounts that may be retained by, or reallowed (paid) to, participating broker-dealers), and does not reflect that our advisor may, from

time to time, fund certain amounts of such selling commissions and dealer manager fees without reimbursement by us.

2. Includes expected maximum upfront selling commissions and dealer manager fees of 7.0% of the transaction price. Amounts presented in the table are less than 7.0% of gross proceeds because upfront selling commissions and dealer manager fees are calculated as 7.0% of the transaction price (which excludes upfront selling commissions and dealer manager fees), which means that upfront selling commissions and dealer manager fees expressed as a percentage of the total investment (including upfront selling commissions and dealer manager fees) are less than 7.0%. As of the date of this memorandum, we have engaged ODB on a non-exclusive basis to provide offering facilitation services and for the use of the Republic Platform. Investors who purchase Class A Shares on the Republic Platform will be charged an upfront selling commission of 4.0% of the transaction price. Therefore, until we calculate our initial NAV per share, such investors' per share purchase price will be $1.04.

3. The organization and offering expense numbers shown above represent our estimates of expenses to be incurred by us in connection with this offering and include estimated wholesaling expenses that could be reimbursable by us if we were to engage a wholesale dealer manager. See "Compensation—Organization and Offering Expense Reimbursement" for examples of the types of organization and offering expenses we could incur. In the aggregate, underwriting compensation from all sources, including upfront selling commissions, dealer manager fees and other underwriting compensation, will not exceed 10% of the gross proceeds from this offering.


Groma
Market Overview

We believe in the long-term fundamentals of the multifamily rental market in the United States. Our research shows us that there are many long-term dynamics at play that will continue to drive increased demand for the multifamily real estate market in the US and specifically in select major metro areas. Job growth, a sustained increase in the cost of purchasing single-family homes, and the growing flexibility desired from an ever-more-mobile workforce are some of the trends that we feel create a strong foundation for increased demand for rental units. Below we present a market overview of general trends in the real estate market in the U.S. as well as a specific focus on some of the geographies and demographics that the Company intends to initially target. Our core thesis is to target small and mid-sized multifamily assets in dense urban cores, leveraging our scale of operations to drive increased efficiency and returns from this asset class, which, devoid of the use of specific technology to overcome its inefficiencies, is a more expensive type of building to operate on a per unit basis than, for example, a large multifamily apartment tower. Our approach blends some of the theses that have driven interest in the single-family rental market with a model that is applicable to, and effective in, dense urban cores. We intend to focus on small unit count multifamily assets, often with two to ten units, though we may invest in larger or smaller properties if we deem it to be in the Company's best interests. Our Advisor will focus on providing upgraded experience in these non-amenitized two to ten unit buildings in dense urban cores. Our Advisor vertically integrates technology throughout its operational processes to make this historically inefficient asset class perform more efficiently. We categorize these improved properties as Modern Urban Rental ("MUR") assets, an asset class with certain similarities, and also key differences, to the Single Family Rental ("SFRs") asset class. One crucial difference is that while SFRs may limit homeownership opportunities, the MUR strategy preserves and improves an existing stock of housing that we believe is ideally suited for the modern workforce.

Why Invest in Real Estate Now? Why Boston as an Initial Market?

Investing in any asset class always comes with risks, but we believe that now is a good time to consider investing in real estate for the following reasons:

1. We believe our technology platform provides the ability to bring additional efficiency to a historically inefficient asset class in major urban regions, including Boston.

Based on data from the U.S. Census Bureau, American Housing Survey (2019), two-to-four-unit multifamily assets make up greater than 45% of multifamily rental housing market in Boston, MA, and greater than 30% in many other major markets. These assets often are located in transit-oriented districts and can be desirable places for members of the local workforce to live. However, these assets historically suffered from relatively high operating expense ratios due to relatively small scale owner operations and increasing operational complexity of running a rental business in many major cities. Evidence of this relative inefficiency can be seen in the number of these properties that are being converted from rentals into condos, often high-end condos, as their prior owners seek to exit the rental business. According to an email received by our Advisor from the current Deputy Director for Policy Development & Research in Boston on January 9, 2023, "In 2021, 90 buildings were converted [to condos], containing 473 rental units. 91% of the buildings converted had 3 or fewer units."

This may be a good financial choice for those owners, but it removes critical units of rental housing from the modern workforce in Boston. We believe that our Advisor's tools and technology enable us to add efficiency to each stage of these properties and preserve and improve them as rentals available to the urban workforce, while seeking to produce stable competitive returns.

2. Shifting Interest Rate Environment

The shifting interest rate environment, which rose dramatically during 2022, has caused asset prices in real estate to revalue downward. During the twelve months ended December 31, 2022, according to the Bureau of Labor and Statistics December 2023 Consumer Price Index data report, the "rent of primary residence" category increased by an annualized 8.3% rate. Decreasing asset prices and stable or increasing rental rates open a potential opportunity for acquisitions of multifamily assets for purchasers with capital available and the ability to either purchase without debt, or to use leverage at appropriate rates.

As can be seen below, there is a correlation between cap rates and mortgage rates. If rates stay elevated, compared to recent prior years, in 2023, we believe that asset prices may continue to decrease, enabling potentially compelling acquisitions of income producing rental properties in our target markets.

Source: Freddie Mac, CoStar Group

3. Inflation Hedge

The risk of continuing elevated inflation was covered in the media a lot over the course of 2021 and 2022, and for good reason. With the admirable goal of helping the economy regain its footing during the COVID-crisis, the federal government spent (and printed) a lot of dollars. While this has many benefits, it also has significant risks, most notably increasing the underlying inflation rate. Nearly 20% of the U.S. currency ever in circulation was created between 2020 and 2022[2]. While we don't expect that pace to continue, programs like the Bank Term Funding Program[3] (BTFP) announced in March 2023 are once again creating hundreds of billions of dollars of new liquidity. The long term impacts of these policies on inflation are, in our opinion, just beginning to be felt. In an inflationary environment, a hard, productive asset such as real estate can represent an effective hedge, as rents and property values have historically more than kept pace with underlying inflation.

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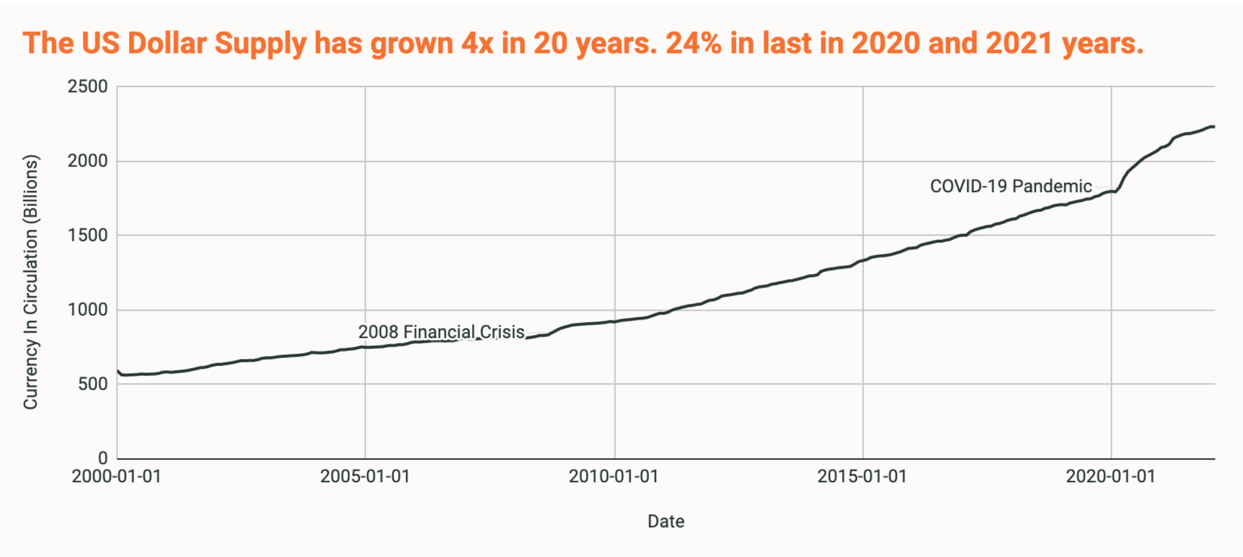
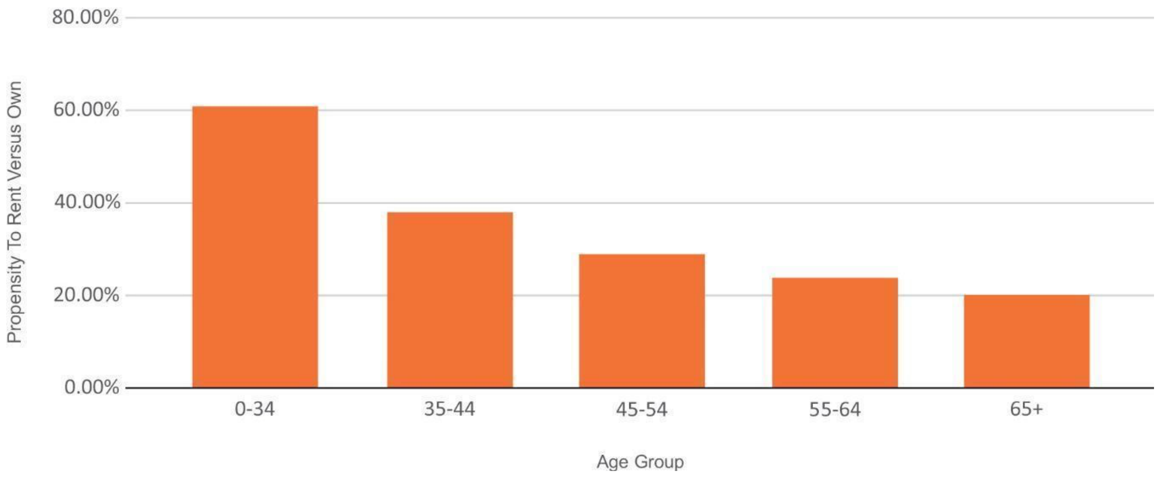
36 See Federal Reserve reporting, specifically "Credit and Liquidity Programs and the Balance Sheet".



Source: https://fred.stlouisfed.org/series/CURRCIR

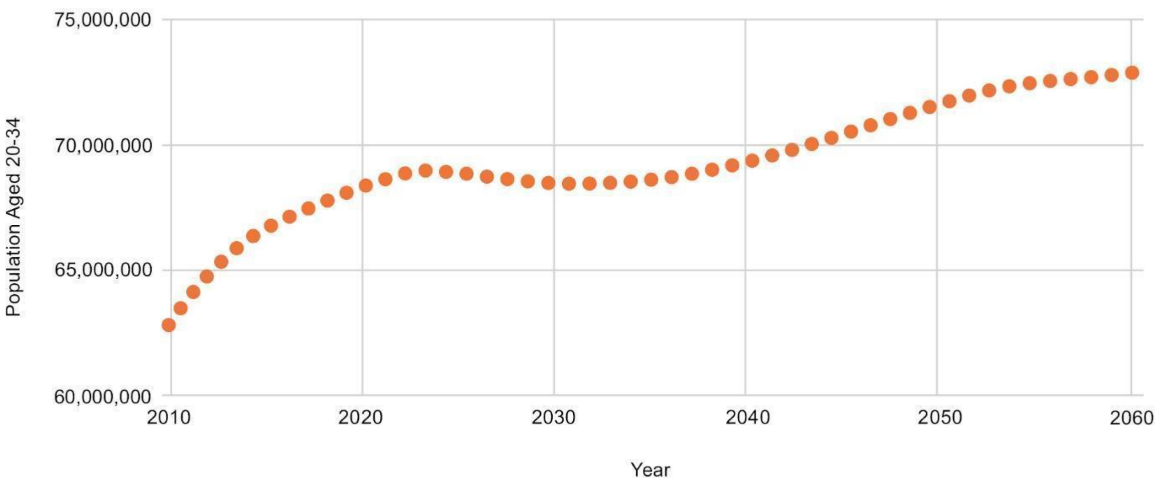
4. Rising Population Demand

The primary renting demographic for our target asset base is young professionals under the age of 35, though we believe there are significant renting populations at every age group. As the workforce becomes more fluid, more mobile and with more work-from-home options, we believe there is a possibility for an increase in professional workers who choose to rent at all ages given the flexibility it affords them to move geographically from time-to-time.



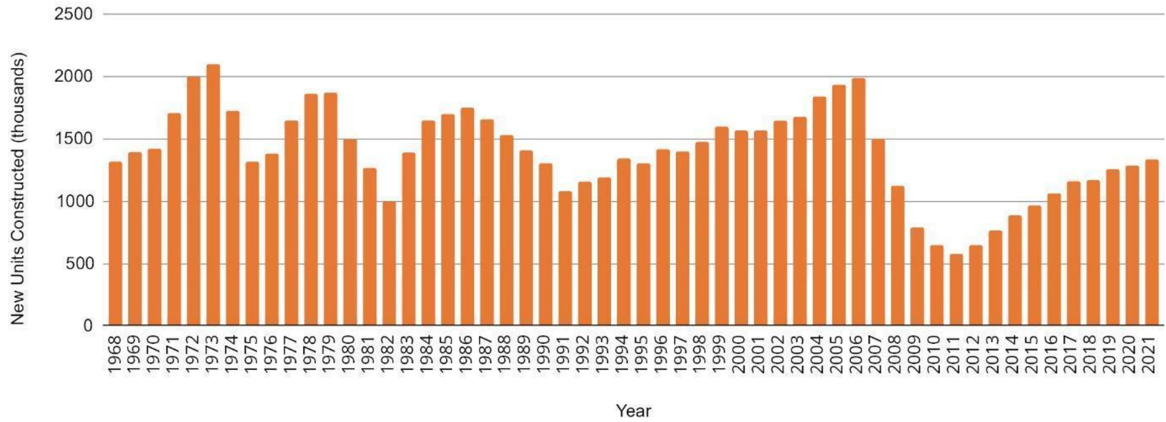
Source: U.S. Census Bureau: Table 12a. Annual Estimates of the Housing Inventory by Age of Householder. Information as of December 31, 2020. Our Advisor created all graphs and calculations based on the referenced data.

Nationally, that renting age group is expected to continue to experience growth over the next decades.



Source: U.S. Census Bureau: Population Estimates (United States Residents Population ages 20 – 24, 25 – 29 and 30- 34); and 2017 National Population Projections (Table 1. Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060). Information as of December 31, 2020. Our sponsor created all graphs and calculations based on the referenced data.

This growth in demand is juxtaposed against the widely reported national shortage in available housing units. In 2018, Freddie Mac published a report stating that "[t]he U.S. economy is about 2.5 million housing units below what is needed to match long-term demand."1 In the most recent data from the 2020 Census, a continued gap is reported, driven by a delta between the population growth rate over the last 10 years (7.4%)2 and a housing unit production of 6.8%3. The National Association of Realtors estimates a housing shortfall currently of near 6.8 million units in their "Housing is Critical Infrastructure" report from 2021.4 Furthermore, Freddie Mac recently published data showcasing the relative underproduction of new housing units in the last decade compared to prior periods, even as population growth continues.[5]



While the specific numbers in reports on this topic vary, we believe the collective trend is clear. Population is going up, and housing supply is not keeping pace. We expect that these two trends, combined, will drive an increase in demand for housing, and that the multifamily market is well positioned to meet that demand profitably. This is a national trend, but below we address certain markets we intend to initially focus on, such as Boston, where the combination of high-paying and geo-specific jobs, strong population growth, and a current shortage of housing units serve as an extreme local example of these national trends.

5. Zoning Challenges & Solutions

Zoning challenges might sound like a reason to not invest in real estate; however, zoning challenges for property owners have always existed and always will exist. The challenges that restrictive zoning presents are considered by several academics and researchers[6] to be one of the primary reasons for the overall housing shortage. However, we believe this problem also presents an opportunity. An important component of our strategy is having the local knowledge to be able to effectively navigate zoning challenges in any given region. We aim to lean into expected changes to zoning when building an investment thesis. Our hyper-local focus on multifamily investment may enable effective cooperation with local governments to streamline both the property operations, and perhaps in the future, the development process. Nationally, the pent-up demand for additive housing is creating pressure on local and state governments to create more favorable zoning for development as evidenced by the recent relaxation of single family zoning jurisdictions in many regions, including Virginia, California and Oregon. While zoning is a challenge, it also may represent an opportunity for locally aware developers to create what many call "upzoning" (zoning changes that allow further development) opportunities and bring more development onto the market in a way that seeks to benefit our investors over time.

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1. https://www.census.gov/library/visualizations/interactive/2020-population-and-housing-state-data.html
2. https://www.freddiemac.com/research/insight/20181205-major-challenge-to-u.s.-housing-supply
3. https://www.census.gov/library/stories/2021/08/united-states-adult-population-grew-faster-than-nations-total-population-from-2010-to-2020.html
4. https://www.census.gov/library/visualizations/interactive/2020-population-and-housing-state-data.html
5. https://www.freddiemac.com/research/insight/20181205-major-challenge-to-u.s.-housing-supply
6. See 'Local Zoning Laws and the Supply of Multifamily Housing in Greater Boston' By Aradhya Sood and Nicholas Chiumenti published in 2022

Source: U.S. Census Bureau: Table 7a. Annual Estimates of the Housing Inventory; and Table 13a. Monthly Household Estimates. Information as of December 31, 2020. Our sponsor created all graphs and calculations based on the referenced data. 2020 increase in new households may be a one-time effect of the COVID-19 pandemic as individuals sought to minimize co-living situations.

6. Boston As Our Initial Geographic Market

We believe the Boston market exemplifies all of the trends disclosed above, therefore it is our initial target market. While we intend to expand to other markets in the future, we have chosen to start our portfolio with a deep focus on the Boston market given its strong fundamentals of a growing population, a diverse job market with strength in tech/biotech, significant domestic tourism, and world-class universities.

- Population: 4.8 million; the sixth largest U.S. metropolitan area, Suffolk County, grew 11.3% from 2010-2020.[6]
- Major Employers: MGH, Akamai, Fidelity, Grubhub, Wayfair, DraftKings, Toast, GE, Oracle, Raytheon, Biogen, Takeda, Novartis, Hubspot, Google
- Educational Institutions: MIT, Harvard, Boston University, Boston College, Northeastern, UMass, MGH, Broad Institute, Brigham & Women's
- Tourism[8]: Approximately 23 million domestic visitors; approximately 3 million international visitors, which drives a strong services sector economy, maintaining demand for local workforce housing, as well as introducing millions of potential residents to the city each year
- Low Unemployment: Historically lower unemployment rates compared to major U.S. cities.
- Strong Wages: $94,000 average household income in Boston, which is approximately 40% above the national average of $65,000.[7]
- Housing Shortage: Boston has committed to raising $500 million dollars over five years beginning in 2021 to combat the housing crisis.
- Biotech Growth Center: The growth in biotech in Boston creates a large, permanent, and hard-to-relocate base of jobs that in turn brings people and demand for housing in the city. Over 30 million additional square feet of lab space has been permitted in 2020 and 2021 in the Greater Boston MSA; MassBio predicts 40,000 new biotech jobs by 2024.[9]

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1. https://www.census.gov/quickfacts/fact/table/MA,suffolkcountymassachusetts,bostoncityma ssachusetts,US/PST045222
2. https://censusreporter.org/profiles/31000US14460-boston-cambridge-newton-ma-nh-metro-area/
3. Greater Boston Tourism Board, "Boston's People and Economy, 2022

Specific Targeted Areas in Boston

Below is a map highlighting the market areas that we are focused on within the Greater Boston area. The dots shown are the 39 properties acquired at the direction of our Advisor and its affiliates for an initial set of investors (collectively referred to as "Groma Fund I"). We expect to continue to focus on these areas in 2023, and expanding beyond them or to new markets thereafter.

Mission Hill

Orange/Green line Roxbury Crossing & Riverway Station

Jamaica Plain

Jackson Square, Stony Brook, & Green Street Stations

Roxbury

Nubian Square & Washington Park

Dorchester

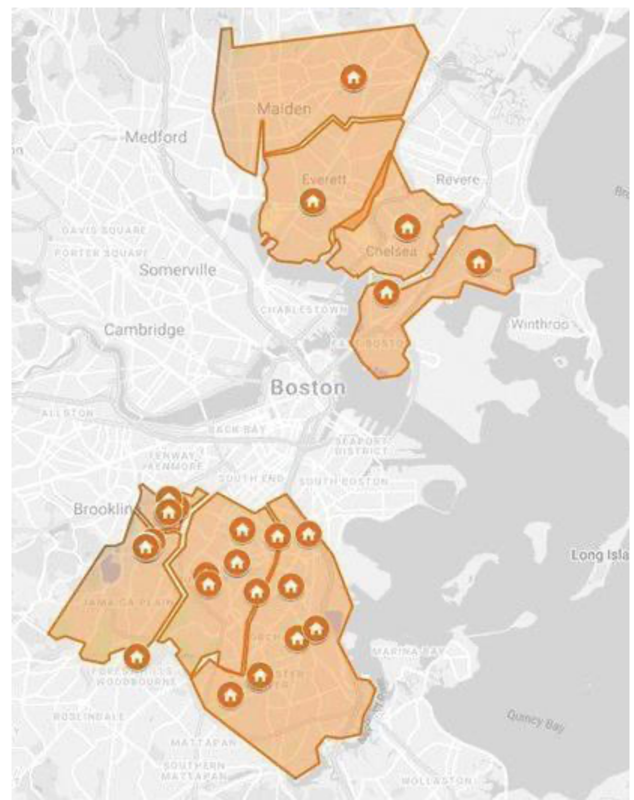
JFK & Savin Hill Red Line Stations

East Boston/Chelsea

Maverick Center, Suffolk Downs, Blue Line Extension

Everett/Malden

Wellington, Encore Casino as major hubs



Additional markets constantly evaluated but not currently targeted include: Downtown Boston, Back Bay, South End, Fenway, Cambridge, South Boston, Seaport, Brookline, Newton, Watertown, Allston, Somerville, Medford, Melrose, Roslindale, Charlestown, and Alewife.

7. Additional Target Markets

As we look to other markets, we intend to focus on markets that offer the Company the same competitive advantage that we believe we have in the Boston market (i.e., a concentration of denser inner urban core small and mid-sized multifamily assets). Using data from the U.S. Census Bureau, American Housing Survey (2019), we have created the below tables showcasing the relative concentration of small and mid-sized multifamily buildings in select markets. These tables seek to highlight areas that we expect to consider for the Company's investments (some of which may or may not be a good fit for the Company), and thus will help guide our expansion prospects.

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1. https://www.census.gov/quickfacts/fact/table/bostoncitymassachusetts/INC110219
2. https://www.bizjournals.com/boston/news/2021/08/25/massbio-industry-snapshot-2021.html#:~:text=Looking%20forward%2C%20by%202024%2C%20under,a%20growth%20rate%20of%205.5%25.

Based on the data below which is sourced from the U.S. Census Bureau, American Housing Survey. (2019), we expect that our next expansion targets will be in areas such as New York City, Philadelphia and Chicago. Should our acquisition strategy evolve or expand, then different markets might make sense under those new strategies in the future. There is no guarantee that we will expand into other markets, however.

Multifamily Buildings As % Of Housing Stock In Select Cities

	2 to 4	5 to 9	10 to 19	20 to 49	50 or more
Boston	45.9%	12.5%	10.4%	13.5%	17.8%
Chicago	32.9%	18.7%	11.0%	13.4%	24.0%
San Francisco	31.6%	15.3%	13.2%	14.3%	25.7%
Philadelphia	30.8%	13.4%	14.7%	14.5%	26.7%
Riverside	29.2%	23.9%	15.0%	10.1%	21.8%
New York City	24.6%	11.0%	10.3%	16.6%	37.4%
Detroit	24.6%	26.9%	18.7%	13.0%	16.7%
Los Angeles	23.3%	17.9%	16.7%	20.6%	21.4%
Charlotte	21.3%	24.3%	29.8%	17.5%	7.1%
Austin, TX	20.7%	13.0%	24.7%	29.3%	12.3%
Phoenix	17.7%	18.5%	22.8%	16.5%	24.6%
Seattle	17.0%	17.0%	18.0%	18.6%	29.4%
Atlanta	16.8%	22.8%	23.6%	15.1%	21.8%
Dallas	14.8%	25.5%	24.1%	17.0%	18.5%
Miami	13.9%	12.8%	14.0%	22.8%	36.5%
Raleigh	13.1%	17.6%	28.3%	23.4%	17.5%
Houston	11.9%	16.7%	24.8%	17.7%	28.9%
Washington DC	8.1%	12.6%	31.5%	8.6%	39.3%

Multifamily Buildings As Total Housing Stock In Select Cities (1000s)

	2 to 4	5 to 9	10 to 19	20 to 49	50 or more
New York City	1,062.2	472.2	445.6	716.4	1,613.8
Chicago	499.6	283.8	168.0	204.0	365.0
Los Angeles	468.0	359.3	335.9	412.4	430.2
Boston	392.7	106.7	88.6	115.2	152.6
San Francisco	238.0	115.2	99.2	108.1	193.8
Philadelphia	176.8	77.0	84.2	83.1	153.0
Miami	167.7	153.8	168.2	274.9	440.0
Dallas	129.1	223.4	210.9	149.0	162.2
Detroit	99.0	108.3	75.4	52.5	67.1
Seattle	97.3	97.1	102.8	106.1	167.9
Atlanta	96.9	132.0	136.4	87.2	125.9
Houston	93.0	130.6	193.5	138.3	225.4
Riverside	86.8	71.0	44.4	30.0	64.7
Phoenix	79.1	82.5	101.9	73.7	109.9
Washington DC	66.0	102.6	257.3	70.1	320.5
Austin, TX	44.8	28.1	53.6	63.5	26.6
Charlotte	30.3	34.6	42.3	24.8	10.1
Raleigh	17.5	23.4	37.7	31.2	23.3

Groma
Investment Strategy, Objectives and Policies

Our Investment Objectives

Our primary investment objectives are to:

1. assemble and operate a diversified portfolio of commercial real estate assets;
2. preserve and protect investor capital;
3. provide attractive risk-adjusted returns to our investors;
4. deliver tax-efficient income to our investors via regular monthly distributions; and
5. realize growth in the value of our investments over time.

We cannot assure you that we will be able to attain these objectives or that the value of our assets will not decrease. Furthermore, within our investment objectives and policies, our advisor has substantial discretion with respect to the selection of specific investments and the purchase and sale of our assets, subject to the oversight of our board of directors.

Why Did We Select an Open-End, Private NAV REIT Structure?

We believe that our structure as a perpetual life NAV non-traded REIT provides several key advantages to our investors looking to invest in the real estate market:

1. Tax-Advantaged Structure with Low Overhead: A REIT is a special election that real-estate focused investment corporations can make that provides several tax advantages that help increase returns for investors. These include a lack of taxation at the corporate level (much like a partnership), as well as the ability for investors to receive multiple types of dividends (return of capital, ordinary income, capital gains -- each taxed at the appropriate rate), efficient usage of depreciation taken at the REIT corporate level to lower taxable income, and a special dispensation on the Tax Cut and Jobs Act of 2017 that allows a 20% deduction for qualifying pass-through business income, currently extended through 2025. We believe we are set up to smoothly facilitate each of these advantages on behalf of our investors.
2. Long-Term Focus with Short-Term Flexibility: Because we are an open-ended, perpetual life entity, we will be able to focus on stewarding investors' capital for the long term. However, we will also offer quarterly redemption opportunities at NAV should investors wish for full or partial liquidity at any time.
3. Iterating Theses on a Consistent Platform: We have built a strong platform to power our operations. We have in-house teams focused on research/acquisitions, due diligence, construction/renovation, leasing, property management and maintenance, and accounting/investor services. While our specific theses on how to best deploy capital in a given year will evolve with the times, the strength of the platform we have built will always be applicable and a persistent advantage to our investors.

Blockchain Technology

We believe in the power of technology to revolutionize the real-estate industry. Alongside the investments in technology detailed in this section, we are also investigating ways to increase the efficiency of our investor experience.

Pending regulatory approval, we will explore the utilization of blockchain technology to achieve certain efficiencies that we believe will be in our investors' best interests. While this innovation would not directly affect the performance of the underlying real-estate assets, we believe it will provide several key benefits to our investors and the residents in the cities where we operate.

By initializing our properties onto the Ethereum blockchain as ERC-721 NFTs, we will be able to enhance our investor reporting by providing rapid, easily accessible records of our properties' financial performance, rent rolls and data that informs our ongoing NAV determinations. We intend to utilize blockchain technology

as an immutable, decentralized and public storage database for certain non-material property information, including title, deed, monthly performance data and valuation data. We intend to make this information available to existing and prospective investors through access to the public blockchain directly using a blockchain browser tool, as well as simultaneously on our website, which could pull data from blockchain storage or from our private traditional database.

In addition, while the ownership of our shares of common stock are recorded with a traditional registered transfer agent, as required by law, we will offer another representation of your stock ownership in the form of ERC-20 compatible tokens, or GromaCoins®.

We believe our use of the Ethereum blockchain to create the digital representation of our shares, which we intend to refer to as GromaCoins®, includes the following benefits:

- Decentralization. Record-keeping of transfers is performed in real time using a distributed ledger (in addition to the records kept by our registered transfer agent).
- Traceability. Full historical data of all transfers of GromaCoins® is recorded on the Ethereum blockchain.
- Immutability. Data is written into the blockchain to allow it to be shared publicly while ensuring its immutability. There are no known methods for changing data written to a blockchain once it has been written.
- High Availability. Because the Ethereum blockchain is based on thousands of nodes in a peer-to-peer network, and data is replicated and updated on each and every node, the distributed ledger becomes highly available.
- Privacy. Personal information of GromaCoins® holders is stored in an encrypted form and only available to the Company and will be provided to regulatory and governmental authorities as required by law.

Our Investment Strategy

Our investment strategy is to acquire and develop commercial real estate assets, with a primary focus on multifamily real estate assets, that have significant value-add potential in order to provide investors with stable, tax-efficient cash distributions, as well as growth in the value of their shares. Our strategy entails acquiring, developing, repositioning, operating, managing and leasing multifamily real estate properties, and we may acquire real estate-related debt and securities that meet our investment strategy and return criteria. However, we do not intend for real estate-related debt and securities investments to constitute a significant portion of our assets, and we will evaluate our assets to ensure that any such investments do not cause us or any of our subsidiaries to be an investment company under the Investment Company Act or cause our advisor to have assets under management that would require our advisor to register as an investment advisor under the Investment Advisors Act.

Prior funds from our Sponsor have executed on similar investment strategies. For example, Groma Fund I, which launched in 2020 at the beginning of the COVID-19 pandemic, was able to purchase confidently in a fear-priced market because of the strong belief by the GromaCorp management team that the COVID-19 disruption, while severe, would only represent a temporary deviation from the ongoing trend of housing demand outstripping supply in the Greater Boston Area and the country as a whole. The Company will focus on continued investment into multifamily residential assets, leveraging the strength of our sponsor's experience in that market. While multifamily assets will be the primary focus, we are also open to the opportunistic acquisition of retail or other mixed-use complexes, so long as there is a strong multifamily basis to the asset.

We are leaning in to the following post-COVID-19 trends:

- A return to desirable city living for people seeking recreation outside the home and accelerated by the re-opening of cultural and educational institutions;

- A continued increase in geo-specific jobs in the Boston area driven by the biotech boom and our strong educational and healthcare institutions;
- A decrease in demand for office and retail space, leaving many commercial properties underutilized and under-performing; and
- An increase in construction/renovation costs through 2021, which we believe will continue, and therefore could provide a competitive advantage to firms like our sponsor with in-house general contractor, or GC, capabilities.
- Based on these trends, we will seek to acquire assets in 2023 primarily within our MUR strategy focused on 2-10 unit count multifamily assets in our target regions, with renovation efforts ranging from $0 per unit up to $100,000 per unit or higher. The Company retains discretion to invest in other assets, including larger multifamily properties, where it is deemed to be in the best interest of investors.

Our Primary Investment Focus

While market conditions and select opportunities will influence decisions on our acquisitions, we expect to focus our investment activities on multifamily properties with significant possibilities for capital appreciation, such as those requiring development, redevelopment or repositioning (including office buildings that can be converted into multifamily properties), or those located in underserved markets, markets with lower barriers to entry and markets with high growth potential, including but not limited to qualified opportunity zones. Our initial investment strategy focuses on investing in small and mid-sized multifamily buildings in dense urban regions, with an emphasis on the Greater Boston Area. If the Company is able to execute its investment thesis, this could create potential for an efficient operation of managing distributed high-demand multifamily assets in other desirable urban regions.

We may acquire and develop multifamily and commercial properties for rental operations as apartment buildings and/or for income producing properties. In each case, these multifamily and commercial properties must meet our investment objectives and may include conventional multifamily properties, such as mid-rise, high-rise, and garden-style properties, as well as 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, we may acquire commercial assets that may benefit from enhancement or repositioning and development assets. We may purchase any type of property, including properties that require capital improvement or lease-up, to enhance shareholder returns. Location, condition, design and amenities are key characteristics for commercial assets. We focus 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 we enter into with our residents may vary substantially; however, we expect that a majority of our leases will continue to 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.

Commercial real estate investments constitute a growing portion of our sponsor's historical investments, therefore we intend to continue to leverage our sponsor's management team's extensive prior experience in the commercial real estate sector, as well as our sponsor's origination capabilities and extensive financial institution relationships to identify these investment opportunities that are appropriate for our 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 for us to acquire such properties. We 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 us to acquire properties with little or no leverage, given the stabilized nature of the targeted properties, we may apply modest levels of leverage to enhance our returns. In particular, our sponsor and its real estate professionals who have been performing services for us on behalf

of our advisor 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. We will manage and dispose of any real property assets we acquire in the manner that our advisor determines is most advantageous to us.

Evaluating Investments

When evaluating prospective investments, our advisor will consider relevant real estate market and financial factors as well as fundamental factors including tenant rosters, lease terms, zoning, operating costs and the asset's overall competitive position in its market. Together with the necessary external advisors and consultants, our advisor performs a comprehensive due diligence investigation to determine whether the potential investment meets our basic investment criteria and other guidelines specified by our advisor, within the context of proper portfolio diversification, as well as an acceptable risk-adjusted return profile. This due diligence investigation will typically also include, among other things, the following:

- a full operational and financial analysis to identify the key risks and opportunities of the asset or assets, including among other things, a detailed review of historical and projected financial results, engineering analyses, viability analyses, environmental analyses, FAA and FCC regulatory analyses and legal analyses of agreements affecting said asset or assets and rights associated therewith;
- a detailed analysis of geographical industry dynamics, competitive position within the area, regulatory, tax and legal matters;
- on-site visits;
- environmental reports and environmental matters relating to federal, state and local laws and regulations relating to environmental protection and human health and safety;
- physical condition and historical maintenance reports;
- analysis of potential expansion opportunities;
- new tenant and/or customer opportunities and historical customer attrition;
- independent engineering studies and structural analysis;
- financial analysis to validate historical operating results;
- review of previous developers, construction companies and other key personnel involved in the initial development of the asset or assets, or any modification thereof (including any subcontractors and outsourcing arrangements);
- financial counterparty due diligence including lender reference checks, if necessary, and the need for guarantees, bonding, and insurance to ensure timely completion of an acquisition.

Our advisor may also engage independent insurance brokers specializing in multifamily to review assets and recommend appropriate insurance coverage.

Our sponsor has successfully built out an extensive platform of both operational processes and technical development to facilitate effective investment, renovation, leasing, and management of distributed properties across a given metro area. Acquiring smaller, more distributed properties represents a unique challenge for investors because many efficiencies garnered from larger developments are lost on the diligence, management, maintenance, and leasing front. For example, travelling from a property in East Boston to a property a few miles away in Dorchester could take over an hour of valuable time. That can make diligence and even small ongoing maintenance tasks expensive, compared to, for example, two units in the same apartment tower. However, those efficiencies can be re-created through intelligent utilization of technology to automate and streamline many aspects of the research, diligence, acquisition, renovation,

leasing, maintenance, and management of these properties. Our sponsor has put in the time and effort to build tools to enable these efficiencies, and the benefit of that investment is passed on to our investors. Specific features of our sponsor's platform are described further below:

(1) Nexus & Automated Modeling

Our sponsor has invested heavily in automating and streamlining every part of the property search and acquisition process. To do this, our sponsor has invested in proprietary software (called the Nexus) that enables our Advisor to automatically pull in and model properties, complete with market comps, rent estimates, potential flood risks, city zoning, title and deed research, and more. All this leads to a much more efficient tour and letter of intent ("LOI") process, enabling one acquisitions lead to do a volume of deals that would be impossible without automation. This lack of automation is one of the reasons that large investment firms eschew small ($1-$10 million) multifamily deals; for an analyst to do all this work manually would simply be too expensive and error-prone. This process is one of the key components that enables us to unlock the Modern Urban Rental (MUR) space.

Data Ingestion

Approximately 100 properties weekly in a given region

Our advisor's process begins with ingesting data from the Multiple Listing Service ("MLS") (both pre- and on-market) as well as from its network of agents who share off-market opportunities with our advisor and sponsor.

Modeling

Approximately 20-30 properties weekly in a given region

Any promising opportunities are auto-modeled using trade and rent-comps from MLS, Rentometer, Section 8 listings, CoStar Group ("CoStar"), and more to determine in-range opportunities.

Team Review

Approximately 10-15 properties weekly in a given region

Any in-range opportunity is reviewed by our advisor's acquisition team bi-weekly, and solid opportunities are moved into the touring phase for further review and analysis.

On-Site Tour

Approximately five-ten properties weekly in a given region

Nothing replaces being on-site. Our advisor will tour properties once during the day (full interior tour, guided by the owner) and once at night to see the day and night feel of the street.

Refine Model

Approximately five properties weekly in a given region

Post-tour, our advisor refines our model to tweak rent expectations, renovation costs, and long-term property appreciation estimates.

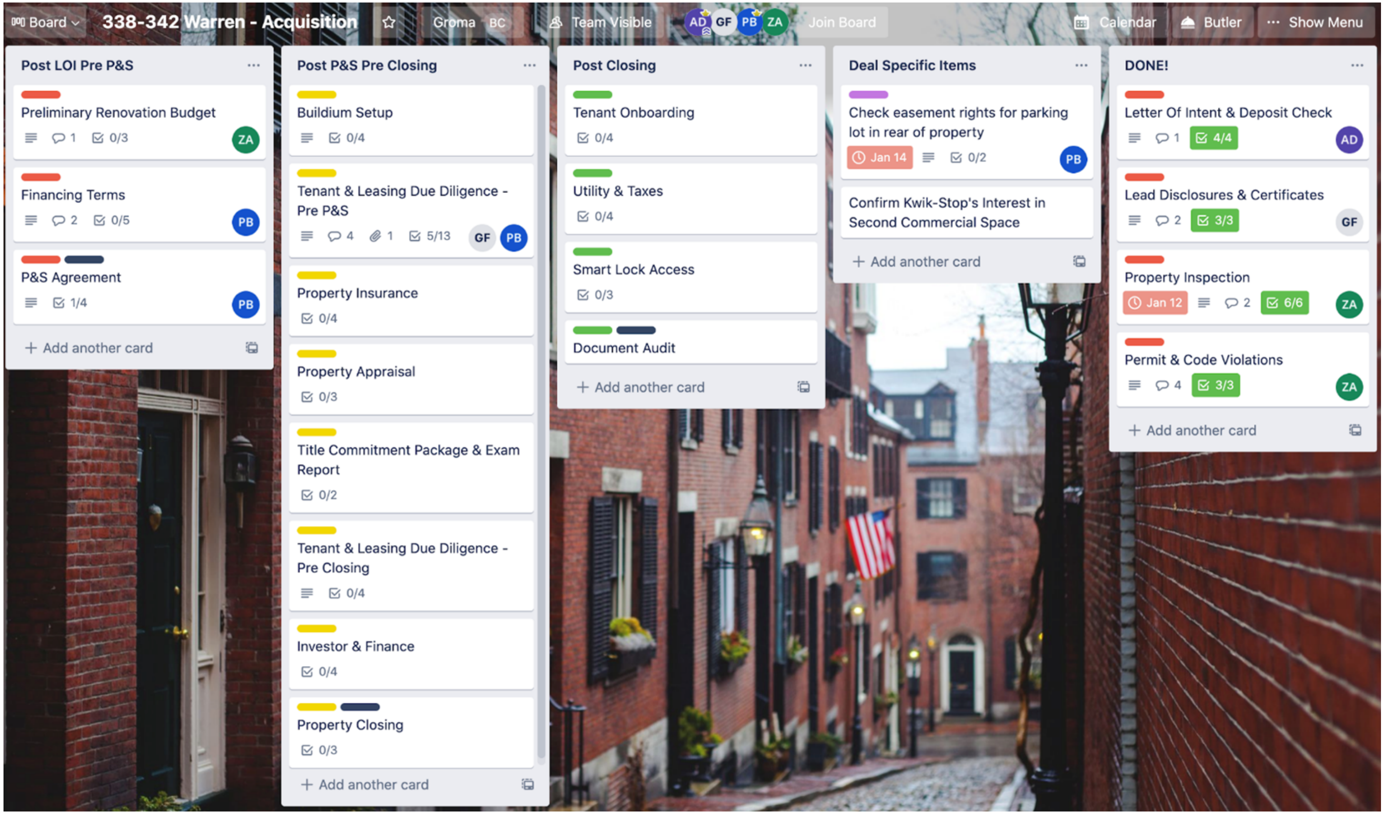
Acquisition Committee Review & LOI Submission

Approximately one-two properties weekly in a given region

Any properties that continue to meet our model are reviewed a final time in our partner review. Unanimity is required to submit an LOI and if accepted, kicks off our Purchase and Sale Agreement, final post-LOI-negotiation, financing, and onboarding processes.

(2) Diligence Flow

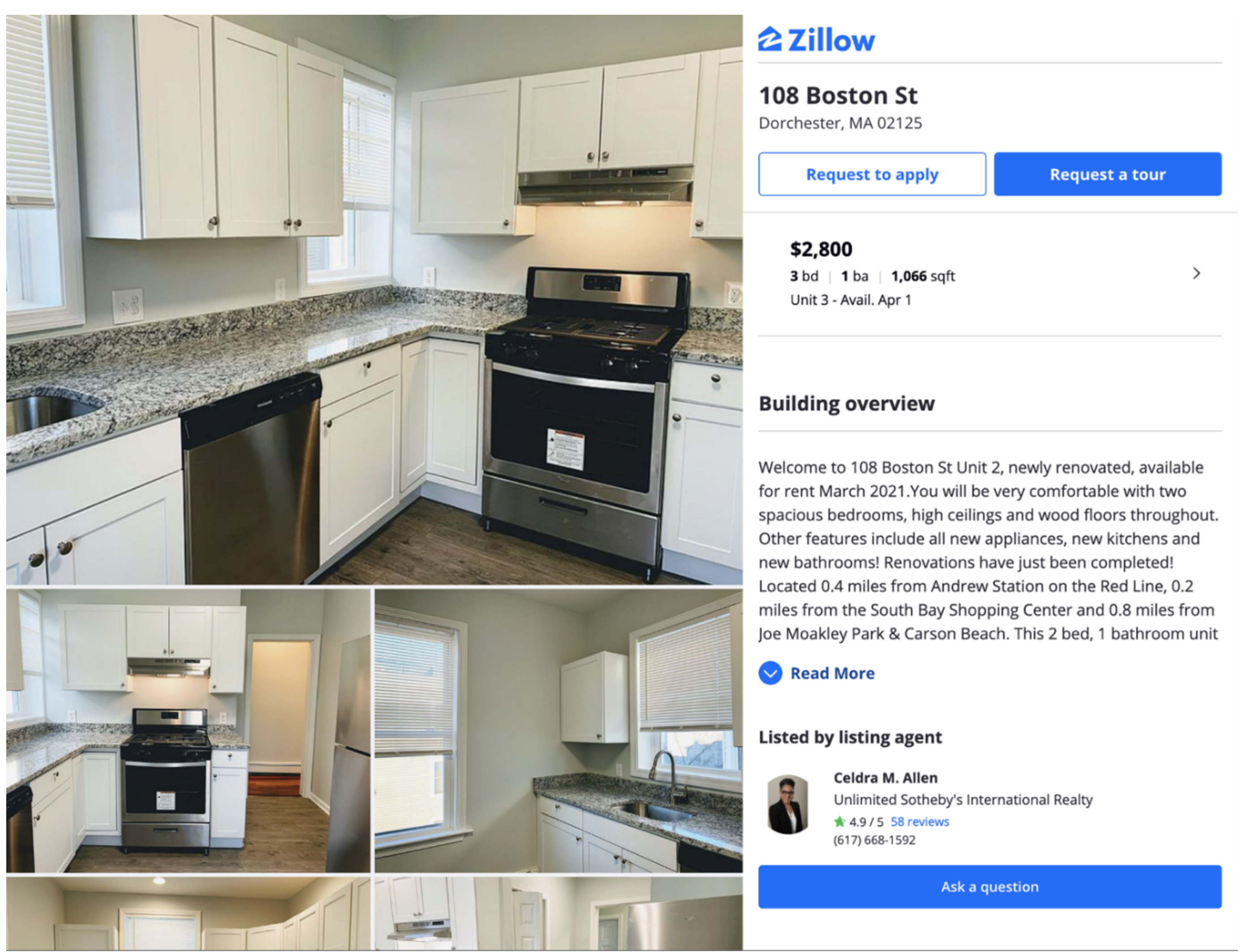
Our sponsor has operationalized a hundred-plus-point due diligence workflow to ensure complete discovery regarding all properties we seek to acquire and projects we seek to embark on. Performing diligence on a 3-unit multifamily deal is less work than doing the same diligence on a 100-unit apartment tower, but it is not proportionally less. This is yet another reason why automation and efficiency is key. Larger firms have historically tended to eschew these deals because, without significant streamlining and automation of the diligence process, either a) the expense becomes too high to diligence correctly, or b) mistakes are made in diligence leading to costs down the line. Our sponsor has invested heavily in a streamlined diligence process that compromises neither on quality nor on cost, resulting in a consistent and cost-effective process that enables us to confidently buy 3 to 20 unit multifamily properties



(3) Leasing

Our sponsor does the vast majority of its leasing work with in-house agents. Many real estate firms choose to work with third-party agents to keep in-house costs low; however, we believe that is a short-sighted choice. Controlling the leasing process in-house moves the motivation from finding "any tenant" so the sales agent can get a commission to finding the "right tenants" and building a positive long-term relationship. Our in-house leasing agents have long-term interest in our success and are compensated base on the performance of tenants within the property (including clawbacks for tenants that do not pay rent, evictions etc.) and bonuses for tenants that renew and are "model" tenants.

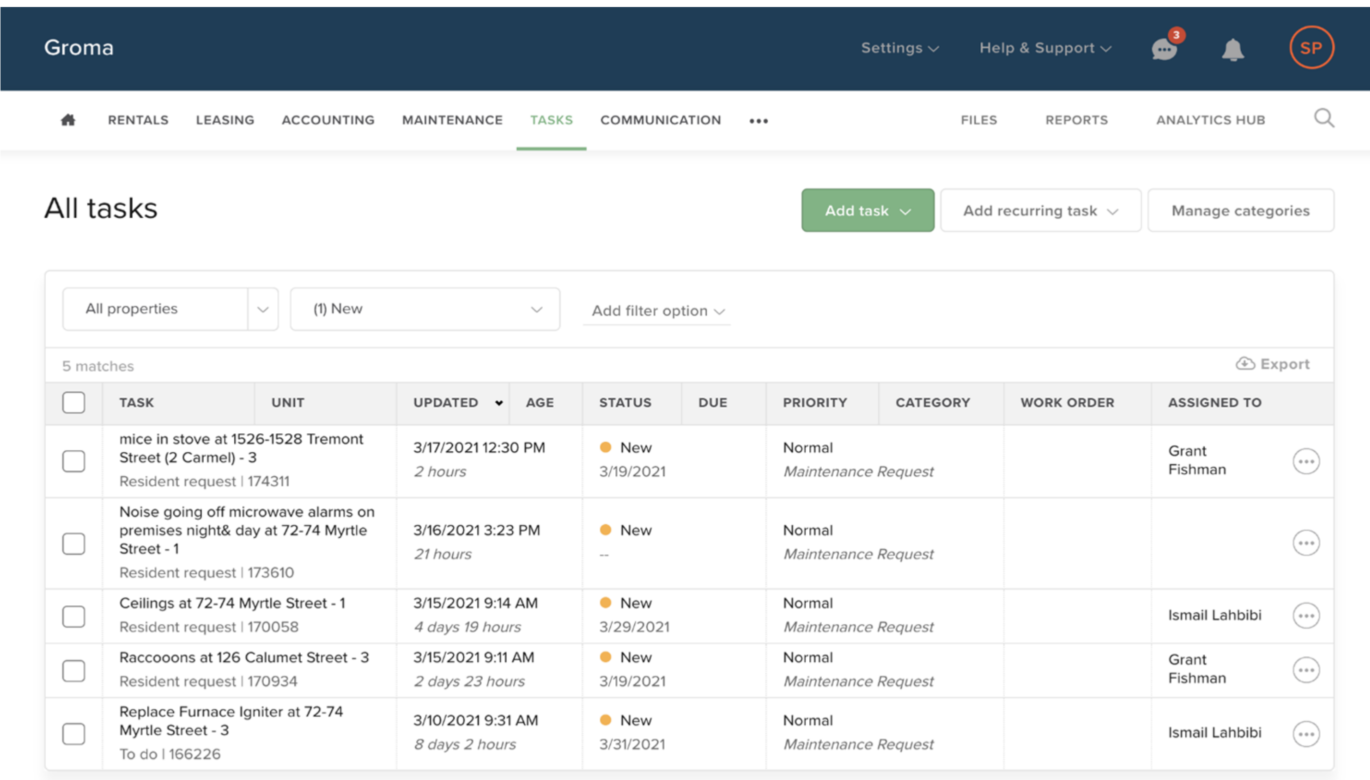
Even with the benefits that in-house listing provides, our advisor still leverages technology to bring efficiencies and keep costs low by automating our listing, leasing and touring processes as much as possible. We have also developed custom technology to monitor all our listings on third party platforms such as Zillow, Apartments.com and local listing sites to ensure that our listings remain active and receive good placement. A sample listing on Zillow is included below:



(4) Property Management & Maintenance

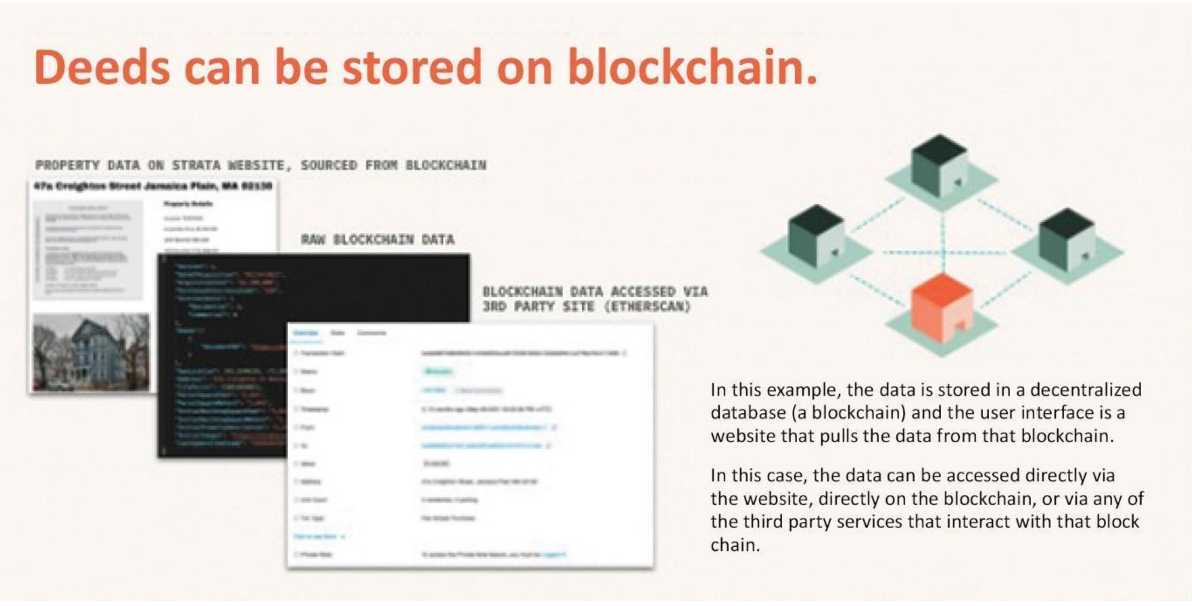
Our advisor will leverage a digital suite (powered by Buildium), as presented in the image below, to enable tenants to report and resolve issues via email, SMS or call, and our team can handle each task efficiently from one central interface.

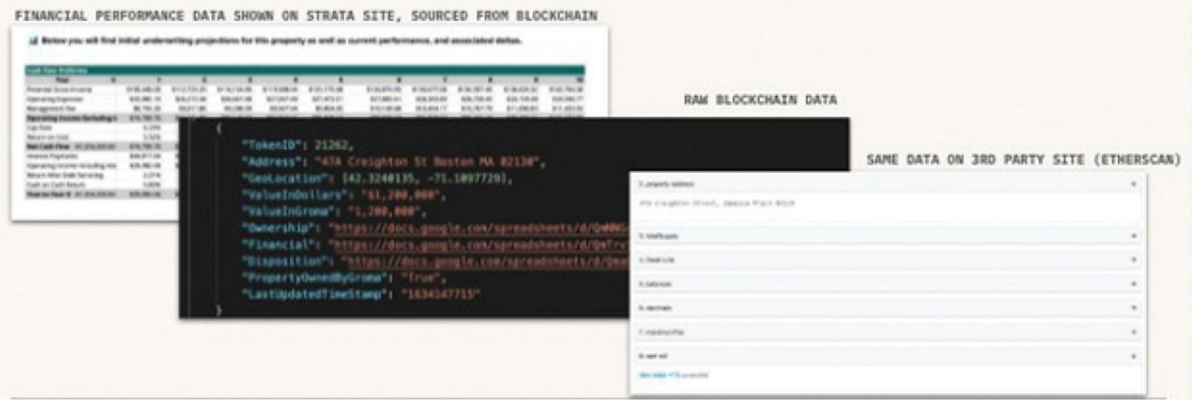
Our smart-lock infrastructure enables rapid remote access and servicing for our in-house and external technicians, increasing efficiency. This remote access, plus a network of trusted agents, means that our property managers don't have to be present at a property to give contractors temporary access for them to resolve issues, keeping our transit times (and thus hours expended) low for any given issue.

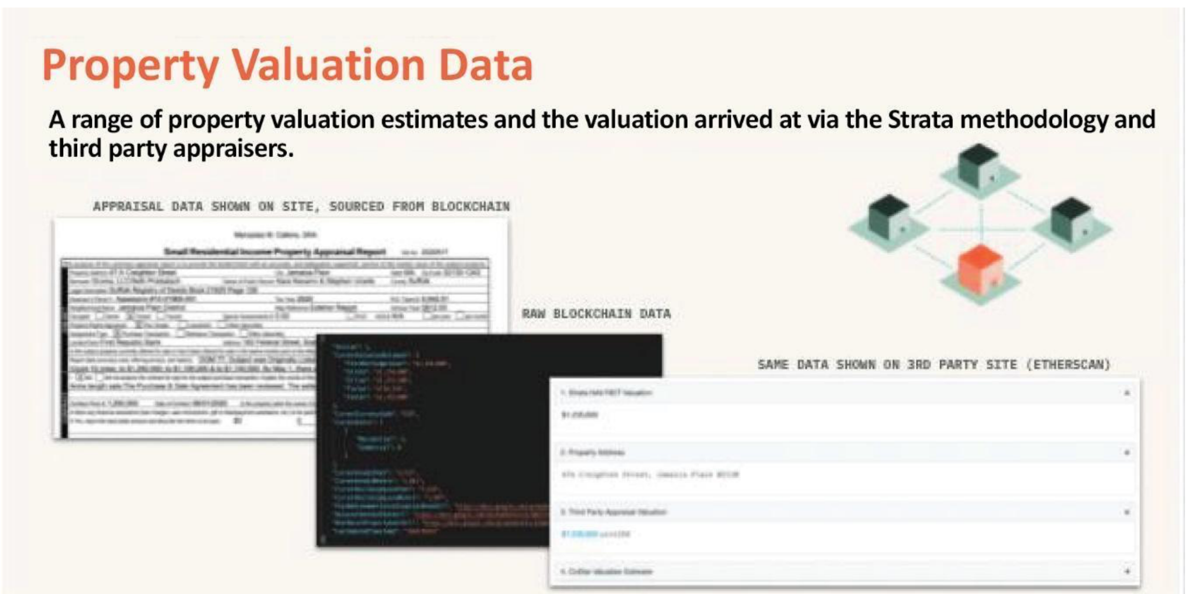


(5) Blockchain Technology for Reporting & Transparency

GromaCorp, our sponsor, has invested significant time and effort in developing a series of blockchain smart contracts to enable properties held by the Groma NAV REIT to be presented on chain, including information about their ownership (e.g. title, deed), financial performance (e.g. ongoing monthly rent rolls, profit and loss statements) and valuation estimates (e.g. internal estimations of potential disposition price and third party data sources or appraisals). In addition, GromaCorp has developed digital representations of shares of Groma NAV REIT to give investors another easy and transparent way to interact with and view their holdings, in addition to the records of our registered transfer agent.







Other Potential Investments

Investing in Third Party Development Opportunities and Originating Interim Loans

We may originate interim multifamily loans as part of an investment strategy in third party developers for the further acquisition of assets. Our criteria for originating loans will be substantially the same as those involved in our investment in properties. We may originate and provide such loans in a variety of structures including, but not limited to, construction loans for multifamily properties, preferred equity loans, strategic bridge loans or mezzanine loans. Further, we may provide unsecured loans or loans secured by other commercial real estate assets other than the assets in which the loans are being provided; however, we will not make unsecured loans or loans not secured by multifamily properties unless such loans are approved by our board of directors and permitted under our charter. A strategic bridge loan is short-term financing for an individual or business, until permanent or the next stage of financing can be obtained. A mezzanine loan is a loan made in respect of certain assets that is secured by a lien on the ownership interests of the entity that, directly or indirectly, owns or will own the asset.

Our underwriting process will typically involve comprehensive financial, structural, operational and legal due diligence. When evaluating prospective investments in and originations of third party developer loans, our management and our advisor will consider factors such as the following:

- the ratio of the total amount of debt secured by an asset to the estimated value of the asset by which it is secured;
- the amount of existing debt on the asset and the priority of that debt relative to our proposed investment;
- the asset's potential for capital appreciation;
- expected levels of rental and occupancy rates;
- current and projected cash flow of the asset;
- the degree of liquidity of the investment;
- the geographic location of the asset;
- the condition and use of the asset;

- the quality, experience and creditworthiness of the borrower;
- general economic conditions in the area where the asset is located;
- REIT qualification requirements; and
- any other factors that our advisor believes are relevant.

We may purchase existing loans that were originated by other lenders associated with commercial real estate. Our advisor will evaluate all potential loan investments to determine if the term of the loan, the security for the loan and the loan-to-value ratio meet our investment criteria and objectives. An officer, director, agent or employee of our advisor will inspect and/or evaluate the property securing the loan, if any, during the loan approval process. We do not expect to make or invest in asset loans with which the asset cannot be completed and transferred within three (3) years from the date of our investment, and anticipate that most loans will have a term of less than two (2) years. Most loans which we will consider extending to third party developers are expected to provide for payments of interest and principal in full at the end of the loan term which will typically coincide with the transfer of title of the underlying contracted asset. In some cases loans may provide for monthly payments of interest and principal amortization.

Investing in Securities

We may invest in non-majority owned securities of both publicly traded and private companies primarily engaged in the multifamily real estate space and securities issued by pass-through entities of which substantially all of the assets consist of multifamily or other commercial real estate-related assets. We may purchase the common stock, preferred stock, debt, or other securities of these entities or options to acquire such securities.

Joint Ventures

We may enter into joint ventures for the acquisition or improvement of multifamily real estate, and we will likely acquire additional properties through joint venture arrangements with some of the proceeds of this offering and any future private or public offerings we may conduct. In addition, we intend to engage third parties to assist with our diligence process regarding potential properties we may acquire. We may enter into joint ventures and other co-ownership arrangements or participations with other affiliated programs. We may enter into joint ventures and make similar arrangements for the purpose of acquiring, owning, and operating multifamily real estate. In determining whether to invest in a particular joint venture, our advisor will evaluate the asset that such joint venture owns, or is being formed to own, under the same criteria described above for the selection of our real estate investments.

Our policy is to invest predominantly in joint ventures when we will have a right of first refusal to purchase the co-venturer's interest in the joint venture if the co-venturer elects to sell such interest.

However, in the event that the co-venturer elects to sell the asset held in any such joint venture, we may not have sufficient funds to exercise our right of first refusal to buy the other co-venturer's interest in the property held by the joint venture. In the event that any joint venture with an affiliated entity holds interests in more than one asset, the interest in each such asset may be specially allocated based upon the respective proportion of funds invested by each co-venturer in each such asset.

Changes in Investment Objectives, Policies and Limitations

Our investment policies and objectives and the methods of implementing our investment policies and objectives, except to the extent set forth in our charter, may be altered by our board of directors, without approval of our stockholders. Should any such investment policies or objectives change, we will disclose such change to investors through our quarterly reports to stockholders, quarterly filings (if we become subject to the reporting requirements of the Exchange Act), and subsequent memorandum supplements.

Financing Strategies and Policies

There is no limitation on the amount we may borrow for the purchase of any single property; however, we intend to target a leverage ratio of the greater of 55-65% loan-to-value or loan-to-cost. During the initial stages of our offering, however, our leverage ratio could exceed our target leverage ratio.

We intend to maintain amounts outstanding under long-term debt arrangements or lines of credit so that we will have more funds available for investment in assets, which will allow us to acquire a more diversified portfolio. However, the percentage of debt financing we utilize at any given time will be dependent upon various factors to be considered in the sole discretion of our board of directors, including, but not limited to, our ability to raise equity proceeds from the sale of our securities in this and future offerings, our ability to pay dividends, the availability of properties meeting our investment criteria, the availability of debt financing, and changes in the cost of debt financing. To help finance our initial acquisitions, we may utilize short-term borrowings. However, after our initial property acquisitions, as a general principle, we anticipate that the term of any debt financing we utilize will correspond to the anticipated holding period for the respective asset.

Our use of leverage increases the risk of default on mortgage payments and a resulting foreclosure of a particular asset. To the extent that we do not obtain mortgage loans on our assets, our ability to acquire additional properties will be limited. When interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, we may purchase certain properties for cash with the intention of obtaining a mortgage loan for a portion of the purchase price at a later time. Our advisor will seek to obtain financing on our behalf on the most favorable terms available. Lenders may have recourse to assets not securing the repayment of indebtedness.

Our advisor may refinance assets during the term of a loan in various circumstances, such as when a decline in interest rates makes it beneficial to prepay an existing mortgage, when an existing mortgage matures, or if an attractive investment becomes available and the proceeds from the refinancing can be used to purchase such investment. The benefits of the refinancing may include an increased cash flow resulting from reduced debt service requirements, an increase in dividend dividends from proceeds of the refinancing, if any, and/or an increase in property ownership if some refinancing proceeds are reinvested in real estate.

We may repay borrowings under any future credit facility or under any future long-term mortgage debt with proceeds from the sale of properties, operating cash flow, long-term mortgage debt, proceeds from this offering, proceeds from any future private or public offering, or proceeds from any other future securities offerings.

Description of Real Estate Investments

We engage in the acquisition and ownership of multifamily properties. As of the date of this memorandum, we owned a fee simple interest in two multifamily properties located in Boston, MA, consisting of 6 units, a partial interest in two additional properties consisting of 14 units and, through a joint venture, an interest in a mixed-use residential development project located in Lynn, MA (the "Mosaic Property") consisting of 146 residential units and three commercial spaces.

The 30-32 Ward Street property is a traditional Boston-area triple-decker located minutes from the Andrew Redline MBTA (Massachusetts Bay Transportation Authority) station, providing convenient public-transit access. This location is also just a five minute walk in the other direction from Carson Beach, a picturesque waterfront park and recreation area. This property is minutes from downtown Boston and only a 15-minute drive from Logan Airport. We purchased the 30-32 Ward Street property from a seller unaffiliated with us through the use of proceeds from our equity and the Secured Credit Facility, as further described below under " — Secured Credit Facility" and then later permanently financed with First Republic Bank at market terms.

The 1536-1538 Tremont Street Property is a 10-unit building in the Mission Hill district of Boston, comprised of 8 residential units and two commercial units, all of which are currently leased. Mission Hill is minutes from two public-transit stations, walking distance from the Museum of Fine Arts and conveniently located near the Longwood Medical Area, a major employment center in Boston. We purchased this property from a seller unaffiliated with us through the use of proceeds from our equity and the Secured Credit Facility, as

further described below under " — Secured Credit Facility" and intend to later permanently financed with a banking partner of ours.

The 19 Perrin Street property is a four unit building in the Roxbury district of Boston. These apartments are located for convenient commuter access to Downtown Boston as well as Mission Hill and the historic South End. Additionally, this property is conveniently located for a variety of universities and academic centers including Northeastern University, Mass College of Pharmacy, and Roxbury Community College.

We have a partial interest in 19 Perrin Street and 1536-1538 Tremont Street as part of a Delaware Statutory Trust structure with an affiliated entity.

The 171 Trenton Street property is a three unit property in East Boston. The units were partially renovated in 2016 but there is room for some light value add to increase rents. Our Advisor and its affiliates will complete base building upgrades to the roof and mechanical systems. We purchased this property without any debt to maximize cashflow and wait for more favorable interest rates prior to financing.

Fund III — Groma & US Boston Opportunity Zone Business Entity, LLC (the "Business Entity"), a joint venture entity owned by the Company and Fund III — Groma & US Boston Opportunity Zone Business Entity, LLC, an opportunity zone fund sponsored by GromaCorp (the "Opportunity Zone Fund"), entered into a Purchase and Sale Agreement to acquire a mixed-use residential development project located in Lynn, Massachusetts, commonly referred to as The Mosaic (the "Mosaic") for a contract purchase price of $67,250,000, which is exclusive of closing costs. The Business Entity completed the acquisition of the Mosaic on August 31, 2022. We hold a 36.41% percentage interest in the Business Entity.

The Mosaic is expected to be an impactful addition to the neighborhood bringing 146 units of high-quality housing and 3 commercial spaces to the market. Mosaic is a three minute walk from the commuter rail station, has 39 on-site and 50 nearby parking spots, a pool, a roof deck, a gym, a glass enclosed dog, cat and washing facility in the lobby, space for an on-site restaurant (not yet leased), indoor bike storage, an on-site automated convenience store, a game room, bookable zoom rooms and a 30 person dining room and kitchen that is rentable for events on the top floor. The Business Entity purchased the property using (i) proceeds from our equity and the Opportunity Zone Fund's equity; (ii) a first mortgage loan from HarborOne Bank with a ten-year maturity date featuring an initial advance to be limited to the lesser of (a) $41,000,000, (b) 60% of total acquisition costs based on a budget acceptable to HarborOne Bank or (c) 59% of the current "as stabilized" value of the Mosaic Property based on an appraisal acceptable to HarborOne Bank, with a four-year fixed interest rate of 5.25% and a subsequent six-year fixed interest rate of 4.90%, and a future earnout advance of up to $500,000 to be funded when the Mosaic Property is stabilized that will bear interest at the 30-day SOFR plus 265 basis points (the "HarborOne Loan"); and (iii) a second mortgage loan from BDC Community Capital Corp. with a principal amount of $10,000,000 that bears interest at the 30-day SOFR plus 7.0% and a seven year maturity date (the "BDC Loan"). The Business Entity is the borrower under each of the HarborOne Loan and the BDC Loan. The HarborOne Loan and BDC Loan have prepayment penalties during the first three years of the term.

Property Description[1]	Date Acquired	Year Constructed	Contract Purchase Price[2]	REIT % Ownership	Property Taxes[3]	Fees Earned by Advisor[4]	Number of Units	Rentable Square Feet	Average Monthly Rent Per Unit[5]	Occupancy Rate[6]	Location	MSA
30-32 Ward Street	April 14, 2022	1905	$2,500,000	100%	$25,840	$0	3	**3,993**	**$4,700**	100%	Boston, MA	Boston, MA
1536-1542 Tremont Street	August 4, 2022	1920	$5,700,000	19.46%	$60,712	$0	10	**10,474**	**$4,150**	100%	Boston, MA	Boston, MA
The Mosaic	August 31, 2022	2022	$67,250,000	36.41%	$463,661	$0	149	**95,623**	**$2,350**	**30%**	Lynn, MA	Boston, MA
19 Perrin Street	August 31, 2022	1930	$1,710,000	19.46%	$3,703	$0	4	6098	$2780	100%	Boston, MA	Boston, MA
171 Trenton Street	January 30, 2023	1900	$1,075,000	100%	$3,704	$0	3	3,750	$2600	100%	Boston, MA	Boston, MA
Total:			**78,235,000**		**557,620**	**$0**	**169**	**119,938**	**$2512**			

- We believe the property is suitable for its present and intended purposes and adequately covered by insurance.
- Contract purchase price excludes acquisition and closing costs.
- Represents real estate taxes paid by the prior owner for 2021.
- Fees paid to advisor include only amounts paid to reimburse our advisor for out-of-pocket expenses in connection with the selection and acquisition of properties. It does not include fees paid to any property manager, including our affiliated property manager. For more detailed information on fees paid to our advisor or its affiliates, see the section entitled "Management Compensation" of this memorandum.
- Average monthly rent per unit is based upon the average trailing three-month effective gross effective rental income for the period ending September 30, 2022.
- Occupancy is a 12-month average for the year ending September 30, 2022.

Having been developed as a new property use (previously the land was used as adjunct parking), the Company currently has no plans for any material renovations, improvements or development with respect to the Mosaic beyond the work that was already done to build the property to a high standard. The Mosaic Property faces competition from similarly situated properties in and around its submarket. For federal income tax purposes, the Company estimates that the depreciable basis of its properties is approximately 60% of the acquisition price. The Company will depreciate buildings based upon an estimated useful life of 30 years as a default and may undertake a cost segregation study to explore possibilities of accelerated depreciation on a property-by-property basis.

Secured Credit Facility

On March 9, 2022, the Operating Partnership entered into a credit agreement with The Massachusetts Business Development Corporation (the "Lender") to obtain a secured revolving credit facility in an aggregate maximum principal amount of $10,000,000 (the "Secured Credit Facility"). The proceeds of the advances made under the Secured Credit Facility will fund the Operating Partnership's acquisition, development, and renovation of our real properties. The Secured Credit Facility is currently evidenced by a credit agreement, a promissory note, UCC-1 financing statement on the Operating Partnership's personal assets, and the personal guaranty of Seth Priebatsch, our Chief Executive Officer, President and Director. (collectively, the

"Secured Credit Facility Agreement"). Borrowings under the Secured Credit Facility will be secured by certain properties in our portfolio.

The Secured Credit Facility has a 24-month availability period (the "Availability Period"), with an option to extend the Availability Period for one additional 12-month period, subject to the satisfaction of certain conditions.

The Operating Partnership must repay the principal amount of each advance on the maturity date for such advance (which maturity date is 12 months after the disbursement date of such advance). Notwithstanding the foregoing, the Lender has the right, upon no less than 90-days' prior written notice to the Operating Partnership, to require that the Operating Partnership prepay, in full or in part, outstanding advances related to a particular property financed with such advance(s). Additionally, if any property financed with an advance is sold or refinanced, then the Operating Partnership is required to prepay the outstanding balance of such advances in full at the closing of such property sale or refinancing. Further, if a material adverse effect occurs and is continuing with respect to a particular property financed with advance(s), then upon written demand by the Lender, the Operating Partnership must prepay in full all advances required to be prepaid by the Lender in such written demand (or, at the Lender's option, the Lender may permit the Operating Partnership to provide additional collateral, reasonably acceptable to the Lender, in lieu of requiring such prepayment). Finally, the Operating Partnership may also prepay any advance, in whole or in part, at any time — but if the Operating Partnership opts to repay in full all outstanding advances and terminates the Secured Financing Credit Agreement prior to the maturity date of the last advance made during the Availability Period, then the Operating Partnership must also pay a prepayment premium equal to $50,000. Advances that are repaid may be reborrowed.

During the initial and extended terms of the Secured Credit Facility, any advances made under the Secured Credit Facility shall bear interest at per annum rates equal to the 30-Day SOFR average plus an applicable margin of 5.50%. The Operating Partnership must nevertheless make minimum interest payments of $120,000 per calendar year (or pro-rated in the case of any partial year during the term of the Secured Credit Facility Agreement). If interest payments made during a calendar year are less than $120,000 (or any ratable portion thereof), the Operating Partnership must make an additional interest payment to fund the shortfall. In addition to interest, the Company must pay fees in connection with any collateral exams, audits, or inspections conducted by or on behalf of the Lender.

There are two types of advances available under the Secured Credit Facility: (1) advances related to the acquisition of real property ("Acquisition Advances"), and (2) advances related to the renovation of real property ("Renovation Advances"). The actual amount of credit to be advanced under either option is a function of certain loan-to-cost and loan-to-value metrics contained in the Secured Credit Facility Agreement, as follows:

i. The aggregate amount of Acquisition Advances made in connection with a property shall not exceed the lesser of (i) 80% of the appraisal value or (ii) the cost of acquisition of such property

ii. The aggregate amount for a Renovation Advance shall not exceed the lesser of (i) 80% of the total cost of renovation for such property or (ii) 80% of the appraised value or loan-to-cost for such property

iii. The aggregate amount of all advances made in connection with a property shall not exceed 80% of its appraised "as improved" value

While the Company is not a direct party to the Secured Credit Facility, the Secured Credit Facility Agreement imposes one financial covenant related to its financial performance. Specifically, throughout the term of the Secured Credit Facility and as a condition to any advance, the Operating Partnership must provide evidence that the Company's net equity is equal to or greater than the aggregate outstanding principal amount of all advances made as of such date, including the advance being made on such date. The Company's net equity calculation shall include (i) all cash held by the Company, the Operating Partnership, and all other subsidiaries of the Company and (ii) the net equity of all real estate owned (directly or indirectly) by the Company, the Operating Partnership and all other subsidiaries of the Company; provided that the net equity of such real estate shall be, at the Operating Partnership's option, either (A) the aggregate cost basis

of such real estate less all outstanding indebtedness secured by mortgages over such real estate or (B) the appraised value for some or all of such real estate (in lieu of such real estate's aggregate cost basis), as provided in appraisal documentation for such real estate reasonably acceptable to the Lender supporting such appraised value.

As of the date of this memorandum, the Operating Partnership paid back all outstanding loans on this facility and had the full $10,000,000 available.

Capital Commitment of Our Chief Executive Officer

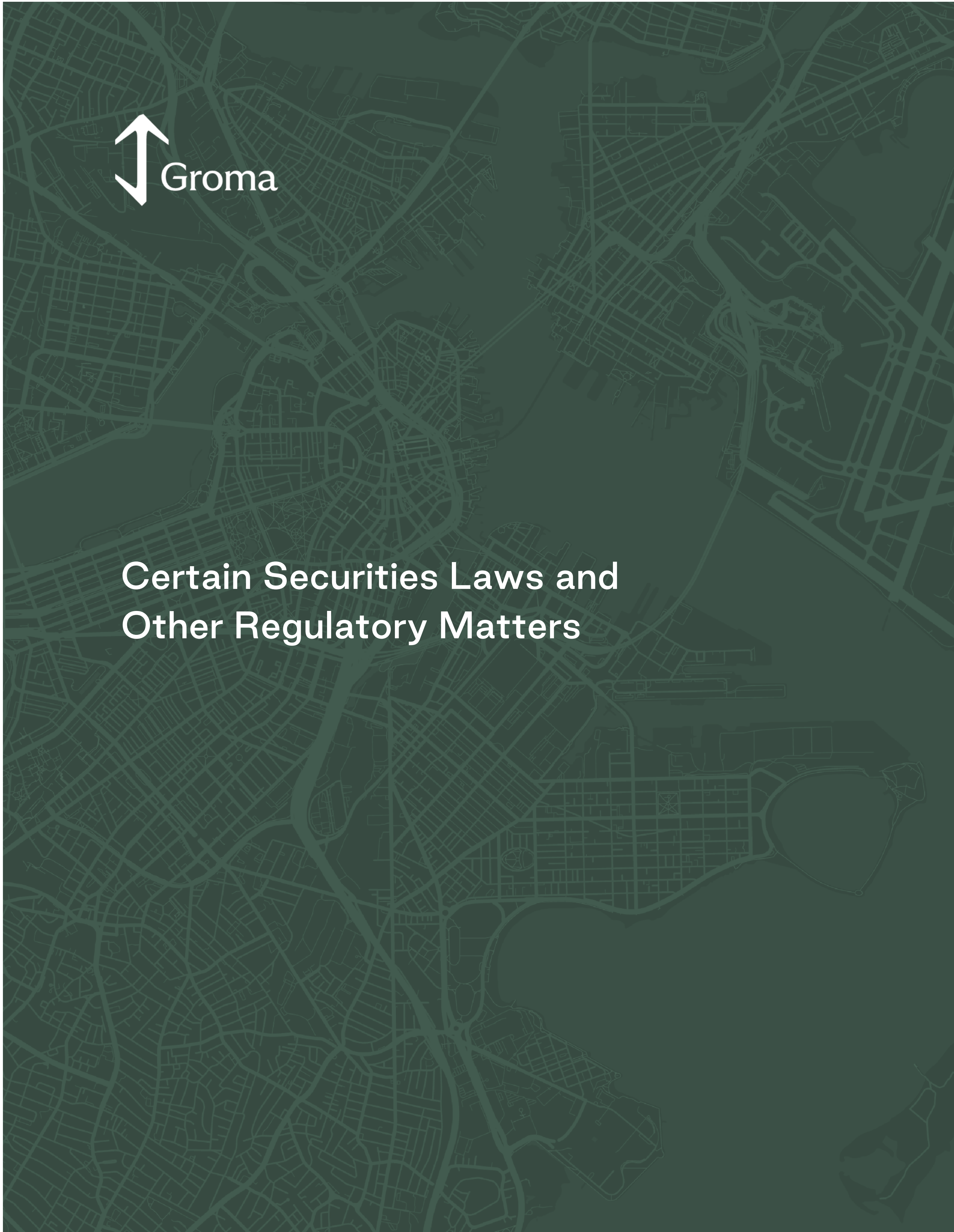
Seth Priebatsch, our Chief Executive Officer, President and Director, has committed to make an aggregate investment of $5,000,000 in us through the purchase of 5,000,000 Class A Shares at $1.00 per share, or the applicable NAV per share. Mr. Priebatsch is expected to make such investment through incremental contributions at the time of each property acquisition. The contributions are expected to equal approximately 5-10% of the purchase price of each property until Mr. Priebatsch's capital commitment of $5,000,000 is fully satisfied. As of the date of this memorandum, $500,000 of this commitment has been called.

Disposition Policies

We intend to hold each asset we acquire for an extended period of time. However, circumstances may arise that could result in the earlier sale of some assets. The determination of whether an asset will be sold or otherwise disposed of will be made after consideration of relevant factors, including prevailing economic conditions, specific real estate market conditions, current tenant creditworthiness, tax implications for our stockholders and other factors, with a view to achieving maximum capital appreciation. We cannot assure you that this objective will be realized. The requirements for qualification as a REIT also will put some limits on our ability to sell assets after short holding periods. See "Material U.S. Federal Income Tax Considerations - Prohibited Transactions" section beginning on page 145 of this memorandum for more information.

Liquidity Event

We are a perpetual-life entity with a perpetual offering. While we may consider a liquidity event at any time in the future, we currently do not intend to undertake such consideration until at least 2028, five years after we launch our investment program, and we are not obligated by our charter or otherwise to effect a liquidity event at any time.



Certain Securities Laws and Other Regulatory Matters

Securities Act Considerations

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

As a purchaser of the common shares in a private placement not registered under the Securities Act, each purchaser will be required to represent, among other things, that it is acquiring the shares for investment purposes only and not with a view to or for resale, distribution or fractionalization of the shares, that the stockholder is an "accredited investor" within the meaning of Regulation D under the Securities Act, and that it has received or had access to all information it deems relevant to evaluate the risks of the prospective investment. Each investor will be required to provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify the investor's status as an "accredited investor" in accordance with Rule 506(c)(2) of Regulation D. See the "Suitability Standards" section beginning on page 11 of this memorandum for more information. Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period because the common shares purchased cannot be sold unless such shares are subsequently registered under the Securities Act or an exemption from such registration is available (in addition to the restrictions on transfer contained in our charter — see "Description of Securities — Restrictions on Ownership and Transfer" beginning on page 179 of this memorandum). There is no public market for our common shares and none is expected to develop.

During the course of this offering and before you purchase any of our common shares, you are invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering, our company, our advisor, our common shares offered hereby, and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this memorandum. We will provide such information to the extent we possess it or can acquire it without unreasonable effort or expense.

Offers and sales of our common shares to non-United States persons will be made pursuant to applicable registration exemptions under the Securities Act and applicable foreign securities laws.

Investment Company Act Considerations

We intend to conduct our operations so that we and each of our subsidiaries is not an investment company under the Investment Company Act. Under the Investment Company Act, a company is an "investment company" if:

- pursuant to Section 3(a)(1)(A), it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; and
- pursuant to Section 3(a)(1)(C), it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis (the "40% test"). "Investment securities" excludes U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We intend to acquire real estate and real estate-related assets directly, for example, by acquiring fee interests in real property, or by purchasing interests, including controlling interests, in REITs or other "real estate operating companies," such as real estate management companies and real estate development companies, that own real property. We also may acquire real estate assets through investments in joint venture entities, including joint venture entities in which we may not own a controlling interest. We anticipate that our assets generally will be held in wholly and majority-owned subsidiaries of the company, each formed to hold a particular asset.

We intend to conduct our operations so that we and most, if not all, of our wholly and majority-owned subsidiaries comply with the 40% test. We will continuously monitor our holdings on an ongoing basis to determine our compliance and that of each of our wholly and majority-owned subsidiaries with this test. We expect that most, if not all, of our wholly and majority-owned subsidiaries will not be relying on exemptions under either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Consequently, interests in these wholly and majority-owned subsidiaries generally will not constitute "investment securities." Accordingly, we believe that we and most, if not all, of our wholly and majority-owned subsidiaries will not be considered investment companies under Section 3(a)(1)(C) of the Investment Company Act.

In addition, we believe that neither us nor any of our wholly and majority-owned subsidiaries will be considered investment companies under Section 3(a)(1)(A) of the Investment Company Act because 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 our wholly and majority-owned 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 respective operations such that none of us 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 our 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 intend to treat entities in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We do not intend to request that the SEC staff approve our treatment of any particular entity as a majority-owned subsidiary and the SEC staff has not done so. If the SEC staff were to disagree with our treatment of one or more subsidiary entities as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to comply with the 40% test. Any such adjustment in our strategy could have a material adverse effect on us.

Even if the value of investment securities held by any of our wholly-owned or majority-owned subsidiaries were to exceed 40% of their respective total assets (exclusive of government securities and cash items), we expect that such subsidiaries would be able to rely on the exclusion from the definition of "investment company" provided by Section 3(c)(5)(C) of the Investment Company Act, which is available for entities primarily engaged in the business of "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." This exclusion, as interpreted by the staff of the SEC, generally requires that at least 55% of an entity's assets must be comprised of mortgages and other liens on and interests in real estate, also known as "qualifying assets," and at least 80% of the entity's assets must be comprised of additional qualifying assets and a broader category of assets that we refer to as "real estate-related assets" under the Investment Company Act. Additionally, no more than 20% of the entity's assets may be comprised of miscellaneous assets.

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

For purposes of determining whether we satisfy the exclusion provided by Section 3(c)(5)(C), as interpreted by the staff of the SEC, we will classify the assets in which we invest as follows:

- Real Property. Based on no-action letters issued by the SEC staff, we will classify our fee interests in real properties as qualifying assets. In addition, based on no-action letters issued by the SEC staff, we will treat our investments in joint ventures, which in turn invest in qualifying assets such as real property, as qualifying assets only if we have the right to approve major

decisions affecting the joint venture; otherwise, such investments will be classified as real estate-related assets. We expect that no less than 55% of our assets will consist of investments in real property, including any joint ventures that we control.

- Securities. We intend to treat as real estate-related assets debt and equity securities of both non-majority owned publicly traded and private companies primarily engaged in real estate, including REITs and other real estate operating companies, and securities issued by pass-through entities of which substantially all the assets consist of qualifying assets or real estate-related assets, however the SEC staff has not specifically addressed this issue.

- Loans. Based on no-action letters issued by the SEC staff, we will classify our investments in various types of whole loans as qualifying assets, as long as the loans are "fully secured" by an interest in real estate at the time we originate or acquire the loan. However, we will consider loans with loan-to-value ratios in excess of 100% to be real estate-related assets.

We will classify our investments in construction loans, if any, as qualifying assets, as long as the loans are "fully secured" by an interest in real estate at the time we originate or acquire the loan. With respect to construction loans that are funded over time, we will consider the outstanding balance (i.e., the amount of the loan actually drawn) as a qualifying asset. The SEC staff has not issued no-action letters specifically addressing construction loans. If the SEC staff takes a position in the future that is contrary to our classification, we will modify our classification accordingly.

Consistent with no-action positions taken by the SEC staff, we will consider any participation in a whole mortgage loan, to be a qualifying asset only if: (1) we have a participation interest in a mortgage loan that is fully secured by real property; (2) we have the right to receive our proportionate share of the interest and the principal payments made on the loan by the borrower, and our returns on the loan are based on such payments; (3) we invest only after performing the same type of due diligence and credit underwriting procedures that we would perform if we were underwriting the underlying mortgage loan; (4) we have approval rights in connection with any material decisions pertaining to the administration and servicing of the loan and with respect to any material modification to the loan agreements; and (5) if the loan becomes non-performing, we have effective control over the remedies relating to the enforcement of the mortgage loan, including ultimate control of the foreclosure process, by having the right to: (a) appoint the special servicer to manage the resolution of the loan; (b) advise, direct or approve the actions of the special servicer; (c) terminate the special servicer at any time with or without cause; (d) cure the default so that the mortgage loan is no longer non-performing; and (e) purchase the senior loan at par plus accrued interest, thereby acquiring the entire mortgage loan.

We will base our treatment of any other investments as qualifying assets and real estate-related assets on the characteristics of the underlying collateral and the particular type of loan (including whether we have foreclosure rights with respect to those securities or loans that have underlying real estate collateral) and we will make these determinations in a manner consistent with guidance issued by the SEC staff.

Qualification for exemption from registration under the Investment Company Act will limit our ability to make certain investments. For example, these restrictions may limit our ability and the ability of our subsidiaries to invest directly in mortgage related securities that represent less than the entire ownership in a pool of mortgage loans, debt and equity tranches or securitization and certain asset-backed securities and real estate companies or in assets not related to real estate. Although we intend to monitor our portfolio, there can be no assurance that we will be able to maintain this exemption from registration for our company or each of our subsidiaries.

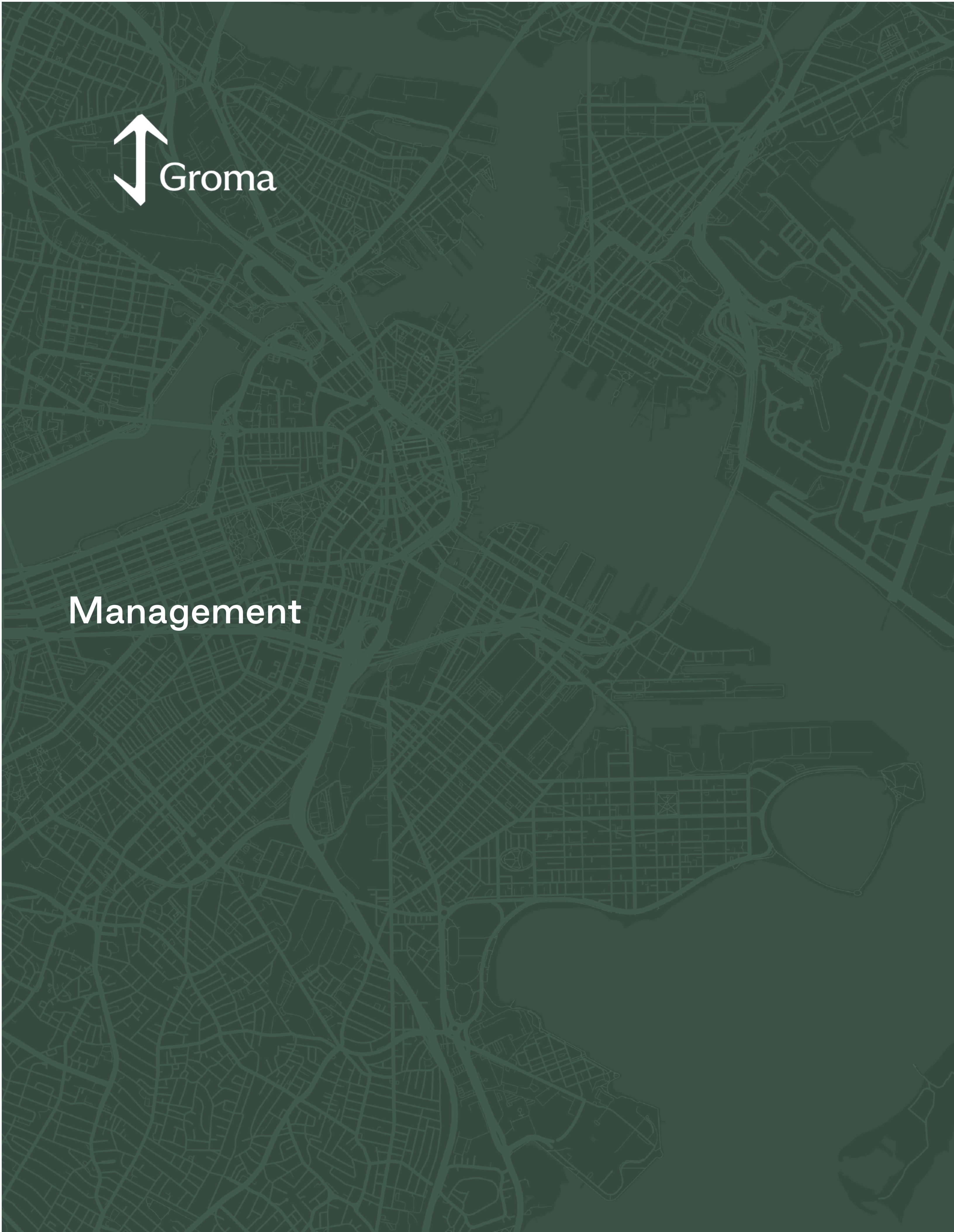
A change in the value of any of our assets could negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To maintain compliance with the Section 3(c)(5)(C) exclusion, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

To the extent that the SEC staff provides more specific guidance regarding any of the matters bearing upon the definition of investment company and the exceptions to that definition, we may be required to adjust our investment strategy accordingly. For example, on August 31, 2011, the SEC issued a concept release requesting comments regarding a number of matters relating to the exemption provided by Section 3(c)(5)(C) of the Investment Company Act, including the nature of assets that quality for purposes of the exemption and whether mortgage REITs should be regulated in a manner similar to investment companies. Additional guidance from the SEC staff could provide additional flexibility to us, or it could further inhibit our ability to pursue the investment strategy we have chosen.

If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act) and portfolio composition, including restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan.

Investment Advisors Act Considerations

Neither our advisor nor our sponsor is registered, nor does either intend to register, as an investment advisor under the Investment Advisors Act. The Investment Advisors Act applies to advisors providing investment advice with respect to securities. Our advisor and our sponsor will be advising on the acquisition, management, and disposition of the multifamily properties that we will own and not on "securities portfolios," which is the measure by which one determines whether registration is required under the regime established under the Advisors Act. Accordingly, investors in our company will not have the benefits of provisions of the Advisors Act available only to investors in investment vehicles advised by registered investment advisors.



Management

Our Sponsor

Our sponsor, GromaCorp, Inc., or GromaCorp, is a vertically-integrated real estate investment, development, leasing and management firm based in Boston, Massachusetts. The founding management team brings decades of combined experience in the real estate and technology fields. We use the combination of these skill sets to provide a competitive advantage to our investors and unlock value in the 2-10 unit multifamily space, what we have brand as the MUR (Modern Urban Rental) opportunity, an in-city equivalent to the SFR (single family rental) trend of the last decade. Everything we do, we aim to do in the most effective, efficient, "tech-enabled" manner. Sometimes this is simply intelligent integration of existing tools such as smart-locks for automated access for our vendors that save us the need to do expensive on-site chaperoning for service calls from one of our team members. Other times it requires us to develop new technology purpose-built for our needs, such as our "Nexus" tool, which automates significant aspects of the property search and modeling processes to give our acquisitions team a head start on the competition.

In addition to leveraging technology to generate operational efficiencies and local on-the-ground knowledge to inform our investment strategies, we are also heavily focused on our core value of building better in the communities we serve. Currently, our primary focus is on the Boston market. We believe deeply in the future of Boston and care greatly about it developing in ways that benefit everyone. With that focus in mind, we invest in innovative and sustainable ways that we believe will create value for our stockholders, our team, and the residents we serve. As we expand to other regions over time, we will aim to partner with or build out local teams that will bring that same care for the city into their investment approach.

Prior Offerings of the Company and Our Sponsor's Prior Real Estate Programs

The Company engaged in a prior offering that raised $15,286,933 in gross offering proceeds. As of the date of this memorandum, we had accepted investors' subscriptions totaling approximately $15,386,933 in gross proceeds in the prior offering and issued an aggregate of approximately $ $ 15,386,933 Class A Shares. Our sponsor made an initial investment in us of $200,000 through the purchase of approximately 200,000 Class A Shares at $1.00 per share, and Seth Priebatsch, our Chief Executive Officer, has committed to a $5,000,000 investment in us through the purchase of 5,000,000 Class A Shares at $1.00 per share, of which $500,000 has been called so far, as described elsewhere in this document in the section titled "Investment Strategy, Objectives and Policies—Capital Commitment of Our Chief Executive Officer" on page 93.

The Company is the third real estate program sponsored by GromaCorp and its founders. GromaCorp's first real estate program was a group of investments into Modern Urban Rentals from a similar group of investors. We refer to this first cohort of 39 properties as "Groma Fund I". With approximately $20 million deployed, Groma Fund I was a way to prove Groma's platform to make MURs run efficiently. GromaCorp has also recently partnered with US Boston to begin raising an Opportunity Zone Fund, which is also focused on investments in the Greater Boston/New England region. We intend to continue our long-term focus primarily on the multifamily real estate market, initially in the greater Boston area, but expanding with similar theses to other metro areas in the future.

While we present information below on our prior funds, it is important to note that investors in this offering should not assume that they will experience returns, if any, comparable to those experienced by investors in the prior real estate programs. Investors who purchase shares of common stock in the Company are not acquiring any ownership interest in any of the entities to which the following information relates. It is presented purely as an example of prior work from our sponsor.

Groma Fund I

GromaCorp also sponsors Groma Fund I, which launched in early 2020 just as the COVID-19 pandemic was beginning to spread across the U.S. In that uncertain time, amongst many fears, there was a real estate specific concern that cities would experience permanent decreases in population. This was not a universally-held belief, but was broadly held enough to lead to a drop in valuation for multifamily assets in major cities, including Boston. And the fears were warranted for many reasons: tenants were leaving, rents were falling and many condo projects failed outright.

Our management team at GromaCorp, despite the concerns around "empty" cities, successfully built an investment thesis that both provided much-needed liquidity to sellers in a slowing market and leveraged an opportunity for Groma Fund I investors. Groma Fund I sought to execute on a 12-15 month opportunity to purchase multifamily assets at a discount. Assets were acquired at meaningful discounts (ranging from 10-20% based on data available from third party services such as Zillow and previously recorded comparable deals) from pre-pandemic valuations in strong sub-markets of Boston, including East Boston, Dorchester, Mission Hill, Jamaica Plain, and Roxbury. By renovating acquired properties to "smart living" standards (i.e. smart doorbells, higher quality appliances, property management from GromaCorp's in-house management service), and taking a haircut on our first year's projected rents (generally flat renewals, or 10-15% below 2019 levels for new leases), GromaCorp was able to effectively fill vacant units in the acquired properties at a time when other landlords were struggling with challenging vacancy rates. As the market rebounded through the second half of 2021, investors in Groma Fund I are benefitting from a return to pre-pandemic rental rates.

Our sponsor's financing strategy for Groma Fund I is similar to what we expect to do. Groma Fund I generally targeted 65-70% loan-to-value financing at 3.25%-3.35% interest rate, with 30-35 year amortization and an approximately 18 month interest-only period for properties with significant renovations. The two primary real estate lending partners of Groma Fund I are First Republic Bank and Hingham Institution for Savings, relationships our sponsor expects to continue to leverage.

Groma Fund I is approximately 90% deployed as of Sept 2021. With the strategy above, and our financing partners in tow, the $20 million of equity in Groma Fund I will have enabled the purchase of approximately

$65mm of property, representing approximately 150 units in the Greater Boston area and a target 2022 rent roll of approximately $5mm. While just completing year 1 of the fund, Groma Fund I is already at an average stabilized cap rate of greater than 6%, and projects a 10-year average annual equity dividend of 9-11% and a levered Gross Internal Rate of Return[4] of 14-16% for the combined portfolio. Below is a complete listing of the acquired properties of Groma Fund I, as well as detail sheets on a few sample properties.

Groma Fund I Performance Snapshot

Historical performance of Fund I showcases the potential of the MUR strategy

Over 24 months we developed our technology/operational platform and raised/deployed our first fund. We're proud of the results and have since made numerous additional platform enhancements.

- → **Properties:** 39 Buildings, 136 Units
- → **Acquired:** Mid-2020 to Late-2021
- → **Planned Renovations:** 95% done in 2022
- → **Equity:** $20mm, ~62.5m total cost
- → **Distributions:** Average ~6% per year
- → **Gross IRR*:** ~16% since inception
- → **Rent Collections:** 97% as of end of 2022
- → **2022 Stabilized Occupancy:** 99.1%
- → Average income and other demographics matching up with state average

*Internal rate of return is calculated using cash flows over a 10 year hold period from date of acquisition with the cost basis being the equity capital used to fund acquisition costs, renovations and closing costs

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[4] "GROSS INTERNAL RATE OF RETURN" IS CALCULATED USING PROJECTED CASH FLOWS AND A REVERSION CAPITALIZATION RATE PROJECTION DEVELOPED INTERNALLY, WITH INPUTS FROM THIRD PARTY DATA SOURCES SUCH AS COSTAR AND ZILLOW.

Groma Fund I Owned / Operating Properties

Groma Fund 1 Real Estate Schedule

		Basic Property Info								
Vehicle	**Property Address**	**Date Acquired**	**Acquisition Year**	**2022 Status**	**Total Units**	**Total Cost**	**Purchase Price**	**Renovation Cost Modeled**	**Renovation Cost Actual/Projected**	**Loan Amount**
Groma Fund I	47A Creighton St, Boston, MA 02130	Jun-2020	2020	Renovation	3	$ 1,337,840	$ 1,200,000	$ 259,955	$ 137,840	$ 840,000
Groma Fund I	108 Boston St, Boston, MA 02125	Jul-2020	2020	Stabilized	3	$ 1,420,364	$ 1,135,000	$ 260,000	$ 285,364	$ 875,000
Groma Fund I	334-336 Warren St, Boston, MA 02119	Jul-2020	2020	Renovation	4	$ 2,294,962	$ 940,000	$ 800,000	$ 1,354,962	$ 1,218,000
Groma Fund I	114 Falcon St Boston, MA 02128	Aug-2020	2020	Stabilized	3	$ 1,273,958	$ 900,000	$ 376,000	$ 373,958	$ 893,200
Groma Fund I	86 Fayston St Dorchester, MA 02121	Sep-2020	2020	Renovation	3	$ 1,200,000	$ 1,000,000	$ -	$ 200,000	$ 700,000
Groma Fund I	127 Shirley St, Boston, MA 02119	Oct-2020	2020	Stabilized	3	$ 1,113,914	$ 1,100,000	$ 50,000	$ 13,914	$ 770,000
Groma Fund I	42-44 Fenton St, Boston, MA 02122	Oct-2020	2020	Stabilized	6	$ 1,798,912	$ 1,590,000	$ 198,000	$ 208,912	$ 1,120,000
Groma Fund I	40 Fenton St, Boston, MA 02122	Nov-2020	2020	Stabilized	2	$ 931,160	$ 700,000	$ 200,000	$ 231,160	$ 630,000
Groma Fund I	6 Carmel St, Boston, MA 02120	Dec-2020	2020	Stabilized	3	$ 2,619,740	$ 2,600,000	$ 25,000	$ 19,740	$ 1,725,352
Groma Fund I	126 Calumet St, Boston, MA 02120	Dec-2020	2020	Stabilized	3	$ 2,124,655	$ 2,100,000	$ 25,000	$ 24,655	$ 1,449,296
Groma Fund I	1526-1528 Tremont St (2 Carmel) Boston, MA 02120	Dec-2020	2020	Stabilized	4	$ 2,611,878	$ 2,600,000	$ 25,000	$ 11,878	$ 1,794,366
Groma Fund I	2 Worthington St, Boston, MA 02120	Dec-2020	2020	Stabilized	3	$ 2,204,776	$ 2,200,000	$ 25,000	$ 4,776	$ 1,512,940
Groma Fund I	178 Saint Alphonsus Street, Boston, MA	Dec-2020	2020	Stabilized	3	$ 2,412,355	$ 2,400,000	$ 25,000	$ 12,355	$ 1,650,480
Groma Fund I	81 Hillside St, Boston, MA 02120	Dec-2020	2020	Stabilized	3	$ 2,305,949	$ 2,300,000	$ 25,000	$ 5,949	$ 1,587,324
Groma Fund I	66-68 & 70-72 Myrtle St Malden, MA 02148	Jan-2021	2021	Renovation	6	$ 2,154,668	$ 2,072,000	$ 100,000	$ 82,668	$ 749,000
Groma Fund I	338-342 Warren St, Boston, MA 02119	Mar-2021	2021	Renovation	8	$ 2,707,103	$ 2,450,000	$ 200,000	$ 257,103	$ 1,700,000
Groma Fund I	116 & 122 Gladstone St, Boston, MA 02128	Apr-2021	2021	Renovation	6	$ 2,039,291	$ 1,825,000	$ 199,500	$ 214,291	$ 1,417,150
Groma Fund I	55 Hollander St, Boston, MA 02121	May-2021	2021	Renovation	3	$ 1,410,000	$ 1,060,000	$ 350,000	$ 350,000	$ 637,000
Groma Fund I	21 Rowell St, Boston, MA 02125	May-2021	2021	Stabilized	3	$ 1,380,742	$ 1,375,000	$ 25,000	$ 5,742	$ 962,500
Groma Fund I	2 Mark St, Boston, MA 02130	Jun-2021	2021	Stabilized	3	$ 1,293,424	$ 1,200,000	$ 150,000	$ 93,424	$ 878,500
Groma Fund I	126 Day St, Boston, MA 02130	Jun-2021	2021	Renovation	3	$ 1,640,924	$ 1,550,000	$ 150,000	$ 90,924	$ 1,050,000
Groma Fund I	7 Mark St, Boston, MA 02130	Jun-2021	2021	Stabilized	3	$ 1,614,876	$ 1,550,000	$ 150,000	$ 64,876	$ 1,046,500
Groma Fund I	3 Mark St, Boston, MA 02130	Jun-2021	2021	Stabilized	3	$ 1,584,776	$ 1,550,000	$ 150,000	$ 34,776	$ 1,025,500
Groma Fund I	4 Mark St, Boston, MA 02130	Jun-2021	2021	Stabilized	3	$ 1,243,156	$ 1,150,000	$ 150,000	$ 93,156	$ 899,500
Groma Fund I	108 Callender St, Boston, MA 02124	Jul-2021	2021	Renovation	3	$ 1,306,113	$ 955,000	$ 340,000	$ 351,113	$ 906,500
Groma Fund I	48-54 Clark Ave, Chelsea, MA 02150	Sep-2021	2021	Stabilized	12	$ 3,897,128	$ 3,500,000	$ 350,000	$ 397,128	$ 2,695,000
Groma Fund I	17 Wachusett St, Jamaica Plain, MA 02130	Oct-2021	2021	Renovation	3	$ 1,513,368	$ 1,400,000	$ 270,000	$ 113,368	$ 1,169,000
Groma Fund I	110 Howland St, Boston, MA 02121	Oct-2021	2021	Stabilized	3	$ 1,293,933	$ 1,200,000	$ 90,000	$ 93,933	$ 903,000
Groma Fund I	43 Mount Pleasant Ave, Roxbury, MA 02119	Oct-2021	2021	Renovation	4	$ 1,404,877	$ 1,290,000	$ 70,000	$ 114,877	$ 952,000
Groma Fund I	26 Arcadia St, Dorchester, MA 02122	Nov-2021	2021	Stabilized	6	$ 2,808,859	$ 2,771,000	$ 90,000	$ 37,859	$ 2,002,700
Groma Fund I	49 Rosedale St, Boston, MA 02124	Nov-2021	2021	Renovation	3	$ 1,177,650	$ 1,025,000	$ 150,000	$ 152,650	$ 822,500
Groma Fund I	35 Dunlap St, Dorchester Center, MA 02124	Nov-2021	2021	Renovation	3	$ 1,162,396	$ 1,015,000	$ 150,000	$ 147,396	$ 815,500
Groma Fund I	22-24 Gladstone St, Everett, MA 02149	Dec-2021	2021	Renovation	2	$ 806,024	$ 725,000	$ 75,000	$ 81,024	$ 560,000
Groma Fund I	26-28 Gladstone St, Everett, MA 02149	Dec-2021	2021	Renovation	3	$ 1,021,732	$ 925,000	$ 90,000	$ 96,732	$ 710,500
Groma Fund I	38-40 Hancock St Everett, MA 02149	Dec-2021	2021	Renovation	4	$ 1,060,968	$ 939,000	$ 180,000	$ 121,968	$ 785,400
Groma Fund I	737 Parker Avenue, Misison Hill, MA 02119	Dec-2021	2021	Stabilized	3	$ 2,493,000	$ 2,413,000	$ 80,000	$ 80,000	$ 1,738,100
Total/Average					**136**	**$ 62,665,470**	**$ 56,705,000**	**$ 5,853,455**	**$ 5,960,470**	**$ 41,191,808**

Groma Fund 1 Real Estate Schedule

		Acquisition Model					Q4 2022 Re-Projections & Comparison To Acquisition Model							
Vehicle	Property Address	Acquisition Underwriting Sept 2022 T12 Total Revenue	Acquisition Underwriting Sept 2022 T12 NOI	Stabilized Yield	10Yr Gross Cash-on-Cash Acquisition Model	10Yr Gross IRR Acquisition Model	10Yr Gross Cash-On-Cash Projection	10Yr Gross IRR Projection	Cash-on-Cash Delta	IRR Delta	Status Sept 2022	Example Valuation Cap Rate	Market Value	Mark-to-Market Gain/Loss (Excluding Distributions)
Groma Fund I	47A Creighton St, Boston, MA 02130	$ 107,878	$ 74,945	6.39%	7.25%	16.54%	8.10%	15.89%	0.86%	-0.66%	In Operation	5.50%	$1,555,229	217,388.98
Groma Fund I	108 Boston St, Boston, MA 02125	$ 119,556	$ 85,077	5.74%	7.40%	16.99%	5.17%	10.54%	-2.23%	-6.45%	In Operation	5.50%	$1,483,175	62,810.69
Groma Fund I	334-336 Warren St, Boston, MA 02119	$ 157,791	$ 114,903	5.68%	9.31%	16.35%	4.91%	8.10%	-4.40%	-8.25%	In Operation	6.00%	$2,173,740	-121,221.91
Groma Fund I	114 Falcon St Boston, MA 02128	$ 105,787	$ 74,480	6.15%	8.14%	17.13%	7.09%	13.81%	-1.05%	-3.32%	In Operation	5.75%	$1,361,513	87,554.94
Groma Fund I	86 Fayston St Dorchester, MA 02121	$ 91,075	$ 60,685	6.64%	8.65%	16.53%	9.33%	15.25%	0.68%	-1.27%	In Operation	6.00%	$1,327,560	127,560.45
Groma Fund I	127 Shirley St, Boston, MA 02119	$ 88,156	$ 57,650	6.00%	6.19%	14.80%	7.45%	14.49%	1.26%	-0.31%	In Operation	5.75%	$1,161,394	47,480.23
Groma Fund I	42-44 Fenton St, Boston, MA 02122	$ 148,780	$ 96,760	5.99%	8.17%	16.54%	8.72%	15.57%	0.55%	-0.96%	In Operation	5.75%	$1,873,993	75,080.58
Groma Fund I	40 Fenton St, Boston, MA 02122	$ 69,045	$ 48,407	6.10%	7.81%	16.74%	7.96%	14.65%	0.15%	-2.09%	In Operation	5.75%	$987,755	56,594.75
Groma Fund I	6 Carmel St, Boston, MA 02120	$ 196,144	$ 137,764	6.16%	6.84%	16.32%	8.82%	17.33%	1.98%	1.01%	In Operation	5.25%	$3,073,273	453,532.88
Groma Fund I	126 Calumet St, Boston, MA 02120	$ 159,636	$ 109,288	6.51%	6.50%	15.82%	9.93%	18.70%	3.43%	2.88%	In Operation	5.25%	$2,634,239	509,584.54
Groma Fund I	1526-1528 Tremont St (2 Carmel) Boston, MA 02120	$ 194,219	$ 136,395	6.73%	6.66%	16.06%	10.40%	18.96%	3.74%	2.91%	In Operation	5.25%	$3,350,572	738,694.73
Groma Fund I	2 Worthington St, Boston, MA 02120	$ 163,721	$ 112,025	6.32%	6.14%	15.25%	9.11%	17.60%	2.97%	2.35%	In Operation	5.25%	$2,656,121	451,344.37
Groma Fund I	178 Saint Alphonsus Street, Boston, MA	$ 178,912	$ 123,950	6.72%	6.39%	15.64%	10.48%	19.46%	4.09%	3.82%	In Operation	5.25%	$3,089,083	676,728.64
Groma Fund I	81 Hillside St, Boston, MA 02120	$ 173,817	$ 120,357	7.71%	6.65%	16.05%	12.91%	22.46%	6.26%	6.41%	In Operation	5.25%	$3,387,216	1,081,267.07
Groma Fund I	66-68 & 70-72 Myrtle St Malden, MA 02148	$ 175,833	$ 113,614	6.25%	8.56%	17.31%	9.11%	16.13%	0.55%	-1.18%	In Operation	5.75%	$2,341,809	187,140.83
Groma Fund I	338-342 Warren St, Boston, MA 02119	$ 198,925	$ 132,521	6.85%	8.54%	15.36%	9.00%	15.26%	0.46%	-0.10%	In Operation	6.00%	$3,090,420	383,316.38
Groma Fund I	116 & 122 Gladstone St, Boston, MA 02128	$ 137,414	$ 83,672	5.95%	7.29%	14.79%	8.49%	15.54%	1.20%	0.75%	In Operation	5.75%	$2,111,922	72,631.20
Groma Fund I	55 Hollander St, Boston, MA 02121	$ 69,723	$ 40,955	6.31%	7.78%	14.28%	8.31%	15.19%	0.53%	0.92%	Under Renovation	6.00%	$1,483,827	73,827.13
Groma Fund I	21 Rowell St, Boston, MA 02125	$ 104,911	$ 70,742	5.55%	7.81%	14.82%	7.81%	13.90%	0.00%	-0.92%	In Operation	5.75%	$1,331,858	-48,884.42
Groma Fund I	2 Mark St, Boston, MA 02130	$ 98,108	$ 65,414	6.98%	9.17%	16.82%	11.74%	20.44%	2.57%	3.62%	In Operation	5.50%	$1,641,721	348,296.64
Groma Fund I	126 Day St, Boston, MA 02130	$ 107,145	$ 70,150	6.61%	8.99%	16.63%	10.74%	19.24%	1.75%	2.61%	In Operation	5.50%	$1,972,603	331,679.34
Groma Fund I	7 Mark St, Boston, MA 02130	$ 118,391	$ 80,496	6.81%	8.65%	15.90%	12.23%	21.25%	3.58%	5.35%	In Operation	5.50%	$1,999,120	384,243.88
Groma Fund I	3 Mark St, Boston, MA 02130	$ 123,606	$ 85,294	7.16%	7.11%	15.09%	13.78%	23.27%	6.66%	8.17%	In Operation	5.50%	$2,062,782	478,006.16
Groma Fund I	4 Mark St, Boston, MA 02130	$ 76,576	$ 47,528	7.43%	8.26%	15.43%	13.76%	22.94%	5.50%	7.51%	In Operation	5.50%	$1,679,385	436,229.44
Groma Fund I	108 Callender St, Boston, MA 02124	$ 57,359	$ 31,367	6.46%	9.87%	15.94%	8.78%	16.03%	-1.09%	0.09%	In Operation	6.00%	$1,406,492	100,379.79
Groma Fund I	48-54 Clark Ave, Chelsea, MA 02150	$ 279,160	$ 163,856	6.23%	10.13%	17.56%	9.26%	16.10%	-0.88%	-1.46%	In Operation	6.00%	$4,043,799	146,671.20
Groma Fund I	17 Wachusett St, Jamaica Plain, MA 02130	$ 80,573	$ 46,520	5.83%	8.80%	16.35%	7.55%	14.98%	-1.26%	-1.37%	In Operation	5.50%	$1,604,640	91,271.54
Groma Fund I	110 Howland St, Boston, MA 02121	$ 77,845	$ 46,895	5.58%	8.09%	14.27%	7.76%	14.17%	-0.33%	-0.10%	Under Renovation	5.75%	$1,256,454	-37,479.21
Groma Fund I	43 Mount Pleasant Ave, Roxbury, MA 02119	$ 81,180	$ 45,773	5.83%	8.14%	14.37%	8.47%	14.54%	0.33%	0.17%	In Operation	6.00%	$1,365,548	-39,329.40
Groma Fund I	26 Arcadia St, Dorchester, MA 02122	$ 174,300	$ 109,034	5.84%	7.43%	14.65%	8.80%	16.19%	1.36%	1.54%	In Operation	5.50%	$2,983,421	174,561.69
Groma Fund I	49 Rosedale St, Boston, MA 02124	$ 65,019	$ 37,511	5.37%	8.00%	14.31%	6.91%	13.20%	-1.09%	-1.11%	Under Renovation	5.75%	$1,100,292	-77,358.16
Groma Fund I	35 Dunlap St, Dorchester Center, MA 02124	$ 53,856	$ 27,642	5.75%	10.54%	18.13%	8.14%	14.69%	-2.40%	-3.43%	In Operation	5.75%	$1,161,762	-634.68
Groma Fund I	22-24 Gladstone St, Everett, MA 02149	$ 38,184	$ 19,734	6.21%	8.50%	15.19%	9.38%	16.52%	0.88%	1.34%	In Operation	5.75%	$870,260	64,236.12
Groma Fund I	26-28 Gladstone St, Everett, MA 02149	$ 47,240	$ 23,170	6.75%	7.97%	14.33%	11.42%	19.50%	3.46%	5.17%	In Operation	5.75%	$1,198,786	177,053.43
Groma Fund I	38-40 Hancock St Everett, MA 02149	$ 61,937	$ 32,741	6.98%	8.82%	15.77%	12.65%	21.27%	3.82%	5.51%	Under Renovation	5.75%	$1,288,696	227,728.03
Groma Fund I	737 Parker Avenue, Misison Hill, MA 02119	$ 143,961	$ 90,128	6.25%	8.53%	16.58%	10.97%	20.06%	2.45%	3.48%	In Operation	5.25%	$2,965,606	472,605.89
Total/Average		**$ 4,325,762**	**$ 2,817,440**	**6.33%**	**8.03%**	**15.85%**	**9.32%**	**16.76%**	**1.29%**	**0.91%**		**5.64%**	**$71,076,064**	**8,410,593.75**

Representative Property Narratives

Presented below are several properties indicative of Groma Fund I's portfolio and representative, broadly speaking, of the types of properties the Company seeks to acquire , though our investment strategy is expected to evolve to some degree over time.

Example: 108 Boston Street, Dorchester MA | Multifamily Renovations

108 Boston Street is a corner property along a main street in Dorchester with close proximity to public transportation and newly developed condo and apartment complexes. With an active restaurant scene, parks, and the ocean just a 15 minute walk away, this property represents a highly desirable living situation for young professionals in the greater Boston area.

However, at the time we acquired 108 Boston Street, the property was in poor condition, having not been renovated or maintained to current standards for many years. Relying on GromaCorp's in-house general construction expertise, Groma Fund I was confidently able to purchase the property with a renovation budget and leasing plan in hand. Groma Fund I planned to spend $300,000 on the renovation but was able to complete the project on time and approximately 10% under budget. All three units are now leased through September 2022 at an average rental rate per unit of approximately $2600 per month, slightly below the initially modeled expectations for later years given the COVID-19 rental impact during the summer of 2021. One additional learning from this property is our ability to finance renovations. We did not finance the renovation cost of this property, but Groma Fund I began doing so for later properties, increasing our effective leverage rate and enabling us to do more with fewer equity dollars.

Example: Mission Hill Portfolio

The Mission Hill portfolio is Groma Fund I's largest acquisition. This portfolio consists of 19 units, featuring Lilly's Gourmet Pasta, a local Italian takeout restaurant that's been a staple of the Mission Hill area since 2009. Order on Grubhub![5]

This opportunity presented itself to us as an off-market deal by virtue of GromaCorp's relationship with local agents in the market. These properties were all in good condition, requiring relatively little renovation, but Groma Fund I was able to pick them up at a discount (our estimate is approximately 10-15% below market value) due to financial needs of the current seller to finance a new project and a challenging liquidation environment in the fall of 2020.

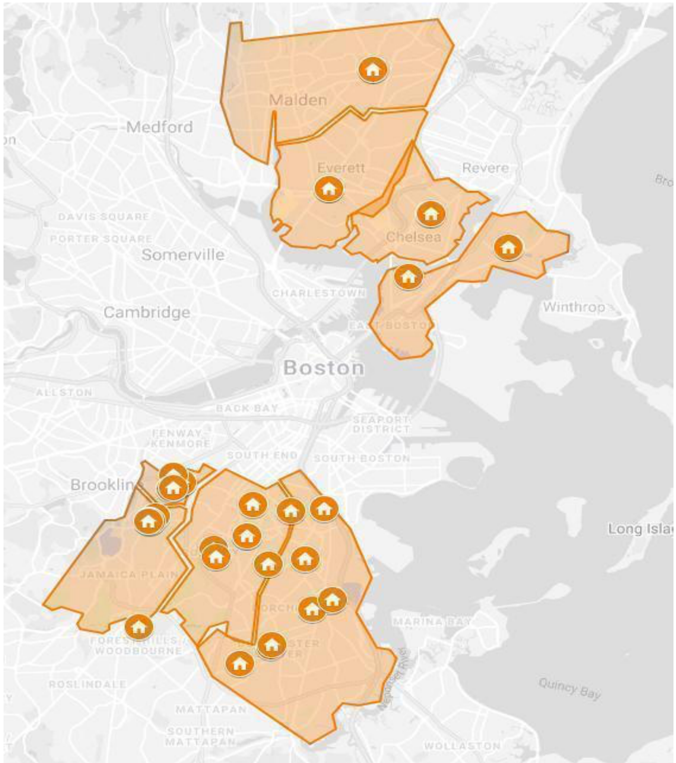
These properties are currently approximately 95% leased through September 1, 2024, and are generating over $1.1 million in annual rent at a cap rate of approximately 5.5% in year one, which we expect to trend upward over time.

[5] YES, ONE OF OUR MANAGEMENT TEAM MEMBERS WAS THE FOUNDER OF LEVELUP (ACQUIRED BY GRUBHUB) AND LATER CHIEF REVENUE/STRATEGY OFFICER OF GRUBHUB.

Example: 108 Callender Street

108 Callender Street is a property in Dorchester that Groma Fund I acquired in 2021 for $955,000. This property was acquired in need of significant renovation, for which Fund I was allocated $340,000, also financed at 70% loan-to-value. The target proforma of the property can be seen below, but not shown in that model is one of the most exciting elements of the property which is that it was sold as a bundle with a vacant, but upzonable, lot next door which could be the home of a future new three-family. While Groma Fund I does not engage in ground-up development, the thesis is that this extra plot of land could be sold to another developer, or a later GromaCorp affiliated fund, and developed into an additional three-family. This would generate significant upside for both Groma Fund I and the new developer.

Map of Properties in Groma Fund I



Our Executive Officers and Directors

The name, age, title and certain biographical information about the executive officers of our advisor appear below:

Name	Age*	Position
Seth Priebatsch	34	Chief Executive Officer and President and Board Director
Paul Bell	63	Treasurer and Secretary

Executive Officers and Directors of Our Advisor

The name, age, title and certain biographical information about the executive officers of our advisor appear below:

Name	Age*	Position
Seth Priebatsch	34	Chief Executive Officer and President and Board Director
Paul Bell	63	Treasurer and Secretary
Michael Rosenstein	38	VP, Acquisitions
Christina Dorobek	37	Head of Investor Strategies
Rich Helle	41	Controller
Grant Fishman	27	Head of Property Operations
Chris Lehman	32	Policy Architect
Sloane Thomson	32	VP, Digital and Physical Experience Design
Jason Urton	36	Chief Technology Officer

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* As of the date of this memorandum.

Biographies of the Individuals Referenced Above

Seth Priebatsch

Seth Priebatsch serves as our Chief Executive Officer, President and Director as well as Chief Executive Officer and the President of our advisor and our property manager. Mr. Priebatsch is most well-known for having built, led, and then sold Boston-based tech startup LevelUp to Grubhub. From December 2007 to July 2011, Seth Priebatsch was the CEO and member of the board of directors of SCVNGR, Inc. a mobile technology startup. SCVNGR transitioned business model in 2011 to focus specifically on the restaurant technology sector and rebranded to LevelUp, Inc. from July 2011 until September 2018, Seth served as the CEO of LevelUp, Inc. as well as on its board of directors. In September of 2018, Seth led the approximately $400 million merger between LevelUp and Grubhub. From November 2018 to October 2020 Mr. Priebatsch served on the Grubhub executive team as Head of Enterprise Restaurants. From October 2020 to June 2021, he served as Chief Revenue Officer. From June 2021 through December 2021, Mr. Priebatsch served as Chief Strategy Officer. In June of 2021, Grubhub was acquired by Just Eat Takeaway (a major European food delivery service) for approximately US$7 billion. As a partner and initial backer of Groma, Mr. Priebatsch provides core leadership and strategic oversight as Groma executes on its mission to develop Boston in a smart, sustainable way.

Seth Priebatsch currently serves on the board of GromaCorp, Inc. Mr. Priebatsch is a valuable member of our board of directors because of his leadership experience and involvement with other real estate programs and early stage companies.

Paul Bell

Paul Bell serves as our Treasurer and Secretary as well as Treasurer and Secretary of our advisor. Mr. Bell joined Groma (the initial tradename of GromaCorp) in 2020 after nine years as a partner at Schlesinger and Buchbinder, LLP. Previously, he practiced commercial real estate law at Greenberg Traurig, and then founded his own law firm, which he ran for over a decade. Before going to law school, Mr. Bell co-founded and was the President of Kelly, Bell, Lee & Company, a real estate brokerage and management company. Kelly, Bell, Lee & Company managed a portfolio of approximately 300 residential units and approximately 500,000 square feet of office, retail, and industrial space, including oversight of significant renovation and tenant improvement projects. Prior to founding Kelly, Bell, Lee & Company, Mr. Bell worked in construction engineering and on-site project construction.

Christina Dorobek

Christina Dorobek serves as Groma's Head of Investor Strategies. She started her career in non-profit development at the Center for Women & Enterprise from June 2008 to September 2009, and then joined SCVNGR, Inc. in September 2009. Christina then worked at SCVNGR, Inc., LevelUp, and Grubhub overseeing all revenue functions and growing restaurant sales to north of $20 billion annually by 2021. Ms. Dorobek left Grubhub in September 2021 and joined Groma in July 2022. Her family has real estate holdings in both California and Denver and she has been involved with the family business over the past decade. She attended Wellesley College.

Michael Rosenstein

Michael Rosenstein joined Groma in 2021 and leads the company's real estate investment initiatives in his role as VP, Acquisitions. Prior to joining Groma, Michael has worked in real estate investments for over 10 years at companies including Berkshire Residential Investments, Global Logistic Properties, Cushman & Wakefield, and Hackman Capital Partners. He has extensive experience on behalf of institutional investors sourcing, analyzing and closing debt and equity real estate and entity level transactions. Mr. Rosenstein was involved in real estate transactions totaling more than $3 billion. Experience in investing multifamily, office, retail, and industrial property types. Experience in major U.S. markets and select markets in China. Other areas of expertise include portfolio management, asset management (Asset managed properties throughout the US valued close to $1 billion), investment research, and fund product development. Michael is a MA Licensed Real Estate Salesperson and holds a MBA from The University of Arizona, a Master of Global Management (MGM) from Thunderbird School of Global Management, and a BA in Political Science from the University of Denver. Over the past five years, Michael Rosenstein has worked for Groma from May 2021 to the present and previously worked at Berkshire, most recently as a Senior Associate, Acquisitions. Michael was an Analyst, Strategy and Business Development at Berkshire from June 2015 – June 2017, Acquisitions Associate at Berkshire from July 2017 – December 2019, and was a Senior Acquisitions Associate from December 2019 – February 2021 when he left to join Groma.

Rich Helle

Rich Helle joined Groma in September 2021 as Controller, leading the company's accounting department. Prior to joining Groma, Mr. Helle worked in public accounting for over 10 years at Raphael and Raphael LLP, working in both audit and tax. Rich has considerable experience in preparing financial statement reporting and deep knowledge of US GAAP from his time leading audits for privately held clients across real estate, manufacturing and distribution. Work on Housing and Urban Development (HUD) and Massachusetts Housing Finance Authority (MHFA) financed affordable housing gave him an understanding of operating in a compliance framework. Through preparing tax filings, Rich has extensive knowledge of real estate taxation. He was Director of the Managed Accounting Services where he began a relationship with Groma's Operating Committee. Mr. Helle is a licensed CPA in Massachusetts and holds a Masters in the Science of Accounting from the Sawyer Business School at Suffolk University as well as undergraduate degrees in Applied Mathematics and Economics from North Carolina State University. He is currently pursuing a Certificate in Real Estate Finance from Boston University's Metropolitan College. Prior to working at Groma, Mr. Helle held several roles at Raphael and Raphael, LLP, a boutique accounting firm. he worked at Raphael and Raphael, LLP from September 2008 to September 2021 when he joined Groma. From November 2011 to

June 2018, Mr. Helle was a Manager of Audit and Tax Services. From June 2018 to September 2021, Rich was the Director of Managed Accounting Services.

Grant Fishman

Grant Fishman is a Suffolk University graduate in politics and economics and a graduate of MIT's School of Architecture and Planning Commercial Real Estate Analysis and Investment training course. Mr. Fishman's family has been invested in the Cambridge and Brookline real estate markets for over 60 years and he himself has spent time working with many individuals in the industry over the past seven years. Grant works as the property manager for all of Groma's associated properties and also provides data modeling and market research analysis for all of Groma's prospective developments and acquisitions. Over the prior five years, Grant has worked at Groma for two years and for the prior three years was a student at Suffolk University.

Chris Lehman

Chris has nearly a decade of experience working in data analysis and management consulting for healthcare and tech companies. He studied political science and economics at Harvard University and has been engaged in independent policy research and writing since graduating. He leads GromaCorp's policy department, managing policy research initiatives, building relationships with external partners in government, academia, business, and journalism, and advising the company on long-term policy goals and elements of systems design. From Aug 2015 to Oct 2016, Chris was an Analyst at the Amundsen Group, a division of IMS Health. In Oct 2016, IMS Health merged with Quintiles to become QuintilesIMS. From Oct 2016 to Nov 2017, Chris was an Associate Consultant at the Amundsen Group, a division of QuintilesIMS. In Nov 2017, QuintilesIMS rebranded to IQVIA and the Amundsen Group rebranded to Amundsen Consulting. From Nov 2017 to Aug 2018, Chris was an Associate Consultant at Amundsen Consulting, a division of IQVIA. From September 2018 to December 2018, Chris was a Development Fellow at General Assembly. From Mar 2019 to Aug 2019, Chris was a Technical Business Analyst at Relativity, an eDiscovery software provider. From Aug 2019 to April 2021, Chris was a Senior Analyst at Wayfair, and then left to join Groma in July 2021. Chris also volunteers as Director and Chief Information Officer for SPOA (Small Property Owners Association) as of January 2022. SPOA is a non-profit dedicated to advancing growth-oriented housing solutions in Massachusetts.

Jason Urton

Jason has over a decade of experience in the technology industry in both hands-on and leadership roles and in settings ranging from early-stage startups to large public companies. After acting as the Chief Technology Officer for Zendo Labs, a small education technology firm from May 2011 through September 2013, Jason joined LevelUp in October 2013 and for 7 years led an engineering team as large as 30 people responsible for growing the platform to support over 1MM daily orders. After Grubhub's acquisition of LevelUp in 2018, Jason transitioned to a role leading an approximately 80 person engineering team responsible for cybersecurity, site reliability engineering, and infrastructure for Grubhub's core ecommerce platform, which routinely processed millions of orders a day with peaks in the thousands of orders per minute. Jason joined Groma in June 2022 as VP, Engineering and transitioned into the Chief Technology Officer role in January 2023.

Sloane Thomson

Sloane joined Groma in May 2022 as VP of Digital and Physical Experience Design. She graduated from Boston University with a major in communication and has worked in technology for the last ten years. Sloane began her career at a health and wellness company leading brand and digital design across the four primary products. In 2016, Sloane joined LevelUp. While at LevelUp, she built out the design organization responsible for producing branded mobile and web applications, working with clients like KFC, Wendy's, and Potbelly to create loyalty, mobile payment, and order ahead experiences. In 2018 LevelUp was acquired by Grubhub. At Grubhub, Sloane transitioned into the role of director of product design and design systems. In this role, she led design for the branded channel team as the product expanded into an offering for all SMB restaurants on the Grubhub platform. She also led the systems team, responsible for designing core experiences to improve scalability, time to market, and quality throughout the product suite. At Groma, Sloane leads the

brand, digital, and physical design efforts, integrating the brand experience across the products and properties within the Groma ecosystem.

Board of Directors

We operate under the direction of our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. The board is responsible for the overall management and control of our affairs. We currently have one director — Seth Priebatsch. The board has retained our advisor to manage certain aspects of our day-to-day affairs and the acquisition and disposition of our investments, subject to the board's supervision. As described in greater detail under the sections entitled "— Advisory Agreement" and "— Management Decisions" below, our advisor may purchase assets on our account, without specific prior approval from the board, subject to certain limitations.

Because the offering of our shares is being conducted pursuant to Rule 506 under Regulation D under the Securities Act, if we comply with Rule 506, the offering will not be subject to the registration or qualification requirements of the various states and is not subject to the NASAA REIT Guidelines. However, we may commence a registered initial public offering of securities that are not listed on a national securities exchange, which would require us to submit a registration statement on Form S-11 to the SEC, and the securities commissioners in each jurisdiction where we or participating broker-dealers would sell our securities, and we will be required to comply with the NASAA REIT Guidelines.

Committees of our Board of Directors

Our board of directors considers all major decisions concerning our business. However, our charter and bylaws provide that our board may establish such committees as the board believes appropriate. The board will appoint the members of each committee it establishes in the board's discretion. Our charter and bylaws require that a majority of the members of each committee of our board be comprised of independent directors. We expect our board of directors to form an audit committee consisting of independent directors when we have a majority independent board of directors.

Compensation of Our Executive Officers

Our executive officers do not receive compensation from us for services rendered to us. Our executive officers are employees of our sponsor and its affiliates and are compensated by these entities, in part, for their services to us. See "Management Compensation" for a discussion of the fees paid to and services provided by our advisor and its affiliates.

Equity Incentive Plan

We may in the future an equity incentive plan to:

- furnish incentives to individuals chosen to receive share-based awards because they are considered capable of improving our operations and increasing profits;
- encourage selected persons to accept or continue employment with our advisor; and
- increase the interest of our officers and independent directors in our welfare through their participation in the growth in the value of our shares of common stock.

The equity incentive plan would provide for the grant of awards to our independent directors and to our employees (if any), as well as to any advisor or consultant who is a natural person performing bona fide services to us, provided that the services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for our stock. Participants may also be officers or employees of our advisor, so long as any such officer or employee is performing bona fide advisory or consulting services for us. Eligible individuals will be selected by our board of directors, including our independent directors, for participation in the equity incentive plan. Such awards may consist of stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and/or other share-based awards; provided, that, the equity incentive plan prohibits the issuance of stock appreciation rights and dividend equivalent rights unless and until our stock is listed on a national securities

exchange. However, any such stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and/or other share-based awards to be issued to independent directors, officers, employees, advisors and consultants shall not exceed an amount equal to 5% of the outstanding shares of our common stock on the date of grant of any such stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and/or other share-based awards. Notwithstanding the foregoing, we will not issue options or warrants to our independent directors.

Limited Liability and Indemnification of Directors, Officers and Other Agents

We are permitted to limit the liability of our directors and officers to us and our stockholders for monetary damages and to indemnify and advance expense to our directors, officers, and other agents, to the extent permitted by Maryland law and our charter.

Maryland law permits us to include in our charter a provision eliminating the liability of our directors and officers to our stockholders and us for money damages, except for liability resulting from i) actual receipt of an improper benefit or profit in money, property, or services or ii) active and deliberate dishonesty established by a final judgment and that is material to the cause of action.

Maryland law requires us (unless our charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. Maryland law allows directors and officers to be indemnified against judgments, penalties, fines, settlements, and reasonable expenses actually incurred in a proceeding unless the following can be established:

- an act or omission of the director or officer was material to the cause of action adjudicated in the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal proceeding, the director or officer had reasonable cause to believe his or her act or omission was unlawful.

A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by the corporation or in its right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses. Maryland law permits a corporation to advance reasonable expenses to a director or officer upon receipt of a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed if it is ultimately determined that the standard of conduct was not met.

Subject to the limitations contained in Maryland law, our charter limits directors' and officers' liability to us and our stockholders for monetary damages, requires us to indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to our directors, our officers, our advisor or any of its affiliates, and permits us to provide such indemnification and advance of expenses to our employees and agents. This provision neither reduces the exposure of directors and officers to liability under federal or state securities laws, nor does it limit the stockholders' ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us, although the equitable remedies may not be an effective remedy in some circumstances.

The SEC and some state securities commissions take the position that indemnification against liabilities arising under the Securities Act is against public policy and unenforceable. Furthermore, our charter prohibits the indemnification of our directors, our advisor, or any of our or our advisor's affiliates for liabilities arising from or out of a violation of state or federal securities laws, unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- the claims have been dismissed with prejudice on the merits by a court of competent jurisdiction; or
- a court of competent jurisdiction approves a settlement of the claims against the indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which the securities were offered as to indemnification for violations of securities laws.

Our charter further provides that the advancement of funds to our directors, our advisor and our and our advisor's affiliates for reasonable legal expenses and other costs incurred in advance of the final disposition of a proceeding for which indemnification is being sought is permissible only if all of the following conditions are satisfied:

- the proceeding relates to acts or omissions with respect to the performance of duties or services on our behalf;
- the proceeding was initiated by a third party who is not a stockholder or, if by a stockholder acting in his or her capacity as such, a court of competent jurisdiction approves the advancement;
- the person seeking indemnification provides us with a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- the person seeking the advancement undertakes to repay the amount paid or reimbursed by us, together with the applicable legal rate of interest thereon, if it is ultimately determined that such person is not entitled to indemnification.

In addition, we have entered into indemnification agreements with each of our directors and executive officers that would provide for indemnification to the maximum extent permitted by Maryland law and our charter. We will also purchase and maintain insurance on behalf of all of our directors and executive officers against liability asserted against or incurred by them in their official capacities with us, whether or not we are required or have the power to indemnify them against the same liability.

Our Advisor

Our advisor is Groma Advisor, LLC, a Delaware limited liability company, which we generally refer to as simply "our advisor." Our advisor is an affiliate of and under common control with our sponsor. Our advisor has contractual and fiduciary responsibilities to us and our stockholders.

Advisory Agreement

Groma Advisor, LLC serves as our advisor upon commencement of this offering in accordance with the terms of the advisory agreement between us and our advisor. Subject to the overall supervision of our board of directors, the advisor will manage the day-to-day operations of, and provide investment management services to, us. The term of our advisory agreement is for a one-year term subject to renewals upon mutual consent of our advisor and board of directors for an unlimited number of successive one-year periods.

Under the terms of the advisory agreement, our advisor will use its best practices and proprietary software, along with third party tools and research:

- identify, evaluate, and negotiate the structure of the investments we make (including performing due diligence on our prospective investments);
- find, present, and recommend to us real estate investment opportunities consistent with our investment policies and objectives;

- structure the terms and conditions of our real estate acquisitions, sales, or joint ventures;
- acquire properties on our behalf in compliance with our investment objectives and policies;
- arrange for financing and refinancing of properties;
- enter into leases and service contracts for our properties;
- oversee the performance of our asset manager;
- review and analyze the properties' operating and capital budgets;
- generate an annual budget for us;
- review and analyze financial information for each property and the overall portfolio;
- formulate and oversee the implementation of strategies for the administration, promotion, management, operation, maintenance, improvement, financing and refinancing, marketing, leasing, and disposition of properties; and
- close, monitor, and administer the investments we make.

Our advisor's services under the advisory agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. We will pay our advisor fees and dividends and reimburse it for certain expenses incurred on our behalf. For a detailed description of the fees and expense reimbursements payable to our advisor, see the section in this memorandum entitled "Management Compensation".

Property Manager

Our properties will either be managed by our property manager, Groma Property Management, LLC, a wholly owned subsidiary of our sponsor, or a third-party property manager that we directly engage. Our property management agreement has an initial term of one year, which may be renewed for an unlimited number of successive one-year terms upon the mutual consent of the parties. Our property manager or third-party property manager may subcontract all or a part of the leasing services to an unaffiliated third party. Pursuant to our property management agreement with our property manager, we will pay our property manager a monthly property management fee specific to each property ranging from 4.0% to 8.0% of the rents paid by or on behalf of tenants of each property. Such fee will be paid to our property manager in arrears on or before the 15th day of the next prescribed monthly accounting period. We also may reimburse the property manager and its affiliates for asset-level expenses that any of them pay or incur on our behalf, including salaries, bonuses and benefits of persons employed by the property manager and its affiliates except for the salaries, bonuses and benefits of persons who also serve as one of our sponsor's executive officers. Notwithstanding the foregoing, our property manager may be entitled to receive higher fees if our property manager demonstrates to the satisfaction of a majority of our directors that a higher competitive fee is justified for the services rendered. Our property manager may subcontract with third party property managers and is responsible for supervising and compensating those third party property managers and will be paid an oversight fee equal to 1.0% of the rents paid by or on behalf of tenants of each property. In no event will we pay our property manager or any affiliate both a property management fee and an oversight fee with respect to any particular property.

A portion of any fees that we pay to the property manager may be assigned by the property manager to a third-party property manager pursuant to the terms of the agreement between those parties. The following summary is provided to illustrate the material functions that our property manager or third-party property manager, as applicable, will perform, and it is not intended to include all of the services that such entities may provide. Under the terms of the property management agreement, our property manager will undertake to perform its duties in a diligent, careful and professional manner to maximize all potential revenues to us and to minimize expenses and losses to us. The services of our property manager are to be of a scope and quality not less than those generally performed by first class, professional managers of properties similar in type

and quality to our properties that will be managed by our property manager and located in the same market as such properties. Our property manager will at all times act in good faith and in a commercially reasonable manner with respect to the proper protection of and accounting for our assets. In its performance of the property management responsibilities pursuant to the terms of the property management agreements, our property manager, either directly, or indirectly through an unaffiliated third party, will, among other duties:

- collect all rent and other payments due from tenants and any other sums due to us regarding our properties and enforce our rights under any tenant leases;
- pay all sums out of the property operating account from time to time and otherwise comply with the obligations under any mortgages, deed of trust, leases, easements, restrictions, service contracts and other agreements affecting a property;
- maintain and repair our properties as required;
- make arrangements for all utilities, services, equipment and supplies necessary or desirable or requested by us for the management, operation, maintenance and servicing of a property;
- promptly send to us upon receipt all notices regarding taxes or valuations;
- promptly investigate and make a full, timely, report to us as to all accidents, claims for damages relating to the ownership or operation and maintenance of a property, and any damage or destruction to a property and the estimated cost of repair thereof and cooperate with and assist all liability insurance carriers and their authorized agents and adjusters in defending, litigating or settling any liability claims;
- take such action as may be necessary to comply with any and all laws applicable to a property and or third party operator's employees and with all orders regarding a property directed by the Board of Fire Underwriters or other similar bodies, and which comes to our property manager or third-party operator's attention as a result of our property manager or third-party operator's diligent performance of its duties;
- provide oversight services if we have authorized any construction or renovation on a property, including but not limited to construction of tenant finish-out, and we have requested in writing the services of our third-party operator with regard to any construction, renovation or tenant finish-out;
- investigate, hire, train, pay, supervise and discharge the personnel necessary to maintain and operate a property including, without limitation, a property manager that has experience and qualifications satisfactory to us; and
- promptly notify us of any notices of claims or violations regarding our properties or any damage, any default by landlord or tenant under any lease, and any other material information.

We pay our construction manager a project management fee of approximately 10% of the capital cost of a project (prorated over the duration of the project) if the project is managed by the construction manager in whole or in-part.

With respect to its leasing obligations under the property management agreement, our property manager, either directly or indirectly by engaging an unaffiliated third party, will use its commercially reasonable efforts to, among other duties: (i) coordinate the leasing of our properties and negotiate and use its commercially reasonable efforts to secure executed leases from qualified tenants, and to execute same on our behalf, if requested, for available space in the properties, such lease to be in form and on terms approved by our advisor; and (ii) hire all leasing agents, as determined by our property manager to be necessary for the leasing of the properties, and to otherwise oversee and manage the leasing process on behalf of our advisor.

Management Decisions

The primary responsibility for the management decisions of our advisor and its affiliates, including the selection of investment properties to be recommended to our board of directors, the negotiation for these investments, and asset management decisions, will reside in an investment committee of the advisor. Messrs. Priebatsch, Bell, Drake and Fishman each serve as a member of our advisor's investment committee. Investment decisions require the approval of a majority of the members of our advisor's investment committee. Our board of directors may, in its sole discretion, determine to institute a pre-approval policy allowing our investment committee to make acquisitions and dispositions that do not exceed a pre-determined threshold and meet the policy guidelines. If our board of directors does institute such policy in the future, we will disclose the provisions of such policy to our stockholders and potential investors. Members of the investment committee are appointed by our advisor's Chief Executive Officer, in his sole discretion.

Related-Party Transactions

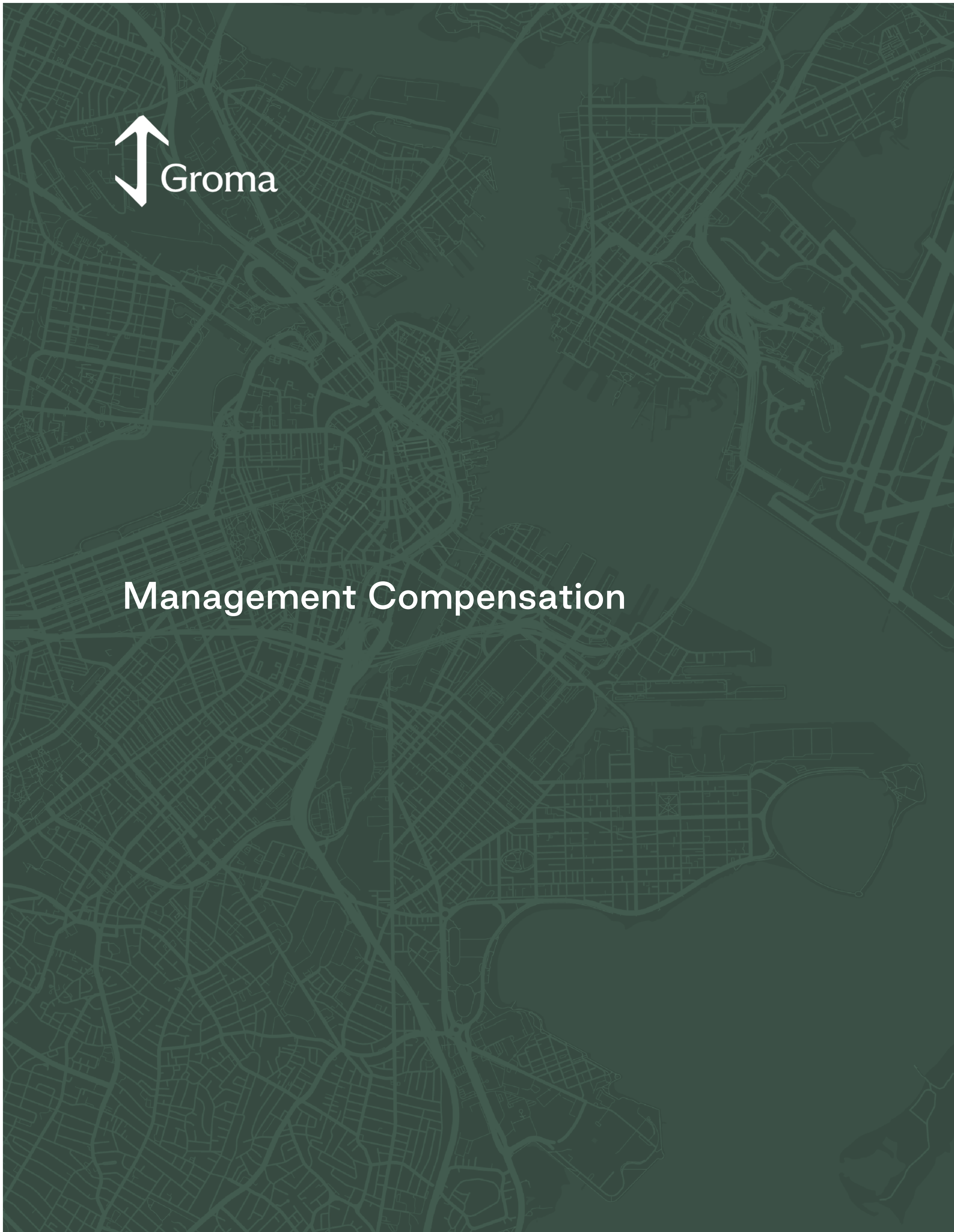
As of the date of this memorandum, there are no material transactions with management and their affiliates other than those covered by the terms of the agreements described above with our advisor and our property manager.

Employees of Affiliated Companies

As of the date of this memorandum, although we will have executive officers who manage our operations, we will not have any paid employees. Our day-to-day operations will be managed by our advisor, including the employees of our advisor or its affiliates. To the extent required, we may reimburse our advisor for certain personnel and other costs associated with these services, excluding the cost of acquisition and disposition services for which we may pay our advisor a separate fee.

Transfer Agent Services

We have not engaged a transfer agent, and our advisor will perform typical transfer agent services; however, we may in the future engage a third-party transfer agent.


Groma
Management Compensation

We have no paid employees. Our advisor and its affiliates manage our day-to-day affairs. We pay our advisor affiliates the fees and expense reimbursements described below in connection with performing services for us.

We do not intend to pay our advisor or its affiliates any separate fees for property acquisitions, dispositions, financings (except interest and other payments to the lender in cases where the lender is an affiliate of the advisor) or development, or adopt a long-term incentive plan, although our charter permits us to do so, subject to certain limitations. We do, however, reimburse our advisor and its affiliates for out-of-pocket and other expenses related to the foregoing activities to the extent such expenses are paid by our advisor.

Types of Compensations + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Organization and Offering Expense Reimbursement (1) — The Advisor	
We reimburse our advisor for any organization and offering expenses associated with this offering that it incurs on our behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of any participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, if applicable, fees to attend retail seminars sponsored by participating broker-dealers and reimbursements for customary travel, lodging, and meals, but excluding any underwriting compensation) as and when incurred. Wholesaling compensation expenses of persons associated with any future dealer manager engaged by us will be paid by the advisor without reimbursement from us. After the termination of this Offering, our advisor has agreed to reimburse us to the extent that the organization and offering expenses that we incur exceed 15% of our gross proceeds from this Offering.	*We estimate our organization and offering expenses to be approximately $5 million if we sell $500,000,000 in shares.*

Types of Compensations + Recipients

Organization and Offering Activities	
Determination of Amount	Estimated Amount
Acquisition Expense Reimbursement (2) —The Advisor	
We do not intend to pay our advisor any acquisition, financing (except interest payments to the lender in cases where the lender is an affiliate of our advisor) or other similar fees in connection with making investments. We will, however, reimburse our advisor for out-of-pocket expenses in connection with the selection and acquisition of properties and real estate debt, whether or not such investments are acquired, and make payments to third parties or certain of our advisor's affiliates in connection with making investments as described in "—Fees from Other Services" below.	*Actual amounts are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.*

Types of Compensations + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Management Fee (3) —The Advisor	
We pay our advisor a management fee equal to 1.00% of aggregate purchase price of our assets excluding any debt, or the Net Purchase Price, per annum payable monthly; provided, however, after we determine our initial NAV, such management fee will equal 1.00% of the NAV per annum payable monthly. Additionally, to the extent that our Operating Partnership is-sues Operating Partnership units to parties other than us, our Operating Partnership will pay our advisor a management fee equal to 1.00% of the Net Purchase Price or NAV, as applicable, of the Operating Partnership attributable to such Operating Partnership units not held by us per annum payable monthly. The management fee may be paid, at our advisor's election, in cash, Class A Shares or Class A OP Units of our Operating Partnership. To the extent that our advisor elects to receive any portion of its management fee in Class A Shares or Class A OP Units of our Operating Partnership, we may repurchase such Class A Shares or Class A OP Units of our Operating Partnership from our advisor at a later date. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our board of directors deter-mines that any such repurchase for cash would be prohibited by applicable law or our charter, in which case such Operating Partnership units will be repurchased for shares of our common stock. Our advisor will have registration rights with respect to shares of our common stock. In addition to the organization and offering expense and acquisition expense reimbursements described above, we will reimburse our advisor for out-of-pocket costs and expenses it incurs in connection with the services it provides to us, including, but not limited to, (1) the actual cost of goods and services used by us and obtained from third parties, including fees paid to administrators, consultants, attorneys, technology providers and other service providers, and brokerage fees paid in connection with the purchase and sale of investments and securities, and (2) expenses of managing and operating our proper-ties, whether payable to an affiliate or a non-affiliated person. See "Management—The Advisory Agreement—Management Fee, Performance Participation and Expense Reimbursements."	*Actual amounts of the management fee depend upon our aggregate Net Purchase Price or NAV, as applicable. The management fee attributed to the shares sold in this offering will equal approximately $5,000,000 per annum if we sell $500,000,000 in shares, assuming that the NAV per share of our shares remains constant at $1.00.* *Actual amounts of out-of-pocket expenses paid by the advisor that we reimburse are dependent upon actual expenses incurred and, therefore, cannot be determined at this time.*

Types of Compensations + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Performance Participation Allocations — The Advisor	
After we have calculated our initial quarterly NAV per share, so long as the advisory agreement has not been terminated, our advisor, as the special limited partner of our Operating Partnership, holds a performance participation interest in the Operating Partnership that entitles it to receive a performance participation allocation from our Operating Partnership as follows: (i) When the Total Return (as defined below) is less than 5%, our advisor shall not receive any Performance Allocation, but the foregone distribution may be subject to a "catch-up" if performance exceeds certain benchmarks set forth (ii) and (iii) below. (ii) When the Total Return is between 5% and 7.5%, our advisor shall receive 12.5% of the amount of Total Return, if any, for an applicable period that exceeds the sum of (A) a Hurdle Amount equal to or greater than 5% but less than or equal to 7.5% and (B) the Loss Carryforward Amount (as defined below); (iii) When the Total Return exceeds 7.5%, our advisor shall receive 100% of the amount of Total Return, if any, for any applicable period that exceeds the sum of (A) a Hurdle Amount greater than 7.5% and (B) the Loss Carryforward Amount until the total amount allocated to our advisor equals 12.5% of the sum of (x) the applicable Hurdle Amount for that period and (y) any amount allocated to our advisor pursuant to clause (ii) above; and (iii) After the "catch up" value has been reclaimed pursuant to the subsections above, to the extent there are remaining excess profits, our advisor shall be entitled to 12.5% of such remaining excess profits. Such allocation is made annually and accrues monthly. For a detailed explanation of how the performance participation allocation is calculated, see "Summary of Our Operating Partnership Agreement—Special Limited Partner Interest." For a hypothetical calculation of the performance participation calculation, see "Compensation—Performance Participation Allocation Example."	*Actual amounts of the performance participation depend upon the Operating Partnership's actual annual total return and, therefore, cannot be calculated at this time.*

Types of Compensations + Recipients

Organization and Offering Activities	
Determination of Amount	**Estimated Amount**
Property Management Fee — Groma Property Management, LLC	
We will pay our property manager, Groma Property Management, LLC, an affiliate of our advisor, a monthly property management fee specific to each property ranging from 4.0% to 8.0% of the rents paid by or on behalf of tenants of each property. Such fee will be paid to our property manager in arrears on or before the 15th day of the next prescribed monthly accounting period. We also may reimburse the property manager and its affiliates for asset-level expenses that any of them pay or incur on our behalf, including salaries, bonuses and benefits of persons employed by the property manager and its affiliates except for the salaries, bonuses and benefits of persons who also serve as one of our sponsor's executive officers. Our property manager may subcontract with third party property managers and is responsible for supervising and compensating those third party property managers and will be paid an oversight fee equal to 1.0% of the rents paid by or on behalf of tenants of each property. In no event will we pay our property manager or any affiliate both a property management fee and an oversight fee with respect to any particular property.	*Not determinable at this time. Because fees are based on a fixed percentage of collected rent, there is no maximum dollar amount of these fees.*
Project Management Fee — Groma Property Management, LLC	
We pay our construction manager a project management fee of approximately 10% of the capital cost of a project (prorated over the duration of the project) if the project is managed by the construction manager in whole or in-part.	*Not determinable at this time.*
Fees from Other Services —Affiliates of the Advisor	
We retain certain of our advisor'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, construction management services, transaction support services, transaction consulting services and other similar operational matters. Our Operating Partnership or its subsidiary may also issue equity incentive compensation to certain employees of such affiliates for services provided. Any compensation paid to our advisor's affiliates for any such services will not reduce the management fee or performance participation allocation. Any such arrangements will be at or below market rates. For more information about such services, please see "Risk Factors—Risks Related to Conflicts of Interest."	*Actual amounts depend on to what extent affiliates of our advisor are actually engaged to perform such services.*

- These amounts represent estimated expenses incurred in connection with our organization and this offering, including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, reasonable bona fide due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of our escrow agent and transfer agent, if applicable, and certain wholesaling reimbursements. Under no circumstances may our total organization and offering expenses exceed 15% of the gross proceeds from this offering.
- We will pay all expenses incurred in connection with the acquisition of our investments, including legal and accounting fees and expenses, brokerage commissions payable to unaffiliated third parties, travel expenses, costs of appraisals (including independent appraisals), nonrefundable option payments on property not acquired, engineering, due diligence, transaction support services, title insurance and other expenses related to the selection and acquisition of investments, whether or not acquired. While most of the acquisition expenses are expected to be paid to third parties, a portion of the out-of-pocket acquisition expenses may be paid or reimbursed to the advisor or its affiliates. Acquisition expenses, together with any acquisition fees for a particular real estate-related asset, will in no event exceed 6% of the gross purchase price of the property.
- In calculating our management fee, after we begin calculating our NAV, we will use our NAV and the NAV of our Operating Partnership before giving effect to accruals for the management fee, performance participation allocation, stockholder servicing fees or distributions payable on our shares.

Performance Participation Allocation Example

The following example illustrates how we would calculate our advisor's performance participation allocation at the end of the year based on the assumptions set forth in rows A through E of the table below. All amounts are with respect to the units outstanding at the end of the year. Actual results may differ materially from the following example.

A. Beginning NAV	$500,000,000
B. Loss Carryforward Amount	—
C. Net proceeds from new issuances	—
D. Distributions paid (in twelve equal monthly installments)	$20,000,000
E. Change in NAV required to meet 5% annualized internal rate of return[(1)]	$5,000,000
F. Change in NAV required to meet a 7.6% annualized internal rate of return	$18,000,000
G. First Hurdle Amount(1) (D plus E)	$25,000,000
H. Second Hurdle Amount(1) (D plus F)	$38,000,000
I. Actual change in NAV	$30,000,000
J. Annual Total Return prior to performance participation allocation (D plus I)	$50,000,000
K. Excess Proceeds (J minus the sum of B and G)	$25,000,000
L. Performance participation allocation is equal to 12.5% of annual Total Return (J) because the annual Total Return exceeds the First Hurdle Rate (G) (but is less than the Second Hurdle Rate (H)) plus loss carryforward account balance (B) with enough Excess Proceeds (K) to achieve a catch-up	$6,250,000

[1] Amounts rounded to the nearest $100,000. The Hurdle Amount for any period is that amount that results in a 5% or greater than 7.5%, as applicable, annualized internal rate of return on the NAV of the units outstanding at the end of the period. An internal rate of return reflects the timing and amount of all distributions accrued or paid (without duplication) and any issuances of such units during the period. Internal rate of return is a metric used in business and asset management to measure the profitability of an investment, and is calculated according to a standard formula that determines the total return provided by gains on an investment over time. We believe our fee structure described herein, including the requirement that a minimum internal rate of return be achieved before our advisor is entitled to any performance allocation, aligns the interests of our stockholders with the advisor in a manner that is typically offered to institutional investors.

Groma
Conflicts of Interest

We (and our operating partnership, if applicable) pay our advisor a management fee regardless of the performance of our portfolio. Our advisor's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We will be required to pay our advisor a management fee in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period.

In addition, our advisor, as the special limited partner of our Operating Partnership, has the ability to earn distributions on its performance participation interest each year based on the total return of our Operating Partnership, which may create an incentive for our advisor to invest in assets with higher yield potential, which are generally riskier or more speculative, or sell an asset prematurely for a gain, in an effort to increase short-term net income and thereby increase the distributions on performance participation interest to which our advisor is entitled. If our interests and those of our advisor are not aligned, the execution of our business plan and our results of operations could be adversely affected, which could adversely affect our results of operations and financial condition.

In addition, we are subject to various conflicts of interest arising out of our relationships with our advisor and its affiliates, including conflicts related to the arrangements pursuant to which our advisor and its affiliates will be compensated by us. Our agreements and compensation arrangements with our advisor and its affiliates were not determined by arm's-length negotiations. See the section entitled "Management Compensation" in this memorandum. Some of the potential conflicts of interest in our transactions with our advisor and its affiliates, and the limitations on our advisor adopted to address these conflicts, are described below.

Affiliates of our advisor may sponsor one or more other real estate investment programs in the future. The officers and key personnel of our advisor may spend a portion of their time on activities unrelated to us. Our advisor and its affiliates employ personnel who have extensive experience in selecting and managing commercial properties similar to the properties sought to be acquired by us.

We may buy assets at the same time as one or more of the other programs by affiliates of our advisor and/or managed by officers and key personnel of our advisor. As a result, they owe duties to each of these entities, their members and limited partners and investors, which duties may from time to time conflict with the fiduciary duties that they owe to us and our stockholders. However, to the extent that our advisor or its affiliates take actions that are more favorable to other entities than to us, these actions could have a negative impact on our financial performance and, consequently, on distributions to you and the value of our shares. In addition, officers of our advisor or their affiliates and certain of our stockholders may engage for their own account in business activities of the types conducted or to be conducted by our subsidiaries and us. For a discussion of the restrictions we have imposed relating to limits placed upon officers of our advisor and certain of our stockholders, see the section entitled "— Certain Conflict Resolution Procedures" below. In addition, for a description of some of the risks related to these conflicts of interest, see the section of this memorandum captioned "Risk Factors — Risks Related to Conflicts of Interest."

Interests in Other Real Estate Programs

Affiliates of our advisor may act as advisors to and/or executive officers of other real estate programs. Affiliates of our advisor and entities owned or managed by such affiliates may acquire or develop real estate for their own accounts. Furthermore, affiliates of our advisor and entities owned or managed by such affiliates may form additional real estate investment entities in the future, whether public or private, which may have the same investment objectives and policies as we do and which may be involved in the same geographic area, and such persons may be engaged in sponsoring one or more of such entities at approximately the same time as our common shares are being offered. Our advisor and its affiliates are not obligated to present to us any particular investment opportunity that comes to their attention, unless such opportunity is of a character that might be suitable for investment by us. Our advisor and its affiliates likely will experience conflicts of interest as they simultaneously perform services for us and other affiliated real estate programs.

Any affiliated entity, whether or not currently existing, could compete with us in the sale or operation of the properties. We will seek to achieve any operating efficiency or similar savings that may result from affiliated management of competitive properties. However, to the extent that affiliates own or acquire property that

is adjacent, or in close proximity, to a property we own, our property may compete with the affiliate's property for tenants or purchasers.

Every transaction that we enter into with our advisor or its affiliates is subject to an inherent conflict of interest. Our advisor may encounter conflicts of interest in enforcing our rights against any affiliate in the event of a default by or disagreement with an affiliate or in invoking powers, rights or options pursuant to any agreement between us and our advisor or any of its affiliates.

Other Activities of Our Advisor and Its Affiliates

We rely on our advisor for the day-to-day operation of our business. As a result of the interests of members of its management in other programs sponsored by affiliates of our advisor and the fact that they also are engaged, and will continue to engage, in other business activities, our advisor and its affiliates have conflicts of interest in allocating their time between us and other programs sponsored by affiliates of our advisor and other activities in which they are involved. However, our advisor believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities to all of the programs sponsored by affiliates of our advisor and other ventures in which they are involved. The allocation of these corporate resources, and the related expense that may be reimbursed by us, will not be determined on an arm's-length basis.

In addition, the officers of our advisor also serve as officers of other affiliated entities. As a result, these individuals may owe fiduciary duties to these other entities, which may conflict with their obligations to us and our stockholders.

We may enter into joint ventures with other affiliated programs (as well as other parties or vehicles) for the acquisition of multifamily real estate. Our advisor and its affiliates may have conflicts of interest in determining that an affiliated program should enter into any particular joint venture agreement. The co-venturer may have economic or business interests or goals that are or that may become inconsistent with our business interests or goals. In addition, should any such joint venture be consummated, our advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the co-venturer and in managing the joint venture. Since our advisor and its affiliates will control both us and any affiliated co-venturer, agreements and transactions between the co-venturers with respect to any such joint venture will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers.

Competition in Acquiring, Leasing and Operating of Properties

A conflict of interest could arise in the acquisition or leasing of properties if we and another program sponsored by affiliates of our advisor targeting the same type of assets as we do were to compete for the same properties or tenants in negotiating leases, or a conflict could arise in connection with the resale of properties if we and another program sponsored by affiliates of our advisor were to attempt to sell similar properties at the same time. Conflicts of interest also may exist at such time as we or our affiliates managing property on our behalf seek to employ developers, contractors or building managers, as well as under other circumstances. Our advisor will seek to reduce conflicts relating to the employment of developers, contractors or building managers by making prospective employees aware of all such properties seeking to employ such persons. In addition, our advisor will seek to reduce conflicts that may arise with respect to properties available for sale or rent by making prospective purchasers or tenants aware of all such properties. However, these conflicts cannot be fully avoided in that there may be established differing compensation arrangements for employees at different properties or differing terms for resales or leasing of the various properties.

Lack of Separate Representation

Troutman Pepper Hamilton Sanders LLP acts, and may in the future act, as counsel to us our advisor and some of its affiliates in connection with this offering or otherwise. There is a possibility that in the future the interests of the various parties may become adverse, and under the Code of Professional Responsibility of the legal profession, Troutman Pepper Hamilton Sanders LLP may be precluded from representing any one or all of such parties. If a dispute were to arise between our advisor or any of its affiliates, separate counsel for such matters will be retained as and when appropriate.

Certain Conflict Resolution Procedures and Policies

Our sponsor, our advisor and their affiliates have both subjective and objective procedures and policies in place designed to manage the potential conflicts of interest between our advisor's fiduciary obligations to us and its and its affiliates' similar fiduciary obligations to other clients. An investment opportunity that is suitable for multiple vehicles of our advisor and its affiliates may not be capable of being shared among some or all of such vehicles due to the limited scale of the opportunity or other factors. There can be no assurance that our advisor's or its affiliates' efforts to allocate any particular investment opportunity fairly among all vehicles for whom such opportunity is appropriate will result in an allocation of all or part of such opportunity to us. Not all conflicts of interest can be expected to be resolved in our favor.

Our advisory agreement with our advisor requires that our advisor periodically inform our board of directors of the investment opportunities that have been offered to other affiliated programs so that our board of directors can evaluate whether we are receiving our fair share of opportunities. Our advisor is required to inform our board of directors of such investment opportunities quarterly. Our advisor's success in generating investment opportunities for us and the fair allocation of opportunities among affiliated programs are important criteria in our board of director's determination to continue or renew our arrangements with our advisor and its affiliates. Our board of directors has a duty to ensure that our advisor and its affiliates fairly apply this method for allocating investment opportunities among the other affiliated programs. See the "Allocation Policy" section below.

Allocation Policy

Conflicts of interest caused by more than one investment vehicle sponsored by the sponsor, our advisor, or their affiliates having funds available simultaneously for acquiring investments of the type we are targeting will be resolved in good faith by the sponsor, our advisor, or such affiliates. Our advisor will undertake to report to our board of directors, on a quarterly basis, all such investment opportunities and how the allocation of such investment opportunities were resolved. In resolving any such conflicts, the sponsor, through its subsidiary advisors and managers, will take into account a number of factors in allocating the investment opportunities for the vehicles they advise, including but not limited to: (a) which vehicle has available cash (including availability under lines of credit) to acquire an investment; (b) how the investment size, potential leverage, transaction structure and anticipated cash flows affect each vehicle in light of the vehicles targeted returns and cash flow needs; (c) whether the estimated transaction timing will be more advantageous (or possible) for a particular vehicle; (d) how closely aligned the proposed investment is with a vehicle's investment objectives; (e) whether the proposed investment conforms to the operation parameters of a particular vehicle's property acquisitions objectives; (f) whether a particular investment vehicle has an existing strategic relationship with the tenant(s), operator, facility, franchisor, or system associated with the investment; (g) whether an investment vehicle has or lacks a geographic presence that would make the investment strategically more important for that vehicle; and (h) whether there would be positive or negative income tax effects on an investment vehicle and its investors relating to the investment opportunity. In the event all acquisition allocation factors have been exhausted and an investment opportunity remains equally suitable for more than one sponsor-affiliated vehicle, another investment program that is structured as a QOF to invest in multifamily real estate assets located in "qualified opportunity zones" (as defined under the federal Tax Cuts and Jobs Act) in and around the Greater Boston Area, retains a right of first refusal for opportunities to acquire real estate or real estate-related assets that are appropriate for both us and the QOF.

Our advisor may (a) cause us to co-invest with other sponsor-affiliated vehicles only upon approval of our board of directors, and (b) cause us to sell investments to (or purchase investments from) other vehicles sponsored by the sponsor, our advisor, or their affiliates only if such sale or purchase is on market terms and is approved by our board of directors.

Affiliated Transactions

Every transaction that we enter into with our advisor or its affiliates will be subject to an inherent conflict of interest. In order to reduce or eliminate certain potential conflicts of interest, we have adopted policies relating to transactions we enter into with our advisor and its affiliates. Pursuant to these policies, we will not purchase or lease properties in which our advisor or any of its affiliates has an interest unless a majority of our board of directors determine that the transaction is fair and reasonable to us and on terms and

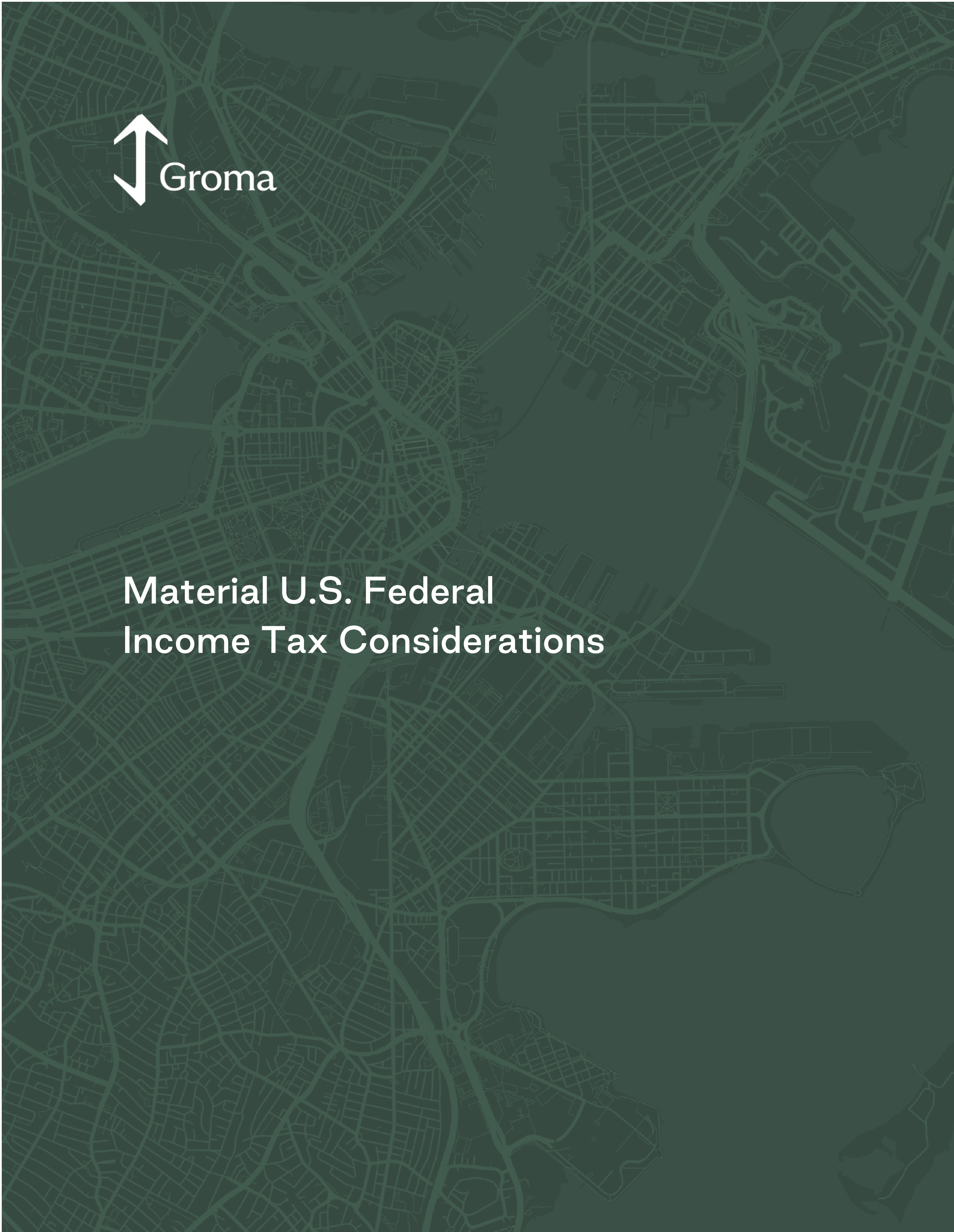
conditions no less favorable to us than those available from unaffiliated third parties. In no event will we acquire any such property at an amount in excess of its appraised value as determined by an appraiser which has no material current or prior business or personal relationship with our advisor or its affiliates. We will not sell or lease properties to our advisor or any of its affiliates unless a majority of our board of directors determine that the transaction is fair and reasonable to us. We will not accept goods or services from our advisor or its affiliates or enter into any other transaction with our advisor or its affiliates unless a majority of our board of directors approves such transaction as fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties. If a related party transaction is approved, our advisor and its affiliates will be entitled to receive fees and expense reimbursements in connection with the transaction on the same basis as if the transaction were with a third party. Our board of directors may encounter conflicts of interest in enforcing our rights against any affiliate in the event of a default by or disagreement with such affiliate or in invoking powers, rights or options pursuant to any agreement between us and our advisor or any of its affiliates.

Advisor Compensation

Our board of directors expects to evaluate at least annually whether the compensation that we contract to pay to our advisor and its affiliates is reasonable in relation to the nature and quality of services performed and that such compensation is within the limits prescribed by the charter. The board of directors will supervise the performance of our advisor and its affiliates and the compensation we pay to them to determine that the provisions of our compensation arrangements are being carried out and are subject to the limitations of our charter.

The advisory agreement may be terminated without cause or penalty by us or our advisor upon 60 days' written notice. Furthermore, we may immediately terminate the advisory agreement "for cause" or upon our advisor's bankruptcy. "Cause" is defined in the advisory agreement to mean fraud, criminal conduct, misconduct or negligent breach of fiduciary duty by our advisor or a material breach of the advisory agreement by our advisor.

In the event the advisory agreement is terminated, the advisor will be entitled to receive its prorated management fee through the date of termination and will cooperate with us and take all reasonable steps requested to assist our board of directors in making an orderly transition of the advisory function. Before selecting a successor advisor, our board of directors must determine that any successor advisor possesses sufficient qualifications to perform the advisory function and to justify the compensation it would receive from us.



Material 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 shares. For purposes of this section, references to "we," "us" or the "Company" means only Groma NAV REIT, Inc. and not its subsidiaries or other lower-tier entities, except as otherwise indicated. This summary is based upon the Code, the 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. The summary is also based upon the assumption that the operation of our 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 memorandum. 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 stockholder in light of its investment or tax circumstances or to stockholders subject to special tax rules, such as:

- U.S. expatriates
- persons who mark-to-market our shares;
- subchapter S corporations;
- U.S. stockholders who are U.S. persons (as defined below) whose functional currency is not the U.S. dollar;
- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- trusts and estates;
- holders who receive our shares through the exercise of employee stock options or otherwise as compensation;
- persons holding our shares as part of a "straddle," "hedge," "conversion transaction," "synthetic security," or other integrated investment;
- persons subject to the alternative minimum tax provisions of the Code;
- persons holding our shares through a partnership or similar pass-through entity;
- persons holding a 10% or more (by vote or value) beneficial interest in our company;
- tax exempt organizations, except to the extent discussed below in, "— Taxation of Tax Exempt U.S. Stockholders," and
- non-U.S. persons (as defined below), except to the extent discussed below in "— Taxation of Non-U.S. Stockholders."

This summary assumes that stockholders will hold our shares as capital assets, which generally means as property held for investment. THE U.S. FEDERAL INCOME TAX TREATMENT OF OUR STOCKHOLDERS 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 SHARES TO ANY PARTICULAR STOCKHOLDER WILL DEPEND ON THE STOCKHOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR

REGARDING THE U.S. FEDERAL, STATE, LOCAL, INCOME 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 SHARES.

Taxation of our Company

We intend to elect to be taxed as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2023. We believe that, commencing with such taxable year, we will be organized and will operate in such a manner as to qualify for taxation as a REIT under the Code, and we intend to continue to operate in such a manner so as to qualify and remain qualified as a REIT.

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 share ownership and various qualification requirements imposed upon REITs by the Code. 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.

If 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 stockholders. This treatment substantially eliminates the “double taxation” at the corporate and stockholder levels that results generally from investment in a corporation. Rather, income generated by a REIT is generally taxed only at the stockholder level, upon a distribution of dividends 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 income, including net capital gain and undistributed cashless income such as accrued but unpaid interest.

- 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% 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 $50,000 or the highest corporate tax rate (currently 21%) of 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, we will be subject to a 4% non-deductible 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 stockholders, 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 taxable REIT subsidiary 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 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 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 stockholder would include its proportionate share of our undistributed long-term capital gain in its income (to the extent we make a timely designation of such gain to the stockholder), would be deemed to have paid the tax that it paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the stockholder's basis in our shares.

- We may own subsidiaries that will elect to be treated as taxable REIT subsidiaries, and we may hold equity interests in other investments through such taxable REIT subsidiaries, 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, or REMICs, or "taxable mortgage pools" to the extent our shares are held in record name by specified tax exempt organizations not subject to tax on unrelated business tax income, or 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

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;

2. the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest;

3. that would be taxable as a domestic corporation but for the special Code provisions applicable to REITs;

4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
5. 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, 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, referred to as the 5/50 Test in this memorandum;
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;
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.

Our shares are generally freely transferable, and we believe that the restrictions on ownership and transfers of our shares do not prevent us from satisfying condition (2). Conditions (5) and (6) do not need to be satisfied for the first taxable year for which an election to become a REIT has been made. We believe that the shares sold in this offering will allow us to timely comply with condition (6). However, depending on the number of stockholders who subscribe for shares in this offering and the timing of subscriptions, we may need to conduct an additional offering of preferred shares to timely comply with (5). To monitor compliance with the share ownership requirements, we are generally required to maintain records regarding the actual ownership of our shares. 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 charter provides restrictions regarding the ownership and transfer of our shares, which are intended to assist us in satisfying the share ownership requirements described above.

Ownership of Subsidiary Entities

Partnership Interests

We may invest in assets through joint ventures, partnerships and other co-ownership arrangements. Such non-corporate entities would generally be organized as limited liability companies, partnerships or trusts and would be treated as partnerships for U.S. federal income tax purposes. In general, for partnerships in which we invest, we are required to take into account our allocable share of income, gain, loss, deduction and credit for purposes of the various REIT gross income tests, and in the computation of our REIT taxable income and U.S. federal income tax liability. We will be treated as owning our proportionate share of the assets in the partnership for purposes of certain REIT asset tests. There is no guarantee that such allocable share of income and assets will be qualified for purposes of the REIT income and asset tests. Further, there can be no assurance that distributions from a partnership will be sufficient to pay the tax liabilities resulting from an investment in such partnership.

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 (but may be subject to state or local tax), 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 taxable REIT subsidiary, 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 taxable REIT subsidiary 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 taxable REIT subsidiary. The separate existence of a taxable REIT subsidiary 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 stockholders.

A REIT is not treated as holding the assets of a taxable REIT subsidiary or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by the taxable REIT 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 taxable REIT subsidiaries in determining the parent REIT's compliance with the REIT requirements, such entities may be used by the parent REIT to indirectly undertake activities that the REIT rules might otherwise preclude the parent REIT from doing directly or through pass-through subsidiaries. If dividends are paid to us by one or more domestic taxable REIT subsidiaries we may own, then a portion of the dividends that we distribute to stockholders 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. Stockholders" and "— Annual Distribution Requirements."

To the extent we hold an interest in a taxable REIT subsidiary, we intend to manage the size of our taxable REIT subsidiaries and dividends from our taxable REIT subsidiaries in a manner that permits us to qualify as a REIT, although it is possible that the equity investments appreciate to the point where our taxable REIT subsidiaries 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 taxable REIT subsidiaries will be subject to U.S. federal corporate income tax.

Gross Income Tests

In order to qualify as a REIT, we annually must satisfy two gross income tests. First, at least 75% of our gross income for each taxable year must consist of defined types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income. Qualifying income for purposes of that 75% gross income test generally includes:

- rents from real property;
- interest on debt secured by mortgages on real property (including certain ancillary personal property), or on interests in real property;
- dividends or other distributions on, and gain from the sale of, shares in other REITs;
- gain from the sale of real estate assets (including certain ancillary personal property that is leased along with real property);
- income and gain derived from foreclosure property; and

- income derived from the temporary investment in stock and debt instruments purchased with proceeds from the issuance of our stock or a public offering of our debt with a maturity date of at least five years and that we receive during the one-year period beginning on the date on which we received such new capital.

Second, in general, at least 95% of our gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of shares or securities, or any combination of these. Gross income from our sale of property that we hold primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both gross income tests. In addition, income and gain from "hedging transactions" that we enter into to hedge indebtedness incurred or to be incurred to acquire or carry real estate assets and that are clearly and timely identified as such will be excluded from both the numerator and the denominator for purposes of the 75% and 95% gross income tests. In addition, certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. The following paragraphs discuss the specific application of the gross income tests to us.

Rents from Real Property

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, 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 of any person. 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 taxable REIT subsidiary. 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. Amounts received as rent from a taxable REIT subsidiary are not excluded from rents from real property by reason of these related party rent rules, if the activities of the taxable REIT subsidiary and the nature of the properties it leases meet certain requirements.

Dividend Income

We may receive distributions from corporations in which we own an interest, including any taxable REIT subsidiaries we own. 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.

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 (1) 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, or (2) 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. To the extent that we enter into other types of hedging transactions, including hedges of interest rates on debt we acquire as assets, 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, but there can be no assurance that we will be successful in this regard.

Qualified Temporary Investment Income

Prior to the making of investments in real properties, we may invest the net offering proceeds in liquid assets such as government securities or certificates of deposit. For purposes of the 75% gross income test, income attributable to a stock or debt instrument purchased with the proceeds we receive in exchange for our stock (other than amounts received pursuant to our distribution reinvestment plan) or that we received in a public offering of our debt with a maturity date of at least five years constitutes qualified temporary investment income if such income is received or accrued during the one-year period beginning on the date the REIT receives such new capital. To the extent that we hold any proceeds of the offering for longer than one year, we may invest those amounts in less liquid investments such as certain mortgage-backed securities, maturing mortgage loans purchased from mortgage lenders, or shares of common stock in other REITs to satisfy the 75% and 95% gross income tests and the asset tests described below.

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 our Company," 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 tests relating to the nature of our assets. First, at least 75% of the value of our total assets must consist of:

- cash or cash items, including certain receivables and, in certain circumstances, foreign currencies;
- government securities;
- interests in real property, including leaseholds and options to acquire real property and leaseholds as well as certain ancillary personal property leased in connection with real property;

- interests in mortgage loans secured by real property and by certain ancillary personal property;
- stock in other REITs; and
- investments in stock or debt instruments during the one-year period following our receipt of new capital that we raise through equity offerings or public offerings of debt with at least a five-year term.

Second, of our investments not included in the 75% asset class or in securities of one or more TRSs, the value of our interest in any one issuer's securities may not exceed 5% of the value of our total assets, or the 5% asset test.

Third, of our investments not included in the 75% asset class or in securities of one or more TRSs, we may not own more than 10% of the voting power of any one issuer's outstanding securities or 10% of the value of any one issuer's outstanding securities, or the 10% vote test or 10% value test, respectively. Certain types of securities are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, securities satisfying the "straight debt" safe harbor, securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT, 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, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code.

Fourth, other than investments included in the 75% asset class, no more than 20% of the value of our total assets may consist of the securities of one or more TRSs.

Fifth, not more than 25% of the value of our total assets may consist of non-qualified publicly offered REIT debt instruments.

We believe that our asset holdings 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. 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. In the event that we violate the 5% asset test, the 10% vote test or the 10% value test and do not cure the failure within 30 days, we will not lose our REIT qualification if (i) the failure is de minimis (up to the lesser of 1% of our assets or $10 million) and (ii) we dispose of assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify such failure. In the event of a failure of any of the asset tests (other than de minimis failures described in the preceding sentence), as long as the failure was due to reasonable cause and not to willful neglect, we will not lose our REIT qualification if we (i) dispose of assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify the failure, (ii) we file a description of each asset causing the failure with the IRS and (iii) pay a tax equal to the greater of $50,000 or the highest corporate tax rate multiplied by the net income from the assets causing the failure during the period in which we failed to satisfy the asset tests. However, there is no assurance that the IRS would not challenge our ability to satisfy these relief provisions.

Annual Distribution Requirements

Each taxable year, we must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to our stockholders in an aggregate amount at least equal to:

A. the sum of:

   - 90% of our "REIT taxable income" (computed without regard to its deduction for dividends paid and its net capital gains or losses); and

B. 90% of the net income (after tax), if any, from foreclosure property (as described below); minus

   - the sum of specified items of non-cash income that exceeds 5% of our REIT taxable 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 stockholders 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 stockholder 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 stockholders 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 shares 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 stockholder of the class of shares with respect to which we make a distribution the same as every other stockholder of that class, and we must not treat any class of shares other than according to its dividend rights as a class. The IRS has interpreted the statutory provisions governing preferential dividends in a manner that restricts not only the amount and timing of dividends across different classes, but the IRS has also taken the position that some classes that are recognized as separate classes for state law purposes may be a single class for purposes of the preferential dividend rules. Further, in the context of considering questions of whether dividends are preferential dividends, the IRS has also attempted to ascertain whether dividends and the related class structures are fair to the REIT's stockholders based on other facts and circumstances.

Furthermore, 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 repurchases." Accordingly, we intend to pay dividends pro rata within each class, and to abide by the rights and preferences of each class of our shares. Nevertheless, if the IRS was to successfully challenge our characterization of a dividend and deem it to be a preferential dividend, we would not be able to deduct the entire amount of the dividend at issue for purposes of meeting the minimum distribution requirements discussed above under "Annual Distribution Requirements" and thus could fail to qualify as a REIT. See "— Taxation of Taxable U.S. Stockholders."

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 stockholders 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 stockholders 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 shares.

A REIT is also entitled to deduct consent dividends in determining its taxable income, and consent dividends also count in meeting the 90% distribution requirement described above. Consent dividends are not actual

cash dividends, but rather are amounts which the holders of the shares consent, for U.S. federal income tax purposes, to be treated as having received in a fictional distribution on the last day of the REIT's taxable year and then recontributed the amount of the fictional distribution to the capital of the REIT. The consent dividend procedure is available only if (i) the holders of the shares sign consent dividend elections (IRS Form 972), which may be executed under a power of attorney, and provide such election to the REIT before the due date of its tax return for the year in question, and (ii) the REIT files the consents with its tax return. Consent dividends can result in phantom income for the holder of such shares.

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 non-deductible 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. 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, stockholders 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 stockholders 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.

Characterization of Property Leases

We may purchase either new or existing properties and lease them to tenants. Our ability to claim certain tax benefits associated with ownership of these properties, such as depreciation, would depend on a determination that the lease transactions are "true leases," under which we would be the owner of the leased property for U.S. federal income tax purposes, rather than a conditional sale of the property or a financing or loan transaction. The IRS may take the position, particularly with respect to a sale-leaseback transaction, that a lease is not a true lease for U.S. federal income tax purposes. The recharacterization of one or more of our leases as a conditional sale, financing, or loan transaction may have adverse consequences to us, such as the denial of depreciation deductions or a revaluing of the aggregate value of our assets invested in real estate. Such recharacterizations might cause us to fail to satisfy the asset tests or the gross income tests and, consequently, we might fail to qualify as a REIT effective with the year of recharacterization. We do not expect to request an opinion of counsel concerning the status of any leases of properties as true leases for U.S. federal income tax purposes.

Prohibited Transactions

Net income we derive from a prohibited transaction outside of a taxable REIT subsidiary is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property) that is held primarily for sale to customers in the ordinary course of a trade or business, by a REIT or by a partnership in which the REIT holds an equity interest. The 100% tax will not apply to gains from the sale of property held through a taxable REIT subsidiary or other taxable corporations (which are taxed at regular corporate rates). We intend to conduct our operations so that no asset owned by us or our pass-through subsidiaries will be held for sale to customers, and that a sale of any such asset will not be in the ordinary course of business. 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 any taxable REIT subsidiaries we may own or that we will not engage in prohibited transactions outside of any taxable REIT subsidiaries.

A safe harbor to the characterization of the sale of property by a REIT (or a pass-through entity in which a REIT holds an interest) as a prohibited transaction and the 100% prohibited transaction tax is available, without regard to whether the REIT holds the property primarily for sale to customers in the ordinary course of a trade or business, if the following requirements are met:

1. the REIT has held the property for not less than two years;
2. the aggregate expenditures made by the REIT, or any partner of the REIT, during the two-year period preceding the date of the sale that are includable in the basis of the property do not exceed 30% of the selling price of the property;
3. one of the following is true:
    - during the year in question, the REIT did not make more than seven sales of property other than foreclosure property or sales to which Section 1033 of the Code applies;
    - the aggregate adjusted bases of all such properties sold by the REIT during the year did not exceed 10% of the aggregate bases of all of the assets of the REIT at the beginning of the year;
    - the aggregate fair market value of all such properties sold by the REIT during the year did not exceed 10% of the aggregate fair market value of all of the assets of the REIT at the beginning of the year;
    - both (A) the requirements of clause (b) are satisfied when they are applied by substituting "20%" for "10%" and (B)(1) the aggregate adjusted bases of all such property sold during the 3 taxable year period ending with such taxable year divided by (2) the sum of the aggregate adjusted bases of all of the assets of the REIT as of the beginning of each of the 3 taxable years, does not exceed 10%; or
    - both (A) the requirements of clause (c) are satisfied when they are applied by substituting 20% for 10% and (B)(1) the fair market value of all such property sold during the 3 taxable year period ending with such taxable year divided by (2) the sum of the fair market value of all of the assets of the trust as of the beginning of each of the 3 taxable years, does not exceed 10%;
4. in the case of property not acquired through foreclosure or lease termination, the REIT has held the property for at least two years for the production of rental income; and
5. if the REIT has made more than seven sales of non-foreclosure property during the taxable year, substantially all of the marketing and development expenditures with respect to the property were made through an independent contractor from whom the REIT derives no income, or by a taxable REIT subsidiary.

We will attempt to comply with the terms of the safe-harbor provisions of the Code prescribing when an asset sale will not be characterized as a prohibited transaction. No assurance can be given that any particular property in which we hold a direct or indirect interest will not be treated as property held for sale to customers, or that we can comply with these safe-harbor provisions that would prevent such treatment.

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 maximum U.S. federal corporate rate (currently 21%) 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.

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, other than the gross income tests and the asset tests, we may nevertheless continue to 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 and (ii) we pay a penalty of $50,000 for each failure to satisfy a requirement for qualification as a REIT. 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 tax on our taxable income at regular corporate rates. Distributions to our stockholders 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 stockholders will generally be taxable in the case of U.S. stockholders (as defined above) who are individuals at a maximum capital gains rate of 20%, and dividends in the hands of our corporate U.S. stockholders may be eligible for the dividends received deduction. In addition, non-corporate stockholders, including individuals, generally may deduct 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning after December 31, 2017, and before January 1, 2026. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. 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. Stockholders

This section summarizes the taxation of U.S. stockholders that are not tax exempt organizations. As used herein, the term "U.S. stockholder" means a holder of our common stock that 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, any of its states or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- any trust if (i) 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 (ii) it has a valid election in place to be treated as a U.S. person.

If a partnership, entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our common stock, you should consult your tax advisor regarding the consequences of the ownership and disposition of our common stock by the partnership.

Distributions

For any taxable year for which we qualify for taxation as a REIT, distributions made to our taxable U.S. stockholders 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. stockholders who receive dividends from taxable subchapter C corporations. However, non-corporate U.S. holders, including individuals, generally may deduct 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026.

Distributions from us that are designated as capital gain dividends will be taxed to U.S. stockholders 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. stockholder has held our stock. To the extent that we elect under the applicable provisions of the Code to retain our net capital gains, U.S. stockholders 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. stockholders will increase their adjusted tax basis in our shares by the difference between their allocable share of such retained capital gain and their share of the tax paid by us. Corporate U.S. stockholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. stockholders who are individuals and 21% for corporations. 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. stockholders 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. stockholder to the extent that they do not exceed the adjusted tax basis of the U.S. stockholder's shares in respect of which the distributions were made, but rather will reduce the adjusted tax basis of these shares. To the extent that such distributions exceed the adjusted tax basis of a U.S. stockholder's shares, they will be treated as gain from the disposition of the shares and thus will be included in income as long-term capital gain, or short-term capital gain if the shares 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 may reduce the amount of distributions that must be made in order to comply with the REIT distribution requirements. See "Taxation of our Company" and "Annual Distribution Requirements." Such losses, however, are not passed through to U.S. stockholders and do not offset income of U.S. stockholders from other sources, nor do they affect the character of any distributions that are actually made by us.

A U.S. stockholder will be taxed on the amount of the distribution as a dividend to the extent such distribution is from current or accumulated earnings and profits, unless we have designated all or a portion of the distribution as a capital gain distribution. A U.S. stockholder may be subject to back up withholding if certain tax requirements are not complied with. See "Backup Withholding and Information Reporting."

Dispositions of Our Shares

A U.S. stockholder who is not a dealer in securities must generally treat any gain or loss realized upon a taxable disposition of our common stock as long-term capital gain or loss if the U.S. stockholder has held our common stock for more than one year and otherwise as short-term capital gain or loss. In general, a U.S. stockholder will realize gain or loss in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the U.S. stockholder's adjusted tax basis. A stockholder's adjusted tax basis generally will equal the U.S. stockholder's acquisition cost, increased by the excess of net capital gains deemed distributed to the U.S. stockholder (discussed above) less tax deemed paid on such gains and reduced by any returns of capital. However, a U.S. stockholder must treat any loss upon a sale or exchange of common stock held by such stockholder for six months or less as a long-term capital loss to the extent of capital gain dividends and any other actual or deemed distributions from us that such U.S. stockholder treats as long-term capital gain. All or a portion of any loss that a U.S. stockholder realizes upon a taxable disposition of shares of our common stock may be disallowed if the U.S. stockholder purchases other shares of our common stock within 30 days before or after the disposition.

Medicare Tax on Unearned Income

U.S. stockholders that are individuals, estates or trusts may be required to pay an additional 3.8% federal tax on net investment income including, among other things, dividends on and capital gains from the sale or other disposition of stock. Dividends we pay and gain from the sale or repurchase of our securities generally will be subject to the Medicare tax. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this tax on their ownership and disposition of our shares.

Taxation of Tax Exempt U.S. Stockholders

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. stockholder has not held our shares 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 stockholder) and (2) we do not hold REMIC residual interests or interests in a taxable mortgage pool that gives rise to "excess inclusion income," distributions from us and income from the sale of our shares generally should not give rise to UBTI to a tax exempt U.S. stockholder. Excess inclusion income as allocated to a tax-exempt U.S. stockholder will be treated as UBTI (or, in the case of a disqualified organization, taxable to us). See "Excess Inclusion Income."

Tax exempt U.S. stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) 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 stock 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 stock, or (B) a group of pension trusts, each individually holding more than 10% of the value of our stock, collectively owns more than 50% of such stock; 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.

Tax exempt U.S. stockholders are urged to consult their tax advisors regarding the U.S. federal, state, local and non-U.S. tax consequences of owning our shares.

Taxation of Non-U.S. Stockholders

The term "non-U.S. stockholder" means a holder of our shares that is not a U.S. stockholder or a partnership (or entity treated as a partnership for U.S. federal income tax purposes). The rules governing U.S. federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships, and other foreign stockholders are complex. This section is only a summary of such rules. We urge non-U.S. stockholders to consult their tax advisors to determine the impact of U.S. federal, state, and local income tax laws on the purchase, ownership and sale of our common stock, including any reporting requirements.

General

In general, non-U.S. stockholders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our shares. In cases where a non-U.S. stockholder's investment in our shares is, or is treated as, effectively connected with the non-U.S. stockholder's conduct of a U.S. trade or business, dividend income received in respect of our shares and gain from the sale of our shares generally will be "effectively connected income," or ECI, subject to U.S. federal income tax at graduated rates in the same manner as if the non-U.S. stockholder were a U.S. stockholder, 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. stockholder that is a corporation. Additionally, non-U.S. stockholders that are nonresident alien individuals who are present in the U.S. for 183 days or more during the taxable year and have a "tax home" in the U.S. are subject to a 20% withholding tax on their capital gains. The remaining discussion below assumes the dividends and gain generated in respect of our shares is not effectively connected to a U.S. trade or business of the non-U.S. stockholder and that the non-U.S. stockholder is not present in the U.S. for more than 183 days during any taxable year.

FIRPTA

Under the Foreign Investment in Real Property Tax Act, or FIRPTA, gains from U.S. real property interests, or USRPIs, are treated as ECI subject to U.S. federal income tax at graduated rates in the same manner as if the non-U.S. stockholder were a U.S. stockholder (and potentially branch profits tax to non-U.S.

corporations), and will generate return filing obligations in the United States for such non-U.S. stockholders. 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. Notwithstanding the foregoing rule, our shares will not be treated as a USRPI (i) if we are "domestically-controlled", (ii) if our shares are of a class that is regularly traded on an established securities market and the selling non-U.S. stockholder 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), (iii) with respect to a selling non-U.S. stockholder that is a "qualified stockholder" (as described below) or (iv) with respect to a selling non-U.S. stockholder that is 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 shares of shares or the period of the REIT's existence), less than 50% in value of its outstanding shares of shares is held directly or indirectly by non-U.S. persons.

Our shares are not currently traded on an established securities market. We also cannot assure you that we will be domestically-controlled at all times in the future. Thus, although we expect that many of our assets will not themselves be USRPIs, we cannot assure you that our shares are not or will not become a USRPI in the future.

Ordinary Dividends

The portion of dividends received by non-U.S. stockholders payable out of our earnings and profits that are not attributable to gains from sales or exchanges of USRPIs 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. In addition, any portion of the dividends paid to non-U.S. stockholders that are treated as excess inclusion income will not be eligible for exemption from the 30% withholding tax or a reduced treaty rate.

Non-Dividend Distributions

A non-U.S. stockholder should not incur tax on a distribution 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 stock. Instead, the excess portion of the distribution will reduce the adjusted basis of that stock. A non-U.S. stockholder 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 stock constitutes a USRPI. If our stock is a USRPI, distributions in excess of both our earnings and the non-U.S. stockholder's basis in our stock will be treated as ECI subject to U.S. federal income tax. Regardless of whether the distribution exceeds basis, we will be required to withhold 15% of any distributions to non-U.S. stockholders in excess of our current year and accumulated earnings (i.e., including distributions that represent a return of the non-U.S. stockholder's tax basis in our stock). The withheld amounts will be credited against any U.S. tax liability of the non-U.S. stockholder, and may be refundable to the extent such withheld amounts exceed the stockholder's actual U.S. federal income tax liability. Even in the event our stock is not a USRPI, 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. stockholder 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 stockholder's actual U.S. federal income tax liability.

Capital Gain Dividends

Subject to an exception that may apply if our stock is regularly traded on an established securities market or if the selling non-U.S. stockholder is a "qualified stockholder" or a "qualified foreign pension fund," each

as described below, under a FIRPTA "look-through" rule, any of our distributions to non-U.S. stockholders of gain attributable to the sale of a USRPI will be treated as ECI and subject to withholding. 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) in the case of a non-U.S. stockholder that is a corporation. In addition, we will be required to withhold tax equal to 21% of the maximum amount that could have been designated as capital gains dividends. Capital gain dividends received by a non-U.S. stockholder 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 repurchases of shares and liquidating distributions, to the extent they represent distributions of gain attributable to the sale of a USRPI.

Dispositions of Our Shares

A sale of our shares by a non-U.S. stockholder generally will not be subject to U.S. federal income tax unless our shares are a USRPI. If our shares are a USRPI, gain from the sale of our shares would be taxed as ECI to the non-U.S. stockholder. If our shares are not a USRPI, gain from the sale of our shares would not be subject to U.S. federal income tax.

To the extent our shares are held directly (or indirectly through one or more partnerships) by a "qualified stockholder," our shares will not be treated as a USRPI. Further, to the extent such treatment applies, any distribution to such stockholder will not be treated as gain recognized from the sale or exchange of a USRPI. For these purposes, a qualified stockholder is generally a non-U.S. stockholder 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 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 stockholder having one or more "applicable investors," the exception described in the first sentence of this paragraph will not apply with respect to a portion of the qualified stockholder's shares (determined by applying the ratio of the value of the interests held by applicable investors in the qualified stockholder to the value of all interests in the qualified stockholder and applying certain constructive ownership rules). Such ratio applied to the amount realized by a qualified stockholder on the disposition of our shares 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 USRPIs. For these purposes, an "applicable investor" is person who holds an interest in the qualified stockholder and holds more than 10% of our shares applying certain constructive ownership rules.

FIRPTA will not apply to any USRPI held directly (or indirectly through one or more partnerships) by, or to any distribution received from a REIT by, a "qualified foreign pension fund" or any entity all of the interests of which are held by a qualified foreign pension fund. For these purposes, a "qualified foreign pension fund" is an organization or arrangement (i) created or organized in a foreign country, (ii) established to provide retirement or pension benefits to current or former employees (or their designees) of one or more employers for services rendered, (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 provides annual information reporting about its beneficiaries to relevant local tax authorities and (v) with respect to which, under its local laws, contributions that would otherwise be subject to tax are deductible or excluded from its gross income or taxed at a reduced rate, or taxation of its income is deferred or taxed at a reduced rate.

Backup Withholding and Information Reporting

We will report to our U.S. stockholders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. A U.S. stockholder 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. stockholder 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. In addition, we may be required to withhold a portion of dividends or capital gain distribution to any U.S. stockholder who fails to certify their non-foreign status.

We must report annually to the IRS and to each non-U.S. stockholder 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. stockholder resides under the provisions of an applicable income tax treaty. A non-U.S. stockholder may be subject to backup withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our shares 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. stockholder (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 shares 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. stockholder 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

The Foreign Account Tax Compliance Act, commonly referred to as FATCA, provides that a 30% withholding tax will be imposed on certain payments (including dividends as well as gross proceeds from sales of stock giving rise to such dividends) made to a foreign entity if such entity fails to satisfy certain new disclosure and reporting rules. FATCA generally requires that (i) in the case of a foreign financial institution (defined broadly to include a bank, certain insurance companies, a hedge fund, a private equity fund, a mutual fund, a securitization vehicle or other investment vehicle), the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a non-financial foreign entity, the entity identifies and provides information in respect of substantial U.S. owners of such entity. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

These withholding and reporting requirements generally apply to U.S.-source periodic payments and to payments of gross proceeds from a sale or redemption. Under recently proposed Treasury regulations that may be relied upon pending finalization, the withholding tax on gross proceeds would be eliminated and, consequently, FATCA withholding on gross proceeds is not currently expected to apply. If we determine withholding is appropriate with respect to the notes, we will withhold tax at the applicable statutory rate, and we will not pay any additional amounts in respect of such withholding.

THE UNITED STATES TREASURY HAS SIGNED INTERGOVERNMENTAL AGREEMENTS WITH CERTAIN OTHER COUNTRIES TO IMPLEMENT THE EXCHANGE OF INFORMATION REQUIRED UNDER FATCA. INVESTORS THAT INVEST IN OUR SHARES THROUGH AN ACCOUNT MAINTAINED AT A NON-U.S. FINANCIAL INSTITUTION ARE STRONGLY ENCOURAGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE POTENTIAL APPLICATION AND IMPACT OF FATCA AND ANY INTERGOVERNMENTAL AGREEMENT BETWEEN THE UNITED STATES AND THEIR HOME JURISDICTION IN CONNECTION WITH FATCA COMPLIANCE.

State, Local and Non-U.S. Taxes

We and our stockholders may be subject to state, local or non-U.S. taxation in various jurisdictions, including those in which we or they transact business, own property or reside. The state, local or non-U.S. tax treatment of us and our stockholders 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 stockholders as a credit against their U.S. federal income tax liability. Prospective stockholders 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 shares.

Legislative or Other Actions Affecting REITs

The foregoing discussion is only a summary and is based upon existing U.S. federal income tax law. You should recognize that the U.S. federal income tax treatment of an investment in us may be modified at any time by legislative, judicial or administrative action. Any such changes may have a retroactive effect with respect to existing transactions and investments and may modify the statements made above.

THE FOREGOING DISCUSSION SHOULD NOT BE CONSIDERED TO DESCRIBE FULLY THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN US. YOU ARE STRONGLY ADVISED TO CONSULT WITH YOUR TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT IN US.

Groma

Investment by Certain Tax-Exempt Entities, Including Retirement Plans, and ERISA Considerations

The following is a summary of some considerations associated with an investment in our shares by tax-qualified pension, stock bonus or profit-sharing plans and other employee benefit plans described in Section 3(3) of ERISA, annuities described in Section 403(a) or (b) of the Code, IRAs or annuity described in Section 408 or 408A of the Code, an Archer MSA described in Section 220(d) of the Code, a health savings account described in Section 223(d) of the Code, or a Coverdell education savings account described in Section 530 of the Code (collectively, "plans and IRAs"). This summary is based on provisions of ERISA and the Code, each as amended through the date of this memorandum, and the relevant regulations, opinions and other authority issued by the U.S. Department of Labor and the IRS through the date of this memorandum. We cannot assure you that there will not be adverse tax or labor decisions or legislative, regulatory or administrative changes that would significantly modify the statements expressed herein. Any such changes may apply to transactions entered into prior to the date of their enactment.

In general, any individual making an investment decision with respect to plans or IRAs should consider applicable provisions of the Code and ERISA. While each of the Code and ERISA issues discussed below may not apply to all plans and IRAs, individuals involved with making investment decisions with respect to plans and IRAs should carefully review the rules and exceptions described below, and determine their applicability to their situation.

In general individuals making investment decisions with respect to plans and IRAs should, at a minimum, consider:

- whether the investment is consistent with the fiduciary and other the applicable provisions of ERISA, the Code, and other applicable laws;
- whether, under the facts and circumstances pertaining to the plans and IRAs in question, the individual's responsibility to the plan or IRA has been satisfied;
- whether the investment will produce UBTI to the plan or IRA (see "Material U.S. Federal Income Tax Considerations — Taxation of Tax Exempt U.S. Stockholders" beginning on page 145 of this memorandum);
- the need to value the assets of the plan or IRA annually or more frequently in accordance with ERISA, the Code and other applicable law requirements and any applicable provisions of the plan or IRA;
- whether the investment satisfies the prudence and diversification and other fiduciary requirements of ERISA, if applicable, and all other applicable provisions of ERISA, the Code and other applicable law;
- whether there is sufficient liquidity for the plan or IRA, considering the minimum and other distribution and withholding requirements under the Code and the liquidity needs of such plan or IRA, after taking this investment into account;
- whether the investment is in accordance with the documents and instruments governing such plan or IRA, including an investor's plan or account's investment policy, if applicable;
- whether the investment would constitute or give rise to a prohibited transaction under ERISA or the Code, if applicable, or other applicable laws; and
- whether the assets of the entity in which the investment is made will be treated as "plan assets" of the plan or IRA investor under ERISA.

Additionally, individuals making investment decisions with respect to plans and IRAs must remember that ERISA requires that, with certain exceptions, the assets of an employee benefit plan be held in trust and that the trustee, or a duly authorized named fiduciary or investment manager, have exclusive authority and discretion to manage and control the assets of the plan. Further, individuals making investment decisions with respect to plans and IRAs need to determine whether an investment in our securities is appropriate under the custodial or trust agreement governing such plans or IRAs. It is highly advisable to confer with the custodian or trustee of a plan or IRA to ensure that an investment in our securities presents no problems under their custodial or trust agreements.

Fiduciary Obligations

ERISA and the Code impose certain requirements and duties on plans and IRAs and on those persons who are fiduciaries with respect to plans and IRAs. For purposes of ERISA and the relevant provisions of the Code, a person generally is a fiduciary with respect to a plan if, among other things, the person has discretionary authority or control with respect to plan assets or provides investment advice (direct or indirect) for a fee with respect to plan assets.

Investments by plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a plan's investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of a plan by taking into account the plan's particular circumstances and all of the facts and circumstances of the investment.

Each plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold our common shares should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the plan, an investment in the common shares is appropriate for the plan, taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio and the risks and lack of liquidity inherent in an investment in the common shares.

Prohibited Transactions

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of plans and IRAs, and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such plans and IRAs, unless a statutory or administrative exemption is applicable to the transaction.

Fiduciaries of a plan that allow a prohibited transaction to occur will breach their fiduciary responsibilities under ERISA, and may be liable for any damage sustained by the plan, as well as civil penalties. Criminal penalties may also be possible if the violation was willful. If it is determined by the U.S. Department of Labor or the Internal Revenue Service that a prohibited transaction has occurred, any disqualified person or party-in-interest involved with the prohibited transaction would be required to reverse or unwind the transaction and, for a plan, compensate the plan for any loss resulting therefrom. Additionally, the Code requires that a disqualified person involved with a prohibited transaction with a plan or IRA must pay an excise tax equal to a percentage of the "amount involved" in the transaction for each year in which the transaction remains uncorrected. For IRAs, if an IRA engages in a prohibited transaction, the tax-exempt status of the IRA may be lost. With respect to an IRA that invests in our common shares, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiary could cause the IRA to lose its tax-exempt status under the Code, and such individual generally would be taxable on the deemed distribution of all the assets in the IRA.

The acquisition and/or ownership of the common shares by a plan or IRA with respect to which our company is considered a party in interest or a disqualified person may constitute or result in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with a statutory, class or individual prohibited transaction exemption. The prohibited transaction restrictions could, for example, require that our company avoid many transactions in which it may otherwise enter into in the ordinary course of its business with entities that are affiliated with it unless such transactions otherwise were exempt from the prohibition transaction restrictions, or restructure its activities in order to obtain an exemption from the prohibited transaction restrictions.

Plan Asset Considerations

In order to determine whether an investment in our shares by a plan or IRA creates or gives rise to the potential for either prohibited transactions or a commingling of assets as referred to above, an individual making an investment decision must consider whether an investment in our shares will cause our assets to be treated as assets of the investing plan or IRA. Section 3(42) of ERISA and the Plan Assets Regulation define the term "plan assets," which includes certain express exceptions.

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 the plan or IRA, unless one of the exceptions to this general rule applies. Generally, the exceptions require that the investment in the entity be one of the following:

- securities issued by an investment company registered under the Investment Company Act;
- "publicly offered securities" (generally defined as interests that are "freely transferable," "widely held," and registered with the SEC);
- an "operating company," which includes "venture capital operating companies" and "real estate operating companies;" or
- an investment in which equity participation by "benefit plan investors" is "not significant."

Although we are not currently a publicly traded company (and we do not have any present intent to become one) and we will not registered under the Investment Company Act, we believe that we may satisfy one or more of the exceptions described below:

Exception for Insignificant Participation by Benefit Plan Investors

The Plan Assets Regulation provides that the assets of an entity will not be deemed to be the assets of a plan or IRA if equity participation in the entity by "benefit plan investors," including plans and IRAs, is not "significant." The plan assets regulation provides that equity participation in an entity by "benefit plan investors" is "significant" if at any time 25% or more of the value of any class of equity interest is held by "benefit plan investors." The term "benefit plan investors" is defined for this purpose under ERISA Section 3(42) to mean any employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, any plan to which Section 4975 of the Code applies, and any entity whose underlying assets include plan assets by reasons of a plan's investment in such entity. In calculating the value of a class of equity interests, the value of any equity interests held by us or any of our affiliates must be excluded. We do not intend to limit equity participation in our securities by benefit plan investors to less than 25% of the total value of each class of our equity securities. Accordingly, our assets may be deemed "plan assets" under ERISA, which could severely restrict our operations or subject us to fines if ownership by benefit plan investors of any class of our equity securities is "significant" (as defined above) and we do not qualify for another exception. As noted below, we believe we will qualify for the "operating company" exception. However, if we determine that we fail to meet the operating company exception to plan assets treatment and we also determine that participation by benefit plan investors equals or exceeds 25% of the total value of any class of our equity securities, we may redeem stockholders in sufficient quantities to reduce benefit plan investor participation so that it is no longer "significant."

Exception for Operating Companies

The Plan Assets Regulation provides an exception with respect to securities issued by an "operating company," which includes a "real estate operating company" or a "venture capital operating company." Generally, we will be deemed to be a real estate operating company if during the relevant valuation periods at least 50% of our assets are invested in real estate that is managed or developed, and with respect to which we have the right to participate substantially in management or development activities. To constitute a venture capital operating company, 50% or more of our assets must be invested in "venture capital investments" during the relevant valuation periods. A "venture capital investment" is an investment in an operating company (other than a venture capital operating company but including a "real estate operating company") as to which the investing entity has or obtains direct management rights. If an entity satisfies these requirements on the date it first makes a long-term investment (the "initial investment date"), or at any time during the entity's first annual valuation period, it will be considered an operating company for the entire period beginning on the initial investment date and ending on the last day of the first annual valuation period. Because this is a blind pool offering, we cannot assure you that we will be a real estate or venture capital operating company within the meaning of the Plan Assets Regulation. However, we intend to structure and operate so that we (Groma NAV REIT, Inc.) qualify as a "venture capital operating company" investing in a series of other "operating companies," as defined in the Plan Assets Regulation. Specifically, we believe that each SPE that owns one or more properties will qualify as a "real estate operating company" for ERISA purposes. Accordingly, we do not expect to be subject to regulation under ERISA or the similar provisions of the Code.

However, it is possible that we may not qualify as an "operating company" for purposes of the Plan Assets Regulation or limit equity participation in our securities by benefit plan investors to less than 25% of the total value of each class of our equity securities. Therefore, our assets could be deemed to be the assets of benefit plans investing in our securities, which could severely restrict our operations or subject us to fines if we fail to comply with the requirements of ERISA, including, among other things:

- the prudence and other fiduciary responsibility standards of ERISA would apply to investments we make;
- certain transactions in which we might seek to engage could constitute "prohibited transactions" under ERISA and the Code, which, absent an exemption, could restrict us from acquiring an otherwise desirable investment or from entering into an otherwise favorable transaction;
- our assets could be subject to ERISA's reporting and disclosure requirements;
- the fiduciary causing the benefit plan to make an investment in our securities could be deemed to have delegated its responsibility to manage the assets of the benefit plan; and
- the indicia of ownership of our assets would have to be maintained within the jurisdiction of the district courts of the United States unless certain regulatory exceptions were applicable.

Annual or More Frequent Valuation Requirement

A fiduciary of a plan subject to ERISA may be required to determine the fair market value of the assets of such plan on at least an annual basis and, sometimes, as frequently as daily. If the fair market value of any particular asset is not readily available, the fiduciary is required to make a good faith determination of that asset's value. Also, a trustee or custodian of an IRA must provide an IRA participant and the IRS with a statement of the value of the IRA each year, and a fiduciary of a plan must provide a plan participant with a statement of the value of their accrued benefit under the plan every three years, every year, or every quarter, depending upon the type of plan involved. However, currently, neither the IRS nor the U.S. Department of Labor has promulgated regulations specifying how "fair market value" should be determined for these purposes.

It is not expected that a public market for our shares will develop. To assist fiduciaries of plans subject to the annual reporting requirements of ERISA and IRA trustees or custodians to prepare reports relating to an investment in our shares, we estimate that the net asset value of our shares will be the purchase price per share, net of commissions and fees, or $1.00 per Class A Share until we calculate our initial NAV per share. We expect to calculate a net asset value based on an appraisal of our assets and publish an estimated fair value per share on a quarterly basis beginning sometime in 2024. If you are a fiduciary of a benefit plan governed by ERISA or Section 4975 of the Code, you should confirm the requirements that may be applicable to you regarding the valuation of your plan's investments and ascertain whether an investment in our shares is suitable for your plan.

If we do prepare any estimates of fair value beyond those based on the offering price, there can be no assurance, with respect to any estimate of value that we prepare, that:

- the estimated value per share would actually be realized by our members upon liquidation, because, among other reasons, these estimates do not necessarily indicate the price at which properties can be sold;
- our members would be able to realize estimated net asset values if they were to attempt to sell their shares, because no public market for our shares exists or is likely to develop;
- that the value, or method used to establish value, would be sufficient to enable an ERISA fiduciary or an IRA custodian or trustee to comply with ERISA or Code requirements described above, and the U.S. Department of Labor or the IRS might determine that a plan fiduciary or IRA custodian or trustee is required to take further steps to determine value; or
- that the value, or method used to establish value, will comply with any contractual agreements that may exist with any third party administrator or IRA custodian or trustee.

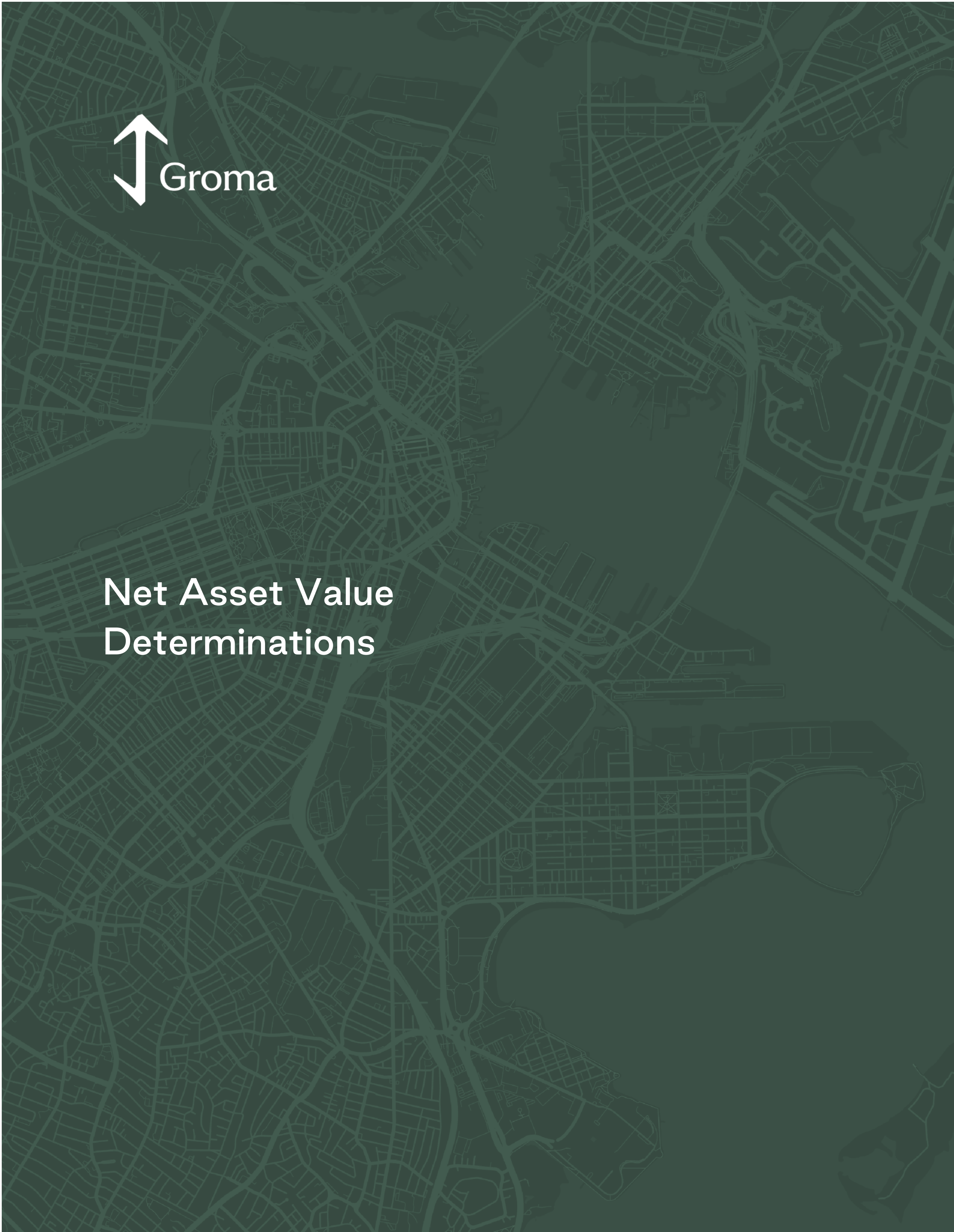
Minimum and Other Distribution Requirements — Plan Liquidity

Potential plan or IRA investors who intend to purchase our shares should consider the limited liquidity of an investment in our shares as it relates to the minimum distribution requirements under the Code, if applicable, and as it relates to other distributions (such as, for example, cash out distributions) that may be required under the terms of the plan or IRA and the Code from time to time. If the shares are held in an IRA or plan and, before we receive payment on our loans or sell our properties, mandatory or other distributions are required to be made to the participant or beneficiary of such IRA or plan, pursuant to the Code, then this might require that a distribution of the shares be made in kind to such participant or beneficiary or that a rollover of such shares be made to an IRA or other plan, which may not be permissible under the terms and provisions of the IRA or plan making the distribution or rollover or the IRA or plan receiving the rollover, or under applicable federal or state securities laws. Even if permissible, a distribution of shares in kind to a participant or beneficiary of an IRA or plan must generally be included in the federal taxable income of the recipient for the year in which the shares are received at the then current fair market value of the shares, even though there would be no corresponding cash distribution with which to pay the income tax liability arising because of the distribution of shares. The fair market value of any such distribution-in-kind can be only an estimated value per share because no public market for our shares exists or is likely to develop. Further, there can be no assurance that such estimated value could actually be realized by a stockholder because estimates do not necessarily indicate the price at which our shares could be sold. Also, for distributions subject to mandatory income tax withholding under Section 3405 or other tax withholding provisions of the Code, the trustee of a plan may have an obligation, even in situations involving in-kind distributions of shares, to liquidate a portion of the in-kind shares distributed in order to satisfy such withholding obligations, although there might be no market for such shares. There may also be similar state and/or local tax withholding or other tax obligations that should be considered.

Rules Applicable to Foreign, Governmental and Church Plans

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

EACH PLAN OR ACCOUNT FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR CONCERNING THE POTENTIAL CONSEQUENCES UNDER ERISA, THE CODE AND OTHER SIMILAR APPLICABLE LAW BEFORE MAKING AN INVESTMENT IN OUR COMPANY.



Net Asset Value Determinations

We do not intend to calculate our initial NAV per share until at least sometime in 2024 and when our board of directors deem in best interest of stockholders. Prior to calculating our NAV in accordance with the procedures disclosed below, the per share purchase price for shares of our common stock in our offering will be $1.00 per share plus applicable upfront selling commissions and dealer manager fees, if any, which will represent the "transaction price" as used throughout this memorandum, and therefore $1.00 will be used as our NAV per share.

The following information describes our policies regarding NAV determinations once we begin calculating our NAV. The NAV for our shares is based on the net asset values of our investments (including real estate debt and other securities), the addition of any other assets (such as cash on hand), and the deduction of any liabilities, including the allocation/accrual of any performance participation to our advisor.

General

Our director has adopted valuation guidelines that contain a comprehensive set of methodologies to be used by our advisor and an independent valuation advisor in connection with estimating the values of our assets and liabilities for purposes of our NAV calculation. These guidelines are designed to produce a fair and accurate estimate of the price that would be received for our investments in an arm's-length transaction between a willing buyer and a willing seller in possession of all material information about our investments. Our independent valuation advisor will review our valuation guidelines and methodologies related to investments in real property and certain real estate debt and other securities (as described below) with the advisor and our board of directors at least annually. From time to time, our board of directors may adopt changes to the valuation guidelines if it (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV.

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

Independent Valuation Advisor

With the approval of our board of directors, we have engaged an independent valuation advisor with respect to our real properties and certain real estate debt and other securities, which will review annual third-party appraisals of our properties and internal valuations prepared by our advisor. While our independent valuation advisor will be responsible for reviewing for reasonableness the assumptions, methodologies and valuation conclusions applied by our advisor for our property and certain real estate debt and other securities valuations, our independent valuation advisor will not be responsible for, and does not calculate, our NAV. Our advisor is ultimately responsible for the determination of our NAV.

Our independent valuation advisor may be replaced at any time, in accordance with agreed-upon notice requirements, by a majority vote of our board of directors. We will promptly disclose any changes to the identity or role of our independent valuation advisor to stockholders.

Our independent valuation advisor will discharge its responsibilities in accordance with our valuation guidelines. Our board of directors will not be involved in the quarterly valuation of our assets and liabilities, but will periodically receive and review such information about the valuation of our assets and liabilities as it deems necessary to exercise its oversight responsibility. Our NAV per share will be calculated by a third-party administrator and such calculation will be reviewed and confirmed by the advisor. We expect that the advisor will receive appraisal reports from third-party appraisal firms that have been reviewed by our independent valuation advisor along with the advisor's own valuation. Based in part on these appraisals, the advisor will render a final valuation in order for our third-party administrator to calculate our NAV. The appraisals performed by independent third-party appraisal firms and reviewed by our independent valuation advisor will be one of several components considered by our advisor in determining the value of our properties that will be used when the third-party administrator calculates our NAV per share.

We will pay fees to our independent valuation advisor upon its delivery to us of its review reports. We expect that we will indemnify our independent valuation advisor against certain liabilities arising out of its engagement. The compensation we pay to our independent valuation advisor will not be based on the estimated values of our properties.

Our independent valuation advisor and certain of the independent third-party appraisers and their respective affiliates may from time to time in the future perform other commercial real estate and financial advisory services for our sponsor and its affiliates, or in transactions related to the properties that are the subjects of the valuations being performed for us, or otherwise, so long as such other services do not adversely affect the independence of the independent valuation advisor or the applicable appraiser as certified in the applicable appraisal report.

Valuation of Investments

Consolidated Properties

For the purposes of calculating our quarterly NAV, our properties will initially be valued at cost or the initial appraisal received, which we expect to represent fair value at that time, subject to any variation pursuant to our valuation guidelines. In accordance with GAAP, we determine whether the acquisition of a property qualifies as an asset acquisition or business combination. We capitalize acquisition-related costs associated with asset acquisitions and expense such costs associated with business combinations.

Each property will then be valued by an independent third-party appraisal firm no less than annually after acquisition. Properties purchased as a portfolio may be valued as a single asset. Each third-party appraisal is performed in accordance with the Uniform Standards of Professional Appraisal Practice, or the similar industry standard for the country where the property appraisal is conducted, and reviewed by our independent valuation advisor for reasonableness. Upon conclusion of the appraisal, the independent third-party appraisal firm prepares a written report with an estimated range of gross market value of the property. Concurrent with the appraisal process, the advisor will value each property and, taking into account the appraisal, among other factors, determine the appropriate valuation within the range provided by the independent third-party appraisal firm. Each appraisal must be reviewed, approved and signed by an individual with the professional designation of MAI (a Designated Member of the Appraisal Institute) or similar designation or, for international appraisals, a public or other certified expert for real estate valuations. We believe our policy of obtaining appraisals by independent third parties will meaningfully enhance the accuracy of our NAV calculation. Any appraisal provided by an independent third-party appraisal firm will be performed in accordance with our valuation guidelines and will not be considered in the advisor's valuation of the applicable property until our independent valuation advisor has confirmed the reasonableness of such appraisal.

The advisor will update the valuations of our properties quarterly, based on the then most recent annual third-party appraisals and current material market data and other information deemed relevant, with review and confirmation for reasonableness by our independent valuation advisor. These updates to valuations may be outside of the range of values provided in the most recent third-party appraisal. Although quarterly reviews of each of our real property valuations will be performed by our independent valuation advisor, such reviews are based on asset and portfolio level information provided by the advisor, including historical operating revenues and expenses of the properties, lease agreements on the properties, revenues and expenses of the properties, information regarding recent or planned estimated capital expenditures and any

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

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

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

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

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

In conducting their investigations and analyses, our independent valuation advisor and other independent third-party appraisal firms will take into account customary and accepted financial and commercial procedures and considerations as they deem relevant, which may include, without limitation, the review of documents, materials and information relevant to valuing the property that are provided by us, such as (i) historical operating revenues and expenses of the property; (ii) lease agreements on the property; (iii) the revenues and expenses of the property; (iv) information regarding recent or planned estimated capital expenditures; and (v) any other information relevant to valuing the real estate property. Although our independent valuation advisor may review information supplied or otherwise made available by us for

reasonableness, it will assume and rely upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to it by any other party, and will not undertake any duty or responsibility to verify independently any of such information. Our independent valuation advisor will not make or obtain an independent valuation or appraisal of any of our other assets or liabilities (contingent or otherwise) other than our real properties. With respect to operating or financial forecasts and other information and data to be provided to or otherwise to be reviewed by or discussed with our independent valuation advisor, our independent valuation advisor will assume that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting currently available estimates and judgments of our management and the advisor, and will rely upon the advisor to advise our independent valuation advisor promptly if any material information previously provided becomes inaccurate or was required to be updated during the period of review.

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

Each individual appraisal report for our assets will be addressed solely to us to assist the advisor in calculating our NAV. The appraisal reports relating to our properties will not be addressed to the public and may not be relied upon by any other person to establish an estimated value of our common stock and will not constitute a recommendation to any person to purchase or sell any shares of our common stock. In preparing appraisal reports, independent third-party appraisal firms will not, and will not be requested to, solicit third-party indications of interest for our common stock or any of our properties in connection with possible purchases thereof or the acquisition of all or any part of us.

The advisor's valuation of each investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised. Our third party administrator will then incorporate such adjusted valuations into our NAV, which will then be reviewed and confirmed by the advisor.

Unconsolidated Properties Held Through Joint Ventures

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

Valuation of Real Estate Debt and Other Securities

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

Readily available market quotations

Market quotations may be obtained from third-party pricing service providers or, if not available from third-party pricing service providers, broker-dealers for certain of our real estate debt and other securities. When reliable market quotations for real estate debt and other securities are available from multiple sources, the advisor will use commercially reasonable efforts to use two or more quotations and will value such investments based on the average of the quotations obtained. However, to the extent that one or more of the quotations received is determined in good faith by the advisor to not be reliable, the advisor may disregard such quotation if the average of the remaining quotations is determined in good faith to be reliable by the advisor. Securities that are traded publicly on an exchange or other public market (stocks, exchange traded derivatives and securities convertible into publicly-traded securities, such as warrants) will be valued at the closing price of such securities in the principal market in which the security trades.

No readily available market quotations

If market quotations are not readily available (or are otherwise not reliable for a particular investment), the fair value will be determined in good faith by the advisor. Due to the inherent uncertainty of these estimates, estimates of fair value may differ from the values that would have been used had a ready market for these investments existed and the differences could be material. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, or broker-dealer quotations).

Certain investments, such as mortgages and mezzanine loans, are unlikely to have market quotations. In the case of loans acquired by us, such initial value will generally be the acquisition price of such loan. In the case of loans originated by us, such initial value will generally be the par value of such loan. Each such investment will then be valued by the advisor within the first three full months after we make such investment and no less than quarterly thereafter in accordance with the procedures set forth in the immediately following paragraph.

To conduct its initial quarterly valuation and subsequent quarterly revaluations of such investments, the advisor will initially determine if there is adequate collateral real estate value supporting such investments and whether the investment's yield approximates market yield. If the market yield is estimated to approximate the investment's yield, then such investment is valued at its par value. If the market yield is not estimated to approximate the investment's yield, the advisor will project the expected cash flows of the investment based on its contractual terms and discount such cash flows back to the valuation date based on an estimated market yield. Market yield is estimated as of each quarterly valuation date based on a variety of inputs regarding the collateral asset(s) performance, local/macro real estate performance, and capital market conditions, in each case as determined in good faith by the advisor. These factors may include, but are not limited to: purchase price/par value of such real estate debt or other difficult to value securities; debt yield, capitalization rates, loan-to-value ratio, and replacement cost of the collateral asset(s); borrower financial condition, reputation, and indications of intent (e.g., pending repayments, extensions, defaults, etc.); and known transactions or other price discovery for comparable debt investments. In the absence of collateral real estate value supporting such securities, the advisor will consider the residual value to its securities, following repayment of any senior debt or other obligations of the collateral asset(s). For each quarter that the advisor does not perform a valuation of such investments, it will review such investment to confirm that there have been no significant events that would cause a material change in value of such investment. Our independent valuation advisor will review and confirm the reasonableness of the valuation of our real estate debt and other securities investments without readily available market quotations upon the advisor's initial quarterly valuation of such investment and each quarter thereafter.

Our board of directors has delegated to the advisor the responsibility for monitoring significant events that may materially affect the values of our real estate debt and other securities investments and for determining whether the value of the applicable investments should be re-evaluated in light of such significant events. Except as otherwise provided in our valuation guidelines, the valuation of our real estate debt and other securities will not be reviewed by our independent valuation advisor or appraised.

Liabilities

We will include the fair value of our liabilities as part of our NAV calculation. We expect that these liabilities will include the fees payable to the advisor and any dealer manager we may engage, any accrued

performance participation allocation to the advisor, accounts payable, accrued operating expenses, property-level mortgages, any portfolio-level credit facilities and other liabilities. All liabilities will be valued using widely accepted methodologies specific to each type of liability. Our debt will be valued at fair value in accordance with GAAP. Our advisor's valuation of each investment's liabilities, including any third-party incentive fee payments or investment level debt, deal terms and structure will not be reviewed by our independent valuation advisor or appraised.

NAV and NAV Per Share Calculation

Our NAV will be calculated by our third-party administrator. Our board of directors may replace our third-party administrator with another party, including our advisor, if it is deemed appropriate to do so. The advisor will be responsible for reviewing and confirming our NAV, and overseeing the process around the calculation of our NAV, in each case, as performed by the third-party administrator.

In accordance with the valuation guidelines, our third-party administrator will calculate our NAV per share for each class as of the last calendar day of each quarter, using a process that reflects several components (each as described above), including the estimated fair value of (1) each of our properties based in part upon individual appraisal reports provided periodically by third-party independent valuation firms and reviewed by our independent valuation advisor, as finally determined and updated quarterly by the advisor, with review and confirmation for reasonableness by our independent valuation advisor, (2) our real estate debt and other securities for which third-party market quotes are available, (3) our other real estate debt and other securities, if any, and (4) our other assets and liabilities. Operating Partnership units will be valued in the same fashion. Our valuation procedures include the following methodology to determine the quarterly NAV of our Operating Partnership and the units. Our Operating Partnership has class(es) that are each economically equivalent to any of our corresponding classes of shares. Accordingly, on the last day of each quarter, the NAV per Operating Partnership unit of such units equals the NAV per share of the corresponding class. To the extent our Operating Partnership has classes of units that do not correspond to a class of our shares, such units will be valued in a manner consistent with these guidelines. The NAV of our Operating Partnership on the last day of each quarter equals the sum of the NAVs of each outstanding Operating Partnership unit on such day.

Our NAV for our shares will be based on the net asset values of our investments (including real estate debt and other securities), the addition of any other assets (such as cash on hand), and the deduction of any liabilities (including the allocation/accrual of any performance participation to the advisor). The NAV calculation is available generally within 15 calendar days after the end of the applicable quarter. Changes in our quarterly NAV include, without limitation, accruals of our net portfolio income, interest expense, the management fee, any accrued performance participation, distributions, unrealized/realized gains and losses on assets, any applicable organization and offering costs and any expense reimbursements. Changes in our quarterly NAV also include material non-recurring events, such as capital expenditures and material property acquisitions and dispositions occurring during the quarter. Notwithstanding anything herein to the contrary, the advisor may in its discretion consider material market data and other information that becomes available after the end of the applicable quarter in valuing our assets and liabilities and calculating our NAV for a particular quarter. On an ongoing basis, the advisor will adjust the accruals to reflect actual operating results and the outstanding receivable, payable and other account balances resulting from the accumulation of quarterly accruals for which financial information is available.

Following the aggregation of the net asset values of our investments, the addition of any other assets (such as cash on hand), and the deduction of any other liabilities, our third-party administrator incorporates any class-specific adjustments to our NAV, if applicable, including additional issuances and repurchases of our common At the close of business on the date that is one business day after each record date for any declared distribution, our NAV will be reduced to reflect the accrual of our liability to pay any distribution to our stockholders of record as of the record date. NAV per share is calculated by dividing such class's NAV at the end of each quarter by the number of Class A Shares outstanding at the end of such quarter.

Our NAV for Class A Shares equals the aggregate net asset value of our assets, which will consist almost entirely of the value of our interest in the Operating Partnership, less our liabilities. The value of our interest in the Operating Partnership is equal to the excess of the aggregate NAV of the Operating Partnership over the portion thereof that would be distributed to any limited partners other than us if the Operating Partnership were liquidated. The aggregate NAV of the Operating Partnership is the excess of the value of

the Operating Partnership's assets (including the fair value of its properties, real estate debt and other securities, cash and other investments) over its liabilities (including the fair value of its debt, any declared and accrued unpaid distributions, any accrued performance participation allocation and the expenses attributable to its operations). The advisor calculates the fair value of the assets and liabilities of the Operating Partnership as directed by our valuation guidelines based upon values received from various sources, as described in more detail above.

Relationship between NAV and Our Transaction Price

Once we begin calculating our NAV per share, purchases and repurchases of shares of our common stock are not made based on the current NAV per share of our common stock at the time of purchase or repurchase. Generally, our transaction price will equal our prior quarter's NAV. The transaction price will be the price at which we repurchase shares and the price, together with applicable upfront selling commissions, at which we offer shares. Although the transaction price will generally be based on our prior quarter's NAV per share, such prior quarter's NAV may be significantly different from the current NAV per share as of the date on which your purchase or repurchase occurs.

In addition, we may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior quarter's NAV per share (including by updating a previously disclosed offering price) or suspend our offering and/or our share repurchase program in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior quarter. In cases where our transaction price is not based on the prior quarter's NAV per share, the offering price and repurchase price will not equal our NAV per share as of any time. The advisor may determine whether a material change has occurred to our NAV per share since the end of the prior quarter and whether to set a transaction price that differs from the previous quarter's NAV per share, and in such cases, has discretion over what such transaction price will be.

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

Limits on the Calculation of Our NAV Per Share

The overarching principle of our valuation guidelines is to produce reasonable estimated values for each of our investments (and other assets and liabilities), or the price that would be received for that investment in orderly transactions between market participants. However, the majority of our assets will consist of real estate properties and, as with any real estate valuation protocol and as described above, the valuation of our properties (and other assets and liabilities) is based on a number of judgments, assumptions and opinions about future events that may or may not prove to be correct. The use of different judgments, assumptions or opinions would likely result in a different estimate of the value of our real estate properties (and other assets and liabilities). Any resulting potential disparity in our NAV per share may be in favor of stockholders whose shares are repurchased, existing stockholders or new purchasers of our common stock, as the case may be, depending on the circumstances at the time (for cases in which our transaction price is based on NAV). See "Risk Factors—Valuations and appraisals of our real estate and real estate debt are estimates of fair value and may not necessarily correspond to realizable value," "—Our NAV per share amounts may change materially if the appraised values of our properties materially change from prior appraisals or the actual operating results for a particular quarter differ from what we originally budgeted for that quarter" and "—It may be difficult to reflect, fully and accurately, material events that may impact our quarterly NAV."

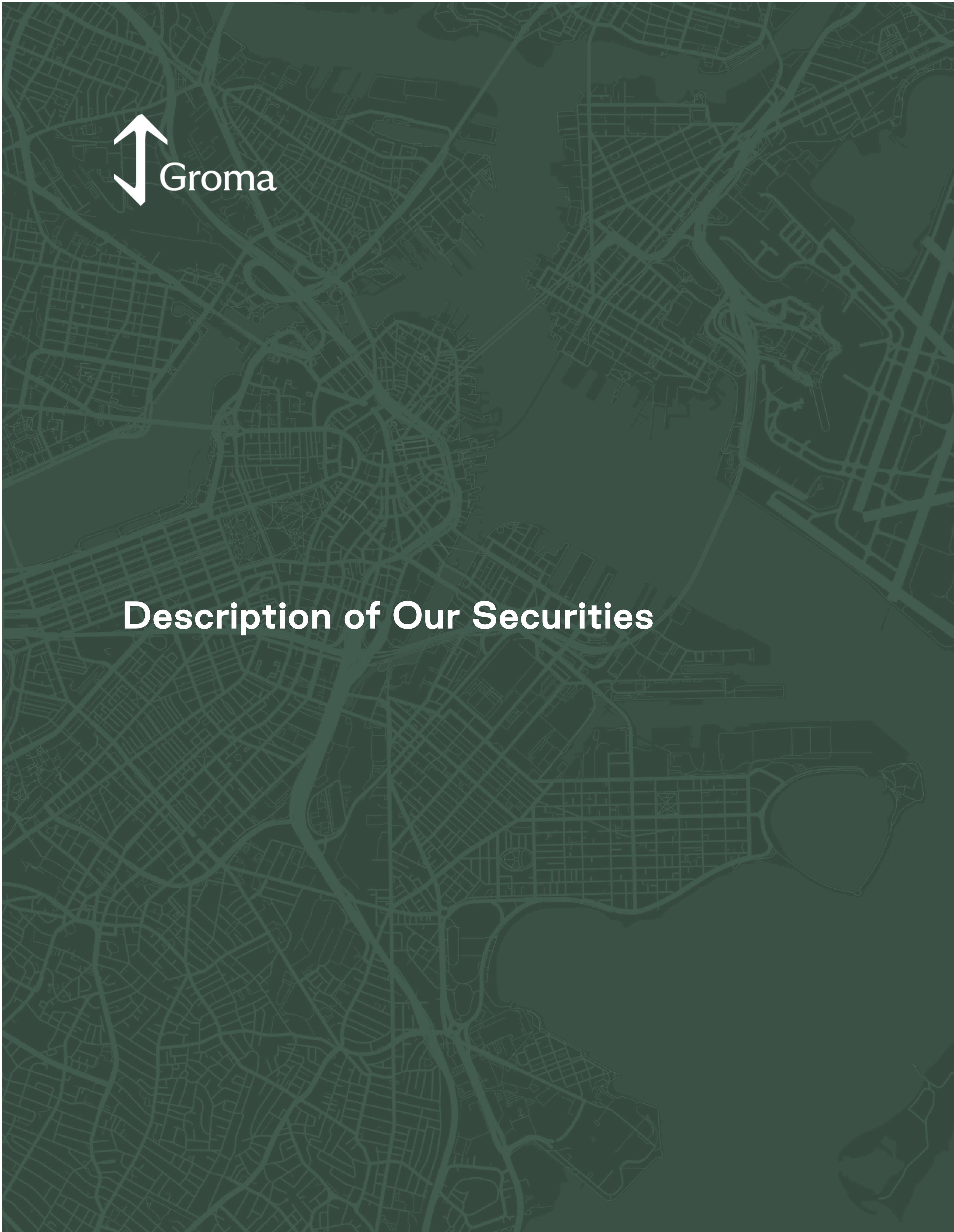
Additionally, while the methodologies contained in our valuation guidelines are designed to operate reliably within a wide variety of circumstances, it is possible that in certain unanticipated situations or after the occurrence of certain extraordinary events (such as a significant disruption in relevant markets, a terrorist attack or an act of nature), our ability to calculate NAV may be impaired or delayed, including, without limitation, circumstances where there is a delay in accessing or receiving information from vendors or other reporting agents upon which we may rely upon in determining the quarterly value of our NAV. In these circumstances, a more accurate valuation of our NAV could be obtained by using different assumptions or methodologies. Accordingly, in special situations when, in our advisor's reasonable judgment, the administration of the valuation guidelines would result in a valuation that does not represent a fair and

accurate estimate of the value of our investment, alternative methodologies may be applied, provided that our advisor must notify our board of directors at the next scheduled board meeting of any alternative methodologies utilized and their impact on the overall valuation of our investment. Notwithstanding the foregoing, our board of directors may suspend the offering and/or our share repurchase program if it determines that the calculation of NAV is materially incorrect or unreliable or there is a condition that restricts the valuation of a material portion of our assets.

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

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

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



Description of Our Securities

We were formed under the laws of the State of Maryland. The rights of our stockholders are governed by Maryland law as well as our charter and bylaws. The following summary of the terms of our stock is a summary of all material provisions concerning our stock and you should refer to the MGCL and our charter and bylaws for a full description. The following summary is qualified in its entirety by the more detailed information contained in our charter and bylaws, which may be obtained upon request of a stockholder.

Under our charter, we have authority to issue a total of 7,000,000,000 shares of capital stock. Of the total shares of stock authorized, 6,000,000,000 shares are classified as common stock with a par value of $0.01 per share, all of which are classified as Class A Shares. In addition, our board of directors may amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

Common Stock

Subject to the restrictions on ownership and transfer of stock set forth in our charter and except as may otherwise be specified in our charter, the holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including election of our directors. Our charter does not provide for cumulative voting in the election of our directors. Therefore, the holders of a majority of the outstanding shares of our common stock can elect our entire board of directors. With respect to (i) any amendment of our charter that would materially and adversely affect the rights, preferences and privileges of only a particular class of common stock, (ii) any matter submitted to stockholders that relates solely to a particular class of common stock or (iii) any matter submitted to stockholders in which the interests of a particular class of common stock differ from the interests of all other classes of common stock, only the affirmative vote of the holders of a majority of such affected class of common stock, with no other class of common stock voting except such affected class of common stock voting as a separate class, will be required. Subject to any preferential rights of any outstanding class or series of shares of stock and to the provisions in our charter regarding the restriction on ownership and transfer of stock, the holders of common stock are entitled to such distributions as may be authorized from time to time by our board of directors (or a committee of the board of directors) and declared by us out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to our stockholders. Upon issuance for full payment in accordance with the terms of this offering, all shares of our common stock issued in the offering will be fully paid and non-assessable. Holders of common stock will not have preemptive rights, which means that you will not have an automatic option to purchase any new shares of stock that we issue.

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

We will generally not issue certificates for shares of our common stock. Shares of our common stock will be held in "uncertificated" form, which will eliminate the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminate the need to return a duly executed stock certificate to effect a transfer. We have not engaged a transfer agent and our advisor is providing the services customary of a transfer agent. Transfers can be effected simply by mailing us a transfer and assignment form, which we will provide to you at no charge upon written request.

We are offering our common shares for sale in this offering only to persons that are "accredited investors," as that term is defined under the Securities Act and Regulation D promulgated thereunder. We expect to directly issue Class A Shares to investors through this memorandum, for which no underwriting compensation will be paid. We are also offering Class A Shares on the Republic Platform, which is operated for the benefit of ODB, a broker-dealer registered with FINRA and the SEC. Investors who subscribe through the Republic Platform will be charged a selling commission equal to 4.0%. We may in the future engage other broker dealers that are registered with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers.

Class A Shares

If purchased through a participating broker-dealer, we expect that a Class A Share would be subject to an upfront selling commission and dealer manager fee of up to 7.0% of the transaction price of each share sold in the offering on the date of the purchase. We anticipate that a dealer manager engaged by us would reallow all or a portion of the upfront selling commissions and dealer manager fees would be retained by, or reallowed (paid) to, participating broker-dealers.

Preferred Stock

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

However, the voting rights per share of any series or class of preferred stock sold in a private offering may not exceed voting rights which bear the same relationship to the voting rights of a publicly held share as the consideration paid to us for each privately-held preferred share bears to the book value of each outstanding publicly held share. If we ever created and issued preferred stock with a distribution preference over common stock, payment of any distribution preferences of outstanding preferred stock would reduce the amount of funds available for the payment of distributions on the common stock. Further, holders of preferred stock are normally entitled to receive a liquidation preference in the event we liquidate, dissolve or wind up before any payment is made to the common stockholders, likely reducing the amount common stockholders would otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management. Our board of directors has no present plans to cause us to issue any preferred stock, but may do so at any time in the future without stockholder approval.

Meetings and Special Voting Requirements

An annual meeting of the stockholders will be held each year, upon reasonable notice to our stockholders, but no sooner than 30 days after delivery of our annual report to stockholders. Special meetings of stockholders may be called only by a majority of our directors, a majority of our independent directors or our chief executive officer, president or chairman of the board of directors and must be called by our secretary to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast at least 10% of the votes entitled to be cast on such matter at the meeting. Upon receipt of a written request stating the purpose of any such special meeting, our secretary will provide a written notice to our stockholders within 10 days of receipt of such written request, stating the purpose of the meeting and setting a meeting date not less than 15 nor more than 60 days after the distribution of such notice. The presence either in person or by proxy of stockholders entitled to cast at least 50% of all the votes entitled to be cast on such matter at the meeting on any matter will constitute a quorum. Generally, the affirmative vote of a majority of all votes cast is necessary to take stockholder action, except as described in the next paragraph and except that the affirmative vote of a majority of the shares represented in person or by proxy at a meeting at which a quorum is present is required to elect a director.

Under the MGCL and our charter, stockholders generally are entitled to vote at a duly held meeting at which a quorum is present on (1) amendments to our charter, (2) our liquidation and dissolution, (3) a merger, consolidation, conversion, statutory share exchange or sale or other disposition of all or substantially all of our assets, (4) election or removal of our directors, and (5) such other matters that our board of directors has declared advisable and directed be submitted to our stockholders for approval or ratification. Except with respect to the election of directors or as otherwise provided in the MGCL or our charter, the vote of stockholders entitled to cast a majority of all the votes entitled to be cast is required to approve any such action, and no such action can be taken by our board of directors without such majority vote of our

stockholders. Stockholders are not entitled to exercise any of the rights of an objecting stockholder provided for in Title 3, Subtitle 2 of the MGCL unless our board of directors determines that such rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of the determination in connection with which stockholders would otherwise be entitled to exercise such rights. Stockholders have the power, without the concurrence of the directors, to remove a director from our board of directors with or without cause, by the affirmative vote of a majority of the votes entitled to be cast generally in the election of directors.

Stockholders are entitled to receive a copy of our stockholder list upon request. The list provided by us will include each stockholder's name, address and telephone number and number of shares of stock owned by each stockholder and will be sent within 10 days of our receipt of the request. The stockholder list will be maintained as part of our books and records and will be available for inspection by any stockholder or the stockholder's designated agent at our corporate offices upon the request of a stockholder. The stockholder list will be updated at least quarterly to reflect changes in the information contained therein. The copy of the stockholder list will be printed in alphabetical order, on white paper, and in a readily readable type size (in no event smaller than ten-point type). A stockholder requesting a list will be required to pay reasonable costs of postage and duplication. The purposes for which a stockholder may request a copy of the stockholder list include, but are not limited to, matters relating to stockholders' voting rights, the exercise of stockholder rights under federal proxy laws and any other proper purpose. If the advisor or our board of directors neglects or refuses to exhibit, produce or mail a copy of our stockholder list as requested, the advisor and/or our board of directors, as the case may be, will be liable to any stockholder requesting our stockholder list for the costs, including reasonable attorneys' fees, incurred by that stockholder for compelling the production of our stockholder list, and for actual damages suffered by any such stockholder by reason of such refusal or neglect. It shall be a defense that the actual purpose and reason for the requests for inspection or for a copy of our stockholder list is to secure such list or other information for the purpose of selling our stockholder list or copies thereof, or of using the same for a commercial purpose other than in the interest of the applicant as a stockholder relative to our affairs. We have the right to request that a requesting stockholder represent to us that the list will not be used to pursue commercial interests unrelated to such stockholder's interest in us. The remedies provided by our charter to stockholders requesting copies of our stockholder list are in addition to, and will not in any way limit, other remedies available to stockholders under federal law, or the laws of any state.

In addition to the foregoing, stockholders have rights under Rule 14a-7 under the Exchange Act, which provides that, upon the request of a stockholder and the payment of the expenses of the distribution, we are required to distribute specific materials to stockholders in the context of the solicitation of proxies by a stockholder for voting on matters presented to stockholders or, at our option, provide requesting stockholders with a copy of the list of stockholders so that the requesting stockholder may make the distribution of such materials.

Furthermore, pursuant to our charter, any stockholder and any designated representative thereof will be permitted access to our corporate records to which such stockholder is entitled under applicable law at all reasonable times, and may inspect and copy any of them for a reasonable charge. Under Maryland law, stockholders are entitled to inspect and copy only our bylaws, minutes of stockholder proceedings, annual statements of affairs, voting trust agreements and statements of stock and securities issued by us during the period specified by the requesting stockholder, which period may not be longer than 12 months prior to the date of the stockholder's request. Because our stockholders are entitled to inspect only those corporate records that stockholders are entitled to inspect and copy under Maryland law, our stockholders will not be entitled to inspect and copy the minutes of the meetings of our board of directors, which are records that certain states other than Maryland allow corporate stockholders to inspect and copy. Requests to inspect and/or copy our corporate records must be made in writing to: Groma NAV REIT, Inc., 31 New Chardon Street, Boston, MA 02114. It is the policy of our board of directors to comply with all proper requests for access to our corporate records in conformity with our charter and Maryland law.

Restrictions on Ownership and Transfer

Our charter contains restrictions on the number of shares of our stock that a person or group may own. No person or group may acquire or hold, directly or indirectly through application of constructive ownership rules,

in excess of 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock or 9.8% in value or number of shares, whichever is more restrictive, of our outstanding stock of all classes or series unless they receive an exemption (prospectively or retroactively) from our board of directors.

Subject to certain limitations, our board of directors, in its sole discretion, may exempt a person prospectively or retroactively from, or modify, these limits, subject to such terms, conditions, representations and undertakings as required by our charter and as our board of directors may determine. Our board of directors has granted limited exemptions to certain persons who directly or indirectly own our stock, including directors, officers and stockholders controlled by them or trusts for the benefit of their families.

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

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

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

discovery that shares of our stock have been transferred to the trust, the shares are sold by the proposed transferee, then the shares shall be deemed to have been sold on behalf of the trust and, to the extent that the proposed transferee received an amount for the shares that exceeds the amount he was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of our stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust, or, in the case of a devise or gift, the market price at the time of the devise or gift and (ii) the market price on the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee. We may reduce the amount payable to the proposed transferee by the amount of dividends and other distributions which have been paid to the proposed transferor and are owed to the proposed transferor to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiaries. If the transfer to the trust as described above is not automatically effective for any reason to prevent violation of the above limitations or our failing to qualify as a REIT, then the transfer of the number of shares that otherwise cause any person to violate the above limitations will be void and the intended transferee shall acquire no rights in such shares.

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

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

Distribution Policy

Our board of directors has currently authorized distributions at a rate of 1.00% per annum per share of our common stock, and, as the date of this memorandum, 0.25% of such distributions have been paid. Our distribution policy is set by our board of directors and is subject to change based on available cash flows. We cannot guarantee the amount of distributions paid or that we will generate cash from operations to sustain our distributions. You will not be entitled to receive a distribution if your shares are repurchased prior to the applicable time of the record date. In connection with our current distributions to our stockholders, on March 28, 2023, our board of directors authorized and declared distributions to stockholders of record as on March 28, 2023, at a rate of $0.0025 per share of our common stock, and, such distributions were paid on or about March 30, 2023.

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

Distributions are authorized at the discretion of our board of directors, in accordance with our earnings, cash flows and general financial condition. The discretion of our board of directors is directed, in substantial part,

by its obligation to cause us to comply with the REIT requirements. Because we may receive income from interest or rents at various times during our fiscal year, distributions may not reflect our income earned in that particular distribution period but may be made in anticipation of cash flows which we expect to receive during a later quarter and may be made in advance of actual receipt of funds in an attempt to make distributions relatively uniform. Due to these timing differences, we may be required to borrow money, use proceeds from the issuance of securities (in this offering or subsequent offerings, if any) or sell assets in order to distribute amounts sufficient to satisfy the requirement that we distribute at least 90% of our REIT taxable income in order to qualify as a REIT. We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions other than those limits imposed by our organizational documents and Maryland law. See the "Material U.S. Federal Income Tax Considerations" section of this memorandum for information concerning the U.S. federal income tax consequences of distributions paid by us.

There is no assurance we will continue to pay distributions in any particular amount, if at all. We currently fund and may continue to fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, the extent to which the advisor elects to receive its management fee in Class A Shares or Class A OP Units and elects to receive distributions on its performance participation interest in Class A OP Units, how quickly we invest the proceeds from this and any future offering and the performance of our investments, including our real estate debt portfolio. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of this offering will result in us having less funds available to acquire properties or other real estate-related investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of your investment especially if we sell these securities at prices less than the price you paid for your shares. We believe the likelihood that we pay distributions from sources other than cash flow from operations will be higher in the early stages of the offering.

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

Distributions in kind are not permitted, except for distributions of readily marketable securities, distributions of beneficial interests in a liquidating trust established for our dissolution and the liquidation of our assets in accordance with the terms of our charter or distributions in which (a) our board of directors advises each stockholder of the risks associated with direct ownership of the property, (b) our board of directors offers each stockholder the election of receiving such in-kind distributions, and (c) in-kind distributions are made only to those stockholders that accept such offer. Our stockholders who receive distributions in kind of marketable securities may incur transaction expenses in liquidating the securities.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan whereby stockholders may elect to have their cash distributions reinvested in additional shares of our common stock unless they elect to receive their distributions in cash. Any cash distributions attributable to the class or classes of shares owned by participants in the distribution reinvestment plan will be immediately reinvested in our shares on behalf of the participants on the business day such distribution would have been paid to such stockholder. See the "Material U.S. Federal Income Tax Considerations" section of this memorandum for information concerning the U.S. federal income tax consequences of participating in the distribution reinvestment plan.

The per share purchase price for shares purchased pursuant to the distribution reinvestment plan will be equal to the transaction price at the time the distribution is payable. Stockholders will not pay upfront selling commissions when purchasing shares pursuant to the distribution reinvestment plan. Shares acquired under

the distribution reinvestment plan will entitle the participant to the same rights and be treated in the same manner as shares of that class purchased in this offering. In order to participate in the distribution reinvestment plan, you will need to verify prior to each distribution payment date that you are an "accredited investor" within the meaning of Regulation D under the Securities Act. If you wish to participate in the distribution reinvestment plan, you will receive, via email, a subscription agreement to purchase shares under our distribution reinvestment plan, as well as providing the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify your status as an "accredited investor" in accordance with Rule 506(c)(2) of Regulation D.

We reserve the right to amend any aspect of our distribution reinvestment plan without the consent of our stockholders, provided that notice of any material amendment is sent to participants at least ten business days prior to the effective date of that amendment. In addition, we may suspend or terminate the distribution reinvestment plan for any reason at any time upon ten business days' prior written notice to participants. A stockholder's participation in the plan will be terminated to the extent that a reinvestment of such stockholder's distributions in our shares would cause the percentage ownership or other limitations contained in our charter to be violated. Participants may terminate their participation in the distribution reinvestment plan with ten business days' prior written notice to us.

Account Statements

Our transfer agent will provide on a quarterly basis to each participant in the distribution reinvestment plan a statement of account describing, as to such participant, (1) the distributions reinvested during the quarter, (2) the number of shares purchased during the quarter, (3) the per share purchase price for such shares and (4) the total number of shares purchased on behalf of the participant under the plan. On an annual basis, tax information with respect to income earned on shares under the plan for the calendar year will be provided to each applicable participant.

Restrictions on Roll-Up Transactions

In connection with any proposed transaction considered a "Roll-up Transaction" involving us and the issuance of securities of an entity that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all of our assets must be obtained from a competent independent appraiser. The assets will be appraised on a consistent basis, and the appraisal will be based on the evaluation of all relevant information and must indicate the value of the assets as of a date immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal will assume an orderly liquidation of assets over a 12-month period. The terms of the engagement of the independent appraiser must clearly state that the engagement is for our benefit and the benefit of our stockholders. A summary of the appraisal, indicating all material assumptions underlying the appraisal, will be included in a report to stockholders in connection with any proposed Roll-up Transaction.

A "Roll-up Transaction" is a transaction involving the acquisition, merger, conversion or consolidation, directly or indirectly, of us and the issuance of securities of another entity, or a "Roll-up Entity," that would be created or would survive after the successful completion of such transaction. The term Roll-up Transaction does not include:

- a transaction involving our securities that have been for at least 12 months listed on a national securities exchange; or
- a transaction involving our conversion to a corporate, trust, or association form if, as a consequence of the transaction, there will be no significant adverse change in any of the following: stockholder voting rights; the term of our existence; compensation to the advisor; or our investment objectives.
- In connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to common stockholders who vote "against" the Roll-up Transaction the choice of:
- accepting the securities of a Roll-up Entity offered in the proposed Roll-up Transaction; or

- one of the following:
- remaining as holders of our stock and preserving their interests therein on the same terms and conditions as existed previously; or
- receiving cash in an amount equal to the stockholder's pro rata share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- that would result in the common stockholders having democracy rights in a Roll-up Entity that are less than those provided in our charter and bylaws and described elsewhere in this memorandum, including rights with respect to the election of directors, the removal of the advisor, the directors or any of their affiliates, any transaction between the Company and the advisor, the directors or any of their affiliates, annual reports, annual and special meetings, amendment of our charter, and our dissolution;
- that includes provisions that would operate to materially impede or frustrate the accumulation of shares of stock by any purchaser of the securities of the Roll-up Entity, except to the minimum extent necessary to preserve the tax status of the Roll-up Entity, or which would limit the ability of an investor to exercise the voting rights of its securities of the Roll-up Entity on the basis of the number of shares of stock held by that investor;
- in which investors' rights to access of records of the Roll-up Entity will be less than those provided in the "—Meetings and Special Voting Requirements" section above; or
- in which any of the costs of the Roll-up Transaction would be borne by us if the Roll-up Transaction is rejected by our common stockholders.

Groma

Certain Provisions of Maryland Law and Our Charter and Bylaws

The following description of the terms of certain provisions of Maryland law and our charter and bylaws is only a summary. For a complete description, we refer you to the MGCL, our charter and our bylaws, which may be obtained upon request.

Business Combinations

Under the MGCL, business combinations between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10.0% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10.0% or more of the voting power of the then outstanding stock of the corporation.
- A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.
- After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:
- 80.0% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares of stock held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares of our common stock in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares of our common stock.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution providing that any business combination between us and any other person is exempted from this statute, provided that such business combination is first approved by our board of directors. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed or our board of directors fails to first approve the business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Control Share Acquisitions

The MGCL provides that a holder of control shares of a Maryland corporation acquired in a control share acquisition has no voting rights except to the extent approved by a vote of stockholders entitled to cast two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares of stock entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock

owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares of stock the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares of stock. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders' meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of any meeting of stockholders at which the voting rights of the shares of stock are considered and not approved or, if no such meeting is held, as of the date of the last control share acquisition by the acquiror. If voting rights for control shares are approved at a stockholders' meeting and the acquiror becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares of stock as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (1) to shares of stock acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (2) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act, and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board of directors;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board of directors be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

In our charter, we have elected, at such time as we become eligible to make such election, that vacancies on our board of directors may be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred. Through provisions in our charter and bylaws unrelated to Subtitle 8, we vest in our board of directors the exclusive power to fix the number of directorships, provided that the number is not less than three. We have not elected to be subject to any of the other provisions of Subtitle 8.

Vacancies on Board of Directors; Removal of Directors

Until our election to be subject to the provision of Subtitle 8 regarding the filling of board vacancies described in the "Subtitle 8" section above becomes effective, any vacancy on our board of directors created by the death, resignation, removal, adjudicated incompetence or other incapacity of a director may be filled by a vote of a majority of the remaining directors, even if the remaining directors do not constitute a quorum, any vacancy created by an increase in the number of directors may be filled by a vote of a majority of the entire board of directors. Any director elected to fill a vacancy will serve until he next annual meeting of stockholders and until a successor is duly elected and qualifies. Our independent directors will choose the nominees to fill vacancies in our independent director positions.

Any director may resign at any time and may be removed with or without cause by our stockholders upon the affirmative vote of stockholders entitled to cast at least a majority of all the votes entitled to be cast generally in the election of directors. The notice of any special meeting called for the purpose of the proposed removal shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed.

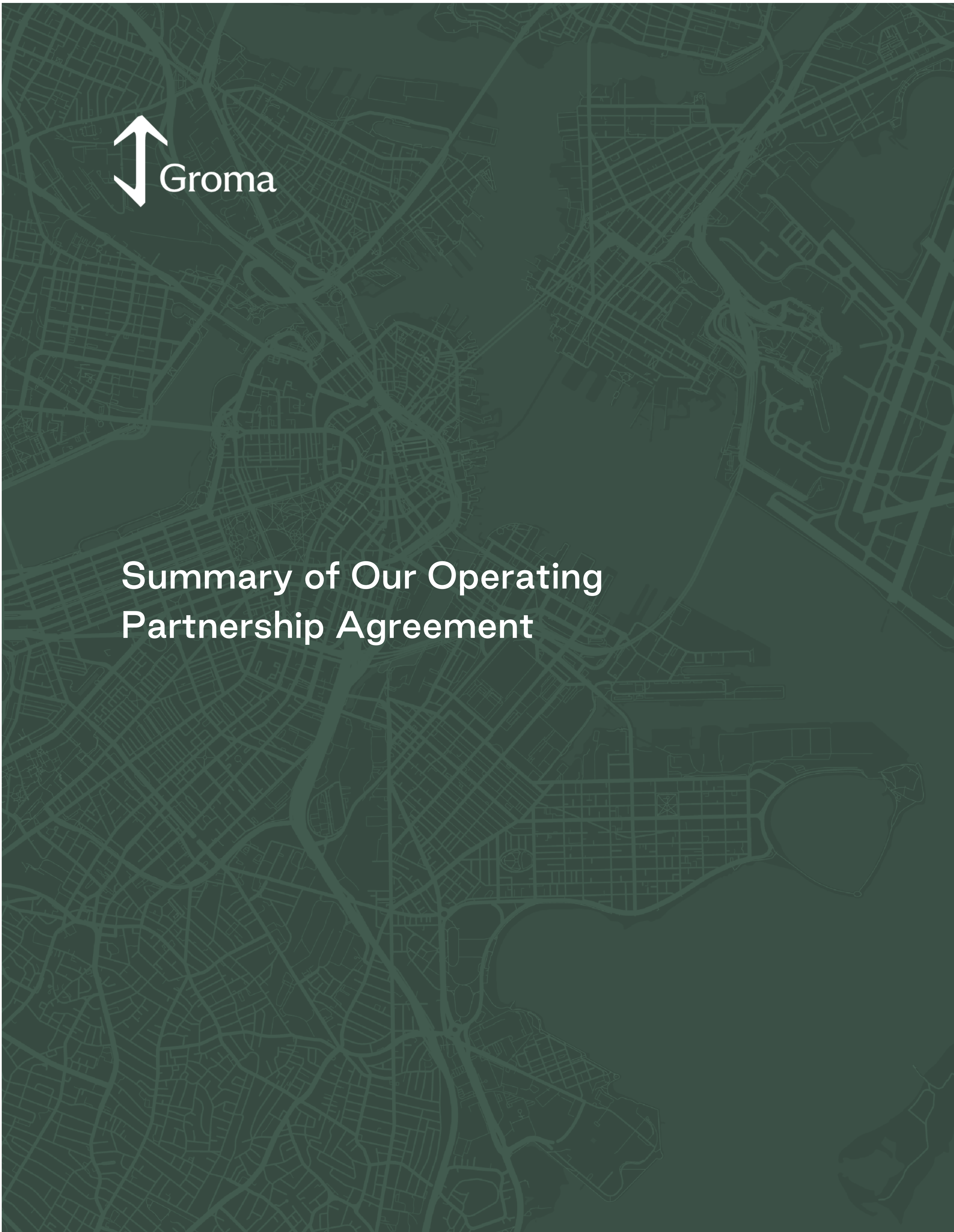
Advance Notice of Director Nominations and New Business

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by our stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of directors or (3) by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the annual meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated or on such other business and who has complied with the advance notice procedures of the bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of individuals for election to our board of directors at a special meeting may be made only (1) by or at the direction of our board of directors or (2) provided that the meeting has been called for the purpose of electing directors, by a stockholder who is a stockholder of record at the record date set by our board of directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving the advance notice required by the bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual nominated and who has complied with the advance notice provisions of the bylaws.

Tender Offers

Our charter provides that any tender offer made by any person, including any "mini-tender" offer, must comply with the provisions of Regulation 14D of the Exchange Act, including the notice and disclosure requirements. Among other things, the offeror must provide us notice of such tender offer at least ten business days before initiating the tender offer. If a person makes a tender offer that does not comply with such provisions, we may elect to grant tendering stockholders a rescission right with respect to their tendered shares. In addition, the non-complying offeror will be responsible for all of our expenses in connection with that offeror's noncompliance.

The business combination provisions and the control share acquisition provisions of Maryland law, the provision of our charter electing to be subject to a provision of Subtitle 8, and the advance notice provisions of our bylaws could delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for stockholders or otherwise be in their best interest.



Summary of Our Operating Partnership Agreement

We have summarized the material terms and provisions of the Limited Partnership Agreement of Groma NAV REIT Operating Partnership, LP, which we refer to as the "partnership agreement."

Management of Our Operating Partnership

Groma NAV REIT Operating Partnership, LP was formed on August 5, 2021 to acquire and hold assets on our behalf.

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

We are and expect to continue to be the sole general partner of the Operating Partnership. Our advisor is the special limited partner.

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

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

The partnership agreement requires that the Operating Partnership be operated in a manner that will enable us to (1) satisfy the requirements for qualification as a REIT for U.S. federal income tax purposes, unless we otherwise cease to qualify as a REIT, (2) avoid any U.S. federal income or excise tax liability and (3) ensure that the Operating Partnership will not be classified as a "publicly traded partnership" that is taxable as a corporation. See "Material U.S. Federal Income Tax Considerations."

Capital Contributions

We intend to contribute the net proceeds from this offering, after payment of fees and expenses attributable to our offering and operations, to the Operating Partnership as capital contributions. However, we will be deemed to have made capital contributions in the amount of the gross offering proceeds received from investors, and the Operating Partnership will be deemed to have simultaneously paid the fees, commissions and other costs associated with this offering and our operations.

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

Limited Partnership Units Generally

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

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

Partnership interests in the Operating Partnership, other than the special limited partner interest and general partner interest, are currently designated as Class A OP Units.

In general, the Class A OP Units are intended to correspond on a one-for-one basis with our Class A Shares. When we receive proceeds from the sale of shares of our common stock, we will contribute such proceeds to the Operating Partnership and receive Operating Partnership units that correspond to the classes of our shares sold.

In general, each Class A OP Unit will share in distributions from the Operating Partnership when such distributions are declared by us, the general partner, which decision will be made in our sole discretion. In addition, a portion of the items of income, gain, loss and deduction of the operating partnership for U.S. federal income tax purposes will be allocated to each limited partnership unit, regardless of whether any distributions are made by the Operating Partnership.

For each Class A OP Unit, investors generally will be required to contribute money or property, with a net equity value determined by the general partner. Holders of Operating Partnership units will not be obligated to make additional capital contributions to the Operating Partnership. Further, these holders will not have the right to make additional capital contributions to the Operating Partnership or to purchase additional Operating Partnership units without our consent as general partner.

The advisor may elect to receive its management fee in cash, Class A Shares or Class A OP Units, and distributions on the performance participation allocation may be payable in cash or Class A OP Units at the election of the advisor. See "Compensation—Management Fee" and "—Special Limited Partner Interest" below.

For holders other than us or the advisor, after owning an Operating Partnership unit for one year, Operating Partnership unit holders generally may, subject to certain restrictions, exchange Operating Partnership units for a corresponding number of shares of our common stock. The advisor may exchange Class A OP Units for a corresponding number of Class A Shares at any time. The advisor will have registration rights with respect to shares of our common stock. See "Description of Our Securities—Registration Rights."

Special Limited Partner Interest

After we have calculated our initial quarterly NAV per share, so long as the advisory agreement has not been terminated, our advisor, as the special limited partner of our Operating Partnership, holds a performance

participation interest in the Operating Partnership that entitles it to receive a performance participation allocation from our Operating Partnership as follows:

i. When the Total Return (as defined below) is less than 5%, our advisor shall not receive any Performance Allocation, but the foregone distribution may be subject to a "catch-up" if performance exceeds certain benchmarks set forth (ii) and (iii) below.

ii. When the Total Return is between 5% and 7.5%, our advisor shall receive 12.5% of the amount of Total Return, if any, for an applicable period that exceeds the sum of (A) a Hurdle Amount equal to or greater than 5% but less than or equal to 7.5% and (B) the Loss Carryforward Amount (as defined below);

iii. When the Total Return exceeds 7.5%, our advisor shall receive 100% of the amount of Total Return, if any, for any applicable period that exceeds the sum of (A) a Hurdle Amount greater than 7.5% and (B) the Loss Carryforward Amount until the total amount allocated to our advisor equals 12.5% of the sum of (x) the applicable Hurdle Amount for that period and (y) any amount allocated to our advisor pursuant to clause (ii) above; and

iv. After the "catch up" value has been reclaimed pursuant to the subsections above, to the extent there are remaining excess profits, our advisor shall be entitled to 12.5% of such remaining excess profits.

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

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

ii. the change in aggregate NAV of such units since the beginning of the year, before giving effect to (x) changes resulting solely from the proceeds of issuances of Operating Partnership units, (y) any allocation/accrual to the performance participation interest and (z) applicable stockholder servicing fee expenses (including any payments made to us for payment of such expenses).

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

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

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

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

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

Distributions on the performance participation interest may be payable in cash or Class A OP Units at the election of the advisor. If the advisor elects to receive such distributions in Class A OP Units, the advisor may request the Operating Partnership to repurchase such Class A OP Units from the Special Limited Partner at a later date. Any such repurchase requests will not be subject to any early reduction under our share repurchase program, but will be subject to the same repurchase limits that exist under our share repurchase program. The Operating Partnership will repurchase any such Operating Partnership units for cash unless our board of directors determines that any such repurchase for cash would be prohibited by applicable law or our charter, in which case such Operating Partnership units will be repurchased for shares of our common stock with an equivalent aggregate NAV.

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

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

The advisor will not be obligated to return any portion of performance participation paid based on our subsequent performance.

Changes in our Operating Partnership's NAV per unit of each class will generally correspond to changes in our NAV per share of the corresponding class of our common stock. Distributions with respect to the performance participation interest are calculated from the Operating Partnership's Total Return over a calendar year. As a result, the advisor may be entitled to receive compensation under the performance participation for a given year even if some of our stockholders who purchased shares during such year experienced a decline in NAV per share. Similarly, stockholders whose shares are repurchased during a given year may have their shares repurchased at a lower NAV per share as a result of an accrual for the estimated performance participation at such time, even if no performance participation allocation for such year are ultimately payable to the advisor at the end of such calendar year.

In the event the advisory agreement is terminated, the advisor will be allocated any accrued performance participation with respect to all Operating Partnership units as of the date of such termination.

Issuance of Additional Limited Partnership Interests

As sole general partner of the Operating Partnership, we will have the ability to cause the Operating Partnership to issue additional limited partnership interests (including Operating Partnership units), preferred partnership interests or convertible securities. We have issued Operating Partnership units, and may issue more in the future.

Our Operating Partnership allows us to be organized as an UPREIT. A sale of property directly to a REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of appreciated property who desires to defer taxable gain on the transfer of such property may, subject to meeting applicable tax requirements, transfer the property to the Operating Partnership in exchange for limited partnership interests (including Operating Partnership units) on a tax-free basis. Being able to offer a seller the opportunity to defer taxation of gain until the seller disposes of its interest in the Operating Partnership may give us a competitive advantage in acquiring desired properties relative to buyers who cannot offer this opportunity.

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

Transferability of Interests

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

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

Exculpation

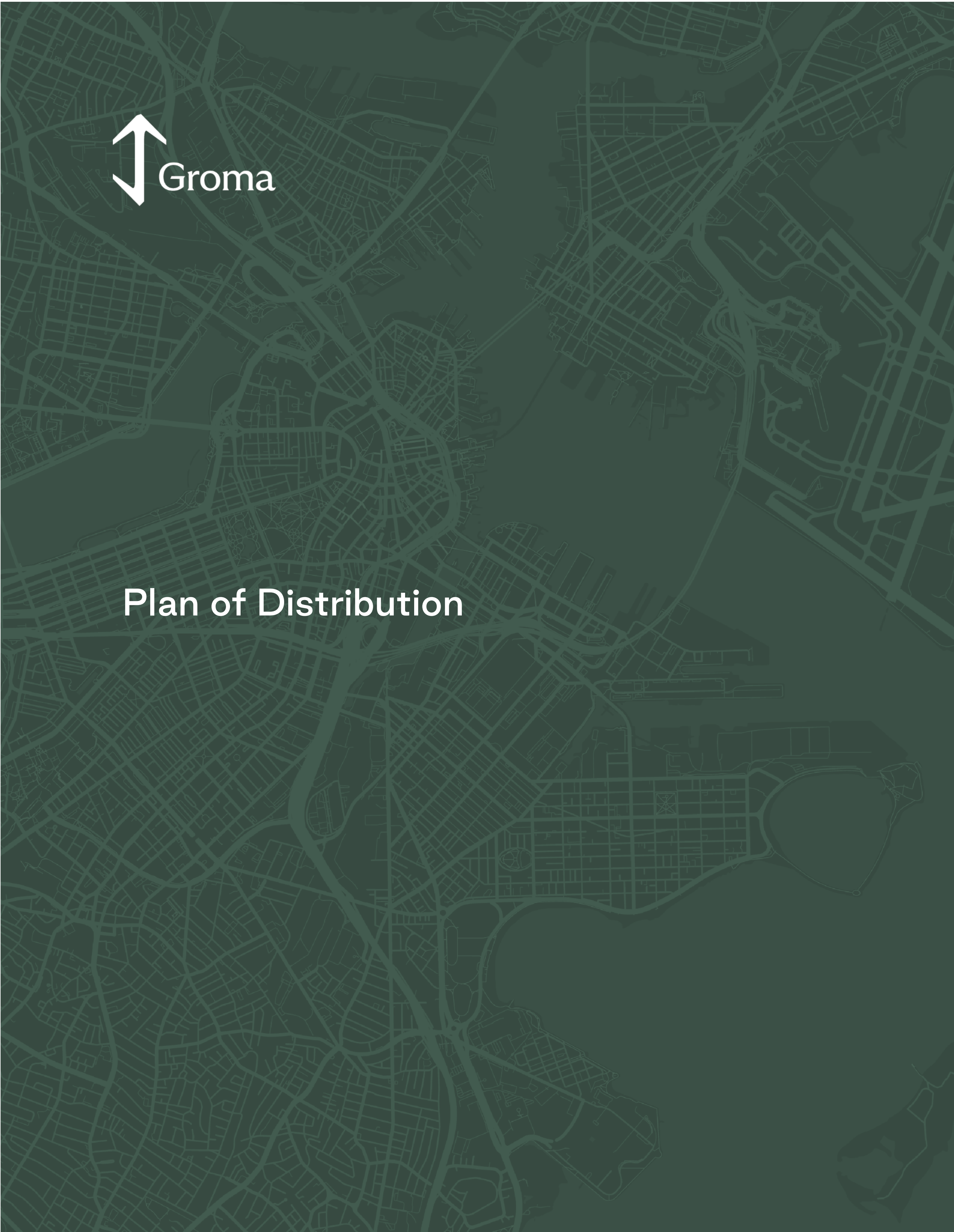
We, as general partner, will not be liable to the Operating Partnership or limited partners for errors in judgment or other acts or omissions not amounting to willful misconduct or gross negligence since provision has been made in the partnership agreement for exculpation of the general partner. Therefore,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

Indemnification

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

Tax Matters

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



Plan of Distribution

We are offering Class A Shares in a private offering exempt from registration under the Securities Act pursuant to Rule 506(c) under Regulation D promulgated pursuant to the Securities Act. We are only extending this offer to accredited investors, as defined in Regulation D. We are directly issuing Class A Shares to investors through this memorandum for which no underwriting compensation will be paid in reliance on the safe harbor from broker-dealer registration set out in Rule 3a4-1 under the Exchange Act. Rule 3a4-1 includes numerous and complex requirements for an issuer's personnel to meet this exemption. If the Company is not able to meet the requirements of this safe harbor, it could have a material adverse effect on the Company and a stockholder's investment.

We are also offering Class A Shares on a non-exclusive basis on the Republic Platform, which is operated for the benefit of ODB. ODB is not purchasing the Class A Shares and is not required to sell any specific number or dollar amount of the Class A Shares. We may in the future engage other broker-dealers that are registered as a broker dealer with FINRA, in which case selling commissions and dealer manager fees would be charged to investors who purchase through a dealer manger's participating broker-dealers.

We are conducting this offering on a "reasonable best efforts" basis to "accredited investors," as that term is defined in Regulation D under the Securities Act. When common shares are offered on a "reasonable best efforts" basis, we and our affiliates, ODB or a dealer manager are only required to use good faith best efforts and reasonable diligence to sell the shares and have no firm commitment or obligation to purchase any of the shares. Therefore, we may not sell all of the shares that we are offering. We do not believe that the meaning of reasonable best efforts is materially different from the generally understood meaning of best efforts in connection with the offering of securities by dealer managers and placement agents, but we have used the term reasonable best efforts to clarify that extraordinary efforts are not required to satisfy a dealer manager's obligations.

All investors must be accredited investors and meet the suitability standards discussed in the section of this memorandum entitled "Suitability Standards." Each investor will be required to provide the Company with documents that the Company deems sufficient, in its sole discretion, for the Company to verify the investor's status as an "accredited investor" in accordance with Rule 506(c)(2) of Regulation D.

This offering is a perpetual life offering; however, we may terminate this offering at any time in our sole discretion. We may elect to register our securities for public sale under the Securities Act. If we elect to publicly offer our securities, this private offering would terminate prior to the commencement of such public offering. We may terminate this offering at any time in our sole discretion. We would be required to register as a public reporting company under the Exchange Act at the end of a calendar year if we have more than $10 million in assets and securities "held by record" by either 2,000 persons who are accredited investors, or 500 persons who are not accredited investors.

To purchase securities in this offering, you must complete and sign a subscription agreement attached hereto as Appendix A, for a specific dollar amount and pay such amount at the time of subscription. The initial minimum permitted purchase in this offering is $1,000, as described in further detail below under "—Minimum Purchase Requirements". The minimum subscription amount for any additional purchases for Class A Shares by existing investors is $500.

Wire instructions are provided in the subscription agreement. Subscriptions will be effective only upon our acceptance, and we reserve the right to reject any subscription in whole or in part. Pending acceptance of your subscription, proceeds will be deposited into an account for your benefit.

Purchase Price

Until we calculate our initial quarterly NAV per share, the per share purchase price for shares of our common stock in our offering will be $1.00 per share plus applicable upfront selling commissions and dealer manager fees, if any. Investors who purchase Class A Shares on the Republic Platform will pay a $1.04 initial per share purchase price.

Following our calculation of our initial quarterly NAV per share, shares will generally be sold at the prior quarter's NAV per share, plus applicable upfront selling commissions and dealer manager fees, if any. Although the price you pay for shares of our common stock will generally be based on the prior quarter's NAV per share, the NAV per share of such stock as of the date on which your purchase is settled may be significantly different. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior quarter's NAV per share (including by updating a previously disclosed

offering price) or suspend our offering and/or share repurchase program in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior quarter.

OpenDeal Broker LLC

We engaged ODB to provide certain offering facilitation services, including executing and delivering evidence of the Class A Shares sold in this Offering to each investor and for the use of the Republic Platform pursuant to an offering engagement agreement, effective as of June 9, 2022, or the Engagement Agreement. The term of the Engagement Agreement will continue until the later of the Class A Shares no longer being listed on the Republic Platform or all fees due to ODB being remitted unless otherwise terminated by either party upon thirty (30) days' prior written notice or for cause pursuant to the Engagement Agreement. ODB is not purchasing any of the Class A Shares in this Offering and is not required to sell any specific number or dollar amount of securities but will instead arrange and manage this Offering, on a non-exclusive basis, on the Republic Platform.

Fees for Termination of Engagement Agreement for ODB Only

Should we terminate the Engagement Agreement for reasons other than for a breach of the Engagement Agreement by ODB, we have agreed to pay ODB the greater of $25,000 or an amount equal to the number of investors in the Fund's Offering multiplied by $25.00.

For terminations by ODB for legislative, regulatory, legal or other risks or for cause, we will pay ODB a termination fee equal to the greater of (a) $25,000.00 or (b) the current number of ODB investors who have purchased Class A Shares as established at the time of termination or transition, multiplied by $25.00, provided that we will not pay a termination fee in the event we terminate ODB for cause.

Selling Commissions and Expenses

We have agreed to pay ODB selling commissions equal to 4.0% of the Offering's gross proceeds attributable to ODB.

Non-accountable expenses shall be limited to one-half percent (0.5%) of the Offering's gross proceeds attributable to ODB.

The aggregate amount to be paid to ODB will be capped at an amount equal to 4.5% of the total gross proceeds of the Offering attributable to ODB. Any other fees that we may pay to ODB or third parties will not be commissions for purposes of this cap.

Under the Exchange Agreement with ODB, ODB may also pass through certain administrative expenses related to FINRA fees and anti-money laundering, investor due diligence and accreditation service, in no event in excess of $25,000.00 and ancillary costs related to consulting or advisory fees, without markup. We may be required to indemnify ODB and possibly other parties with respect to disclosures made in this memorandum. Any other fees that we may pay to ODB or other third parties will not be commissions or considered as underwriting compensation. ODB has reserved the right to enter into posting agreements with equity crowdfunding firms not associated with FINRA member firms in connection with this Offering, for which we may pay non-contingent fees as compensation.

Marketing Fees

If in the future we elect for one or more of ODB's affiliates to provide marketing support related to this Offering, we will pay ODB o a five-thousand dollar ($5,000.00) fee, which shall apply and shall be collected by ODB and passed through to an affiliate for such services.

Indemnification and Control

We have agreed to indemnify ODB against liabilities relating to any investigation, claim, or proceeding stemming from the Offering, liabilities arising from breaches of some or all of the representations and warranties contained in the Engagement Agreement, and to contribute to payments that ODB may be required to make for these liabilities.

ODB and its affiliates are engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment,

hedging, financing and brokerage activities. ODB and its affiliates may in the future perform various financial advisory and investment banking services for us, for which they would receive customary fees and expenses.

Other Broker Dealer Compensation

We may enter into a dealer manager agreement with a wholesale dealer manager pursuant to which we would expect compensation arrangements similar to those described below in connection with this offering. We will not pay referral or similar fees to any accountant, attorneys or other persons in connection with the distribution of shares. Below is a summary of the fees we expect to be associated with the sale of Class A Shares.

Upfront Dealer Manager Fees and Selling Commissions

Each Class A Share issued in this offering through a dealer manager and its participating broker dealers would be subject to an upfront dealer manager fee and selling commission of 7.0%, of the transaction price of each such share sold in the offering on the date of the purchase. We anticipate that all or a portion of the upfront selling commissions will be retained by, or reallowed (paid) to, participating broker-dealers. Our advisor may from time to time fund a portion of such dealer manager fees and/or selling commissions, which we would not reimburse.

Finder's Fees and Reimbursable Expenses

Our sponsor, GromaCorp, Inc., may, from time to time, enter into agreements with broker-dealer partners or referral partners in connection with the introduction of prospective investors to us. These broker-dealers and/or referral partners may charge fees to GromaCorp, Inc. for referring investors to possibly invest into Groma NAV REIT. These fees, and any expense reimbursements, would be paid by GromaCorp, Inc. and therefore will not impact the proceeds received by Groma NAV REIT or the shares received by the investor. By way of example, if a referred investor subscribed for $100 of shares, and the referral fee owed was 3.0% of the investment amount, the investor would receive 100 shares, at $1.00 per share, GromaCorp, Inc. would pay $3.00 to the broker-dealer or referring partner and Groma NAV REIT would receive $100 in offering proceeds.

Due Diligence Expenses

We expect that we would reimburse a dealer manager and participating broker-dealers for reasonable bona fide due diligence expenses incurred by a dealer manager or such participating broker-dealers to the extent reimbursement requests are supported by a detailed itemized invoice, not to exceed an amount equal to 5.0% of the aggregate gross proceeds. These due diligence reimbursements would be considered an organization and offering expense.

Custodial Fee Reimbursement

If you purchase shares in this offering net of commissions through a registered investment advisor with whom you have agreed to pay compensation for investment advisory services or other financial or investment advice and, if in connection with such purchase, you will also have to pay a broker-dealer for custodial or other services relating to holding the shares in your account, we will rebate the amount of the annual custodial or other fees you pay the broker-dealer in an amount of up to $250.00, which rebate will offset the amount you pay for your shares. You may be eligible for this rebate only once, even if the custodial or other fees are paid annually, and you are only eligible for this rebate for your initial investment in our shares. To claim this rebate, you should request the "Request for Broker Dealer Custodial Fee Reimbursement Form" from your financial representative and must include this form with your subscription agreement to have the amount of this rebate netted against the purchase price of your initial investment in our shares.

Other Compensation

In addition, we and, to a lesser extent, our affiliates may reimburse a dealer manager and its associated persons and affiliates for other expenses incurred, including expenses related to bona fide training and education meetings, sales seminars, wholesaling activities and legal expenses. We may also reimburse for accountable and non-accountable expenses such as for marketing support. Amounts paid by us to a dealer manager may be paid by our dealer manager to any participating broker-dealers. We may also reimburse the participating broker-dealers for certain expenses incurred in connection with this offering. Expenses that

we may pay to participating broker-dealers, or those expenses a dealer manager reallows to participating broker-dealers, are subject to reimbursement for reasonable out-of-pocket expenses incurred and supported by a detailed and itemized invoice or similar statement from the participating broker-dealer that demonstrates the actual expenses incurred and include reimbursements for costs and expenses related to investor and broker-dealer sales and training meetings, broker-dealer training and education meetings for such meetings conducted by us, our dealer manager or participating broker dealers and including costs of technology associated with the offering and other costs and expenses related to such technology costs.

We, or our affiliates, may provide permissible forms of non-cash compensation to registered representatives of our dealer manager and the participating broker-dealers. The value of any non-cash compensation items that are gifts may not exceed an aggregate of $100.00 per sales person per year. In the event other incentives are provided to registered representatives of our dealer manager or the participating broker-dealers, those incentives will be paid only in cash, and such payments will be made only to our dealer manager, not to participating broker-dealers or to their registered representatives.

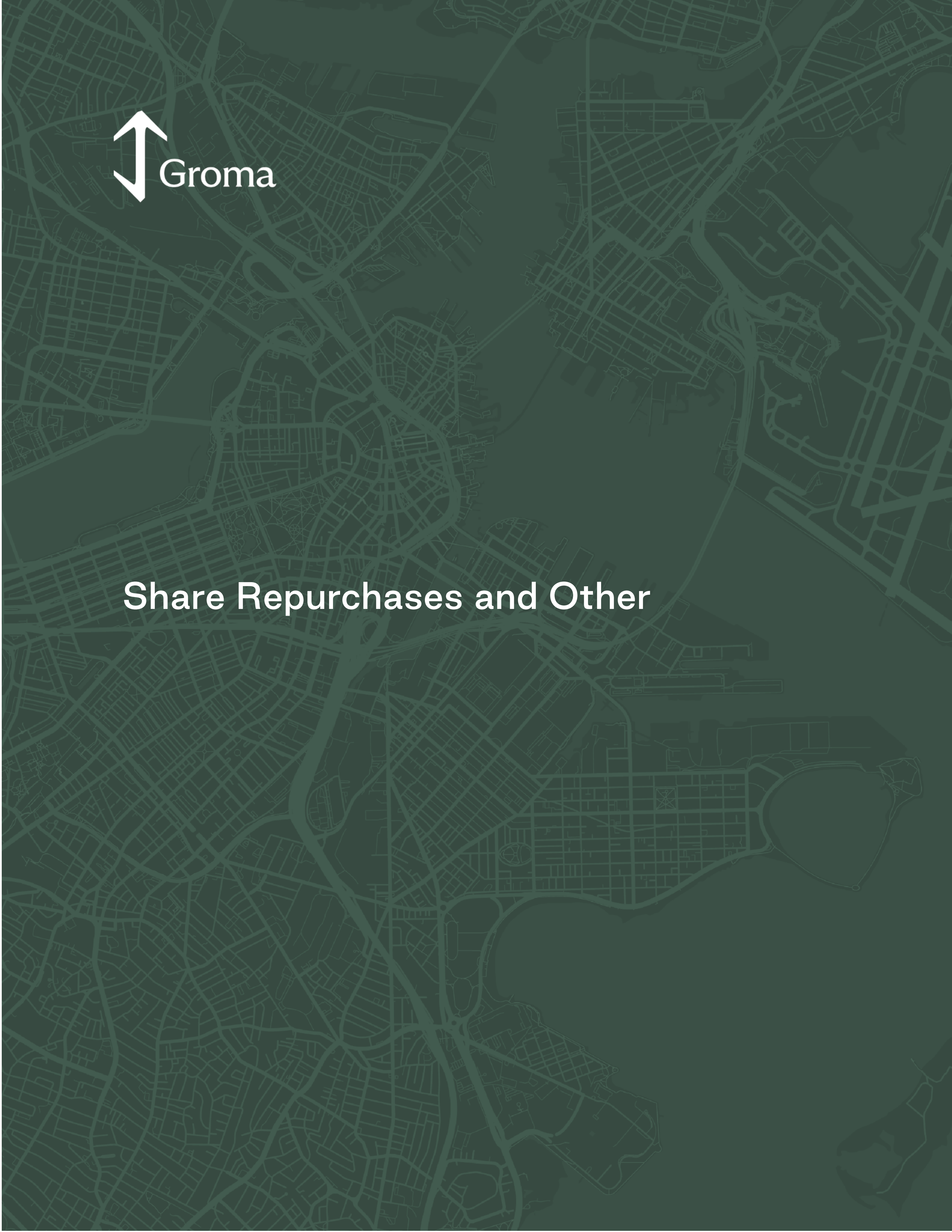
Under the rules of FINRA, the maximum underwriting compensation payable (including selling commissions and dealer manager fees) to members of FINRA participating in any public offering of our securities may not exceed 10% of our gross offering proceeds as of the termination of such public offering. FINRA rules will also limit our combined total underwriting compensation and total organization and offering expenses, inclusive of the total underwriting compensation paid from any source, to 15% of our gross offering proceeds from such public offering. Any amounts reimbursed to a dealer manager and participating dealers for bona fide due diligence expenses (as described above) would be excluded from underwriting compensation for purposes of the 10% limitation discussed above. The FINRA rules which impose the foregoing limits are only applicable to a public offering of our securities and do not apply to this private offering. However, we intend to limit the total underwriting compensation paid (including selling commissions paid to a dealer manager) and our total organization and offering expenses in connection with this private offering in accordance with the 10% and 15% limits discussed above.

Indemnification

To the extent permitted under applicable law and our charter, we may indemnify a dealer manager, participating broker-dealers, and selected registered investment advisors against certain liabilities arising under the Securities Act and Exchange Act and liabilities arising from breaches of our representations and warranties contained in a dealer manager agreement between us and a dealer manager we engage.

Special Discounts

We may, in the future, determine to offer volume discounts to certain qualifying purchasers who purchase through participating broker-dealers or other special discounts, which we would provide in a supplement to this memorandum.


Groma
Share Repurchases and Other

Share Repurchases

General

While you should view your investment as long term with limited liquidity, we have adopted a share repurchase program, whereby on a monthly basis, stockholders may request that we repurchase all or any portion of their shares. Our share repurchase program will commence one year after we announce the initial quarterly NAV per share, which we do not expect to do until sometime In 2024; provided, however, our board of directors may repurchase shares due to the death or qualifying disability of a stockholder while the share repurchase program is closed. Due to the illiquid nature of investments in real estate, we may not have sufficient liquid resources to fund repurchase requests. In addition, we have established limitations on the amount of funds we may use for repurchases during any calendar month and quarter. See "—Repurchase Limitations" below.

Once our share repurchase program is open, you may request that we repurchase shares of our common stock through your financial advisor or directly with us. The procedures relating to the repurchase of shares of our common stock are as follows:

- Certain broker-dealers require that their clients may process repurchases through their broker-dealer, which may impact the time necessary to process such repurchase request, impose more restrictive deadlines than described under our share repurchase program, impact the timing of a stockholder receiving repurchase proceeds and require different paperwork or process than described in our share repurchase program. Please contact your broker-dealer first if you want to request the repurchase of your shares.

- Under our share repurchase program, to the extent we choose to repurchase shares in any particular month we will only repurchase shares as of the opening of the last calendar day of that month (a "Repurchase Date"). To have your shares repurchased, your repurchase request and required documentation must be received in good order by 4:00 p.m. (Eastern time) by the fifth business day prior to the last business day of the applicable month. Settlements of share repurchases will generally be made within three business days of the Repurchase Date. Repurchase requests received and processed by us will be effected at a repurchase price equal to the transaction price on the applicable Repurchase Date (which will generally be equal to our prior quarter's NAV per share), subject to any Early Repurchase Deduction. For purposes of our share repurchase program, $1.00 shall serve as the "transaction price" until we calculate our initial quarterly NAV per share.

- A stockholder may withdraw his or her repurchase request by notifying us, directly or through the stockholder's financial intermediary, at 1.855.476.6291. The line is open on each business day between the hours of 9:00 a.m. and 6:00 p.m. (Eastern Time). Repurchase requests must be cancelled before 4:00 p.m. (Eastern Time) on the last business day of the applicable month.

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

- Repurchase requests may be made by mail or by contacting your financial intermediary, both subject to certain conditions described in this memorandum. If making a repurchase request by contacting your financial intermediary, your financial intermediary may require you to provide certain documentation or information. If making a repurchase request by mail, you must complete

and sign a repurchase authorization form. Written requests should be sent to the transfer agent at the following address: 31 New Chardon Street, Boston, MA 02114.

- Corporate investors and other non-individual entities must have an appropriate certification on file authorizing repurchases. A signature guarantee may be required.
- For processed repurchases, stockholders may request that repurchase proceeds are to be paid by mailed check provided that the check is mailed to an address on file with us for at least 30 days. Please check with your broker-dealer that such payment may be made via check or wire transfer, as further described below.
- Stockholders may also receive repurchase proceeds via wire transfer, provided that wiring instructions for their brokerage account or designated U.S. bank account are provided. For all repurchases paid via wire transfer, the funds will be wired to the account on file with us or, upon instruction, to another financial institution provided that the stockholder has made the necessary funds transfer arrangements. The customer service representative can provide detailed instructions on establishing funding arrangements and designating a bank or brokerage account on file. Funds will be wired only to U.S. financial institutions (ACH network members).
- A medallion signature guarantee will be required in certain circumstances. The medallion signature process protects stockholders by verifying the authenticity of a signature and limiting unauthorized fraudulent transactions. A medallion signature guarantee may be obtained from a domestic bank or trust company, broker-dealer, clearing agency, savings association or other financial institution that participates in a medallion program recognized by the Securities Transfer Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program and the New York Stock Exchange, Inc. Medallion Signature Program. Signature guarantees from financial institutions that are not participating in any of these medallion programs will not be accepted. A notary public cannot provide signature guarantees. We reserve the right to amend, waive or discontinue this policy at any time and establish other criteria for verifying the authenticity of any repurchase or transaction request. We may require a medallion signature guarantee if, among other reasons: (1) the amount of the repurchase request is over $500,000; (2) you wish to have repurchase proceeds transferred by wire to an account other than the designated bank or brokerage account on file for at least 30 days or sent to an address other than your address of record for the past 30 days; or (3) we cannot confirm your identity or suspects fraudulent activity.
- If a stockholder has made multiple purchases of shares of our common stock, any repurchase request will be processed on a first in/first out basis unless otherwise requested in the repurchase request.

Minimum Account Repurchases

In the event that any stockholder fails to maintain the minimum balance of $500 of shares of our common stock, we may repurchase all of the shares held by that stockholder at the repurchase price in effect on the date we determine that the stockholder has failed to meet the minimum balance, less any Early Repurchase Deduction. Minimum account repurchases will apply even in the event that the failure to meet the minimum balance is caused solely by a decline in our NAV. Minimum account repurchases are subject to Early Repurchase Deduction.

Sources of Funds for Repurchases

We may fund repurchase requests from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales of our common stock or Operating Partnership units to our advisor), and we have no limits on the amounts we may pay from such sources.

In an effort to have adequate cash available to support our share repurchase program, we may reserve borrowing capacity under a line of credit. We could then elect to borrow against this line of credit in part to

repurchase shares presented for repurchase during periods when we do not have sufficient proceeds from operating cash flows or the sale of shares in this continuous offering to fund all repurchase requests. If we determine to obtain a line of credit, we would expect that it would afford us borrowing availability to fund repurchases.

Repurchase Limitations

We may repurchase fewer shares than have been requested in any particular month to be repurchased under our share repurchase program, or none at all, in our discretion at any time. In addition, the aggregate NAV of total repurchases of Class A Shares will be limited to no more than 2% of our aggregate NAV per month (measured using the aggregate NAV attributable to stockholders as of the end of the immediately preceding month) and no more than 5% of our aggregate NAV per calendar quarter (measured using the average aggregate NAV attributable to stockholders as of the end of the immediately preceding three months).

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

Once we determine our initial quarterly NAV per share, if the transaction price for the applicable quarter is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no repurchase requests will be accepted for such month and stockholders who wish to have their shares repurchased the following month must resubmit their repurchase requests.

Should repurchase requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, we may choose to repurchase fewer shares in any particular month than have been requested to be repurchased, or none at all. Further, our board of directors may make exceptions to, modify, suspend or terminate our share repurchase program if it deems such action to be in our best interest and the best interest of our stockholders. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on repurchases, to and suspensions of the share repurchase program will be promptly disclosed to stockholders. Material modifications will also be disclosed on our password protected website. In addition, we may determine to suspend the share repurchase program due to regulatory changes, changes in law or if we become aware of undisclosed material information that we believe should be publicly disclosed before shares are repurchased. Once the share repurchase program is suspended, our board of directors must affirmatively authorize the recommencement of the plan before stockholder requests will be considered again.

Shares held by the advisor acquired as payment of the advisor’s management fee will not be subject to our share repurchase program, including with respect to any repurchase limits, the Early Repurchase Deduction or the calculation of NAV.

Early Repurchase Deduction

There is no minimum holding period for shares of our common stock and stockholders can request that we repurchase their shares at any time. However, subject to limited exceptions, shares that have not been outstanding for at least one year will be repurchased at 95% of the transaction price. The one-year holding period is measured as of first calendar day immediately following the prospective repurchase date. Additionally, stockholders who have received shares of our common stock in exchange for their Operating Partnership units may include the period of time such stockholder held such Operating Partnership units for purposes of calculating the holding period for such shares of our common stock. This Early Repurchase Deduction will also generally apply to minimum account repurchases. The Early Repurchase Deduction will not apply to shares acquired as deemed distributions.

The Early Repurchase Deduction will inure indirectly to the benefit of our remaining stockholders and is intended to offset the trading costs, market impact and other costs associated with short-term trading in

our common stock. We may, from time to time, waive the Early Repurchase Deduction in the following circumstances (subject to the conditions described below):

- repurchases resulting from death, qualifying disability or divorce; or
- in the event that a stockholder's shares are repurchased because the stockholder has failed to maintain the $500 minimum account balance.

As set forth above, we may waive the Early Repurchase Deduction in respect of repurchase of shares resulting from the death, qualifying disability (as such term is defined in Section 72(m)(7) of the Code) or divorce of a stockholder who is a natural person, including shares held by such stockholder through a trust or an IRA or other retirement or profit-sharing plan, after (i) in the case of death, receiving written notice from the estate of the stockholder, the recipient of the shares through bequest or inheritance, or, in the case of a trust, the trustee of such trust, who shall have the sole ability to request repurchase on behalf of the trust, (ii) in the case of qualified disability, receiving written notice from such stockholder, provided that the condition causing the qualifying disability was not pre-existing on the date that the stockholder became a stockholder or (iii) in the case of divorce, receiving written notice from the stockholder of the divorce and the stockholder's instructions to effect a transfer of the shares (through the repurchase of the shares by us and the subsequent purchase by the stockholder) to a different account held by the stockholder (including trust or an individual retirement account or other retirement or profit-sharing plan). We must receive the written repurchase request within 12 months after the death of the stockholder, the initial determination of the stockholder's disability or divorce in order for the requesting party to rely on any of the special treatment described above that may be afforded in the event of the death, disability or divorce of a stockholder. In the case of death, such a written request must be accompanied by a certified copy of the official death certificate of the stockholder. If spouses are joint registered holders of shares, the request to have the shares repurchased may be made if either of the registered holders dies or acquires a qualified disability. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar entity, the right to waiver of the Early Repurchase Deduction upon death, disability or divorce does not apply.

Items of Note

When you make a request to have shares repurchased, you should note the following:

- if you are requesting that some but not all of your shares be repurchased, keep your balance above $500 to avoid minimum account repurchase, if applicable;
- you will not receive interest on amounts represented by uncashed repurchase checks;
- under applicable anti-money laundering regulations and other federal regulations, repurchase requests may be suspended, restricted or canceled and the proceeds may be withheld; and
- all shares of our common stock requested to be repurchased must be beneficially owned by the stockholder of record making the request or his or her estate, heir or beneficiary, or the party requesting the repurchase must be authorized to do so by the stockholder of record of the shares or his or her estate, heir or beneficiary, and such shares of common stock must be fully transferable and not subject to any liens or encumbrances. In certain cases, we may ask the requesting party to provide evidence satisfactory to us that the shares requested for repurchase are not subject to any liens or encumbrances. If we determine that a lien exists against the shares, we will not be obligated to repurchase any shares subject to the lien.

IRS regulations require us to determine and disclose on Form 1099-B the adjusted cost basis for shares of our stock sold or repurchased. Although there are several available methods for determining the adjusted cost basis, unless you elect otherwise, which you may do by checking the appropriate box on the repurchase authorization form or calling our customer service number at 1.855.476.6291, we will utilize the first-in-first-out method.

Frequent Trading and Other Policies

We may reject for any reason, or cancel as permitted or required by law, any purchase orders for shares of our common stock. For example, we may reject any purchase orders from market timers or investors that, in our opinion, may be disruptive to our operations. Frequent purchases and sales of our shares can harm stockholders in various ways, including reducing the returns to long-term stockholders by increasing our costs, disrupting portfolio management strategies and diluting the value of the shares of long-term stockholders.

In general, stockholders may request that we repurchase their shares of our common stock once every 30 days. However, we prohibit frequent trading. We define frequent trading as follows:

1. any stockholder who requests that we repurchase its shares of our common stock within 30 calendar days of the purchase of such shares;
2. transactions deemed harmful or excessive by us (including, but not limited to, patterns of purchases and repurchases), in our sole discretion; and
3. transactions initiated by financial advisors, among multiple stockholder accounts, that in the aggregate are deemed harmful or excessive.

The following are excluded when determining whether transactions are excessive:

1. purchases and requests for repurchase of our shares in the amount of $2,500 or less;
2. purchases or repurchases initiated by us; and
3. transactions subject to the trading policy of an intermediary that we deem materially similar to our policy.

At our sole discretion, upon the first violation of the policy in a calendar year, purchase and repurchase privileges may be suspended for 90 days. Upon a second violation in a calendar year, purchase and repurchase privileges may be suspended for 180 days. On the next business day following the end of the 90 or 180 day suspension, any transaction restrictions placed on a stockholder may be removed.

Mail and Telephone Instructions

We will not be responsible for the authenticity of mail or phone instructions or losses, if any, resulting from unauthorized stockholder transactions if they reasonably believe that such instructions were genuine. We have established reasonable procedures to confirm that instructions are genuine including requiring the stockholder to provide certain specific identifying information on file and sending written confirmation to stockholders of record. Stockholders, or their designated custodian or fiduciary, should carefully review such correspondence to ensure that the instructions were properly acted upon. If any discrepancies are noted, the stockholder, or its agent, should contact his, her or its financial advisor as well as us in a timely manner, but in no event more than 60 days from receipt of such correspondence. Failure to notify such entities in a timely manner will relieve us and the financial advisor of any liability with respect to the discrepancy.

Supplemental Sales Material

In addition to this memorandum, we may utilize certain sales material in connection with the offering of the Class A Shares, although only when accompanied by or preceded by the delivery of this memorandum. These supplemental sales materials may include information relating to this offering, the past performance of real estate programs managed by our sponsor and its affiliates, property brochures and articles and publications concerning real estate.

We are offering Class A Shares only by means of this memorandum. Although the information contained in our supplemental sales materials will not conflict with any of the information contained in this memorandum, the supplemental materials do not purport to be complete and should not be considered a part of or as incorporated by reference in this memorandum.

Because this offering is being conducted pursuant to Rule 506(c) of Regulation D promulgated under the Securities Act, general solicitations, including flyers, introductory letters, and seminars, are permitted in connection with the sale of securities through this memorandum. Neither this memorandum nor any supplemental sales materials will be reviewed or approved by any regulatory agencies.

Reports to Stockholders

We expect to provide our stockholders with periodic business updates including quarterly reports with unaudited financial statements and a letter from the manager. We intend to deliver these quarterly reports to our stockholders within 60 days after the end of each quarter. We also may supplement this memorandum upon the occurrence of certain events, such as material property acquisitions. We also intend to provide annual audited financial statements, which will be delivered within 120 days of the fiscal year end. We will use the accrual method of accounting and prepare our financial statements in accordance with GAAP. We will report income and deductions for tax purposes in accordance with the Internal Revenue Code and income tax regulations.

We may in the future begin using blockchain to record acquisitions, dispositions and the financial performance metrics of our underlying real estate assets to provide you with additional insight into the overall performance of our assets. For example, monthly performance metrics and potential valuation criteria can be recorded in real time to each property's record on the blockchain. Such information would be supplemental to the periodic updates that we will provide, which are noted above.

GromaCoins®

We may in the future convert our issued and outstanding securities into "digital securities," which we refer to herein as "GromaCoins®." GromaCoins® would be uncertificated securities, the ownership and transfer of which would be authenticated and recorded on the Ethereum blockchain ("Ethereum") as ERC-20 compatible tokens. By way of background, Ethereum is an open source, public blockchain-based distributed computing platform and operating system featuring smart contract functionality. A blockchain is an open, distributed ledger that records transactions between two parties in a verifiable and permanent way.

Additional Information

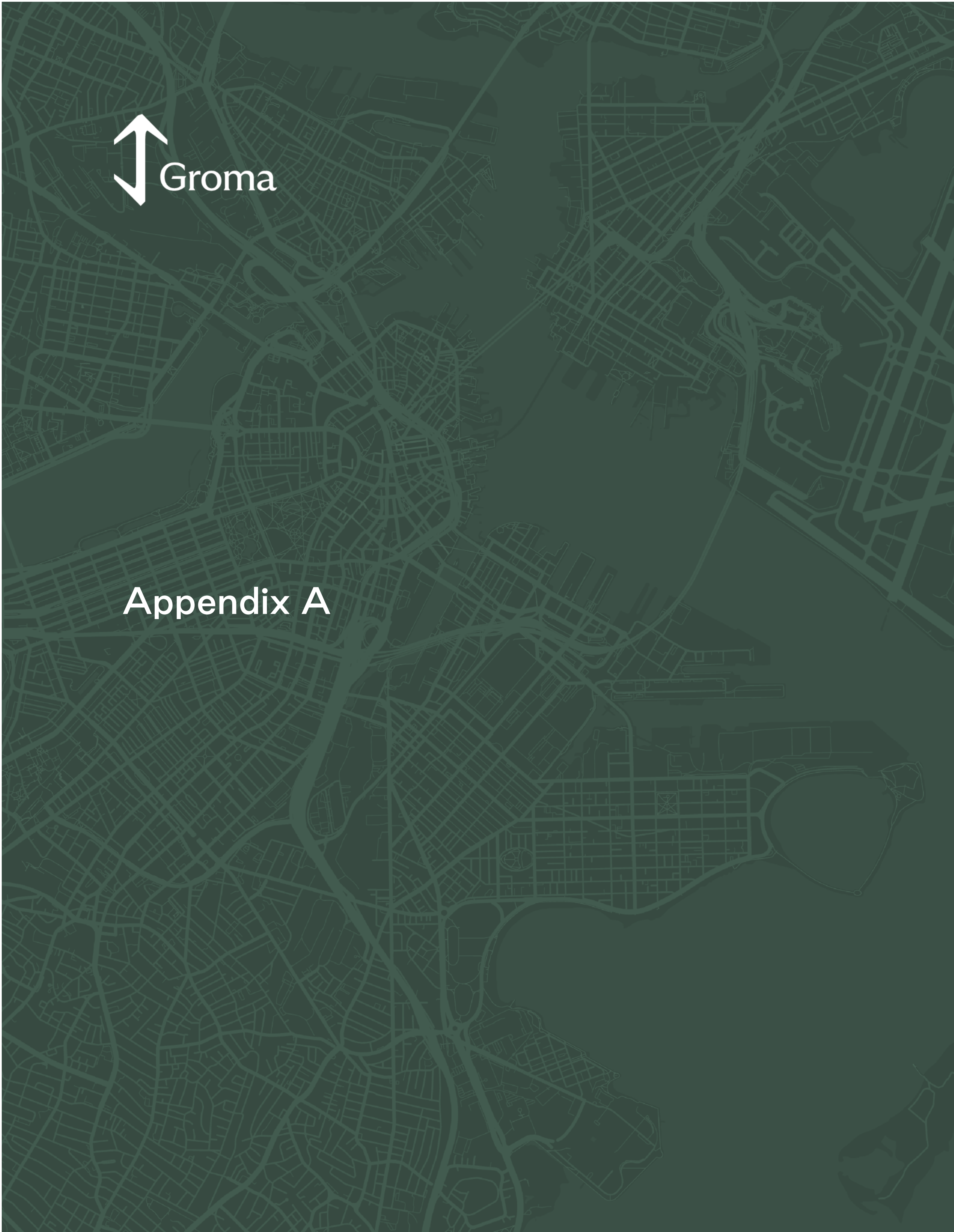
Stockholders and prospective investors may inspect copies of the documents referred to in this memorandum or otherwise related to us at our office or, upon request, a copy of such information will be delivered to you provided that we are able to do so without unreasonable cost or undue burden to us, by writing or telephoning us at:

Groma NAV REIT, Inc.

31 New Chardon Street

Boston, MA 02114

1.855.476.6291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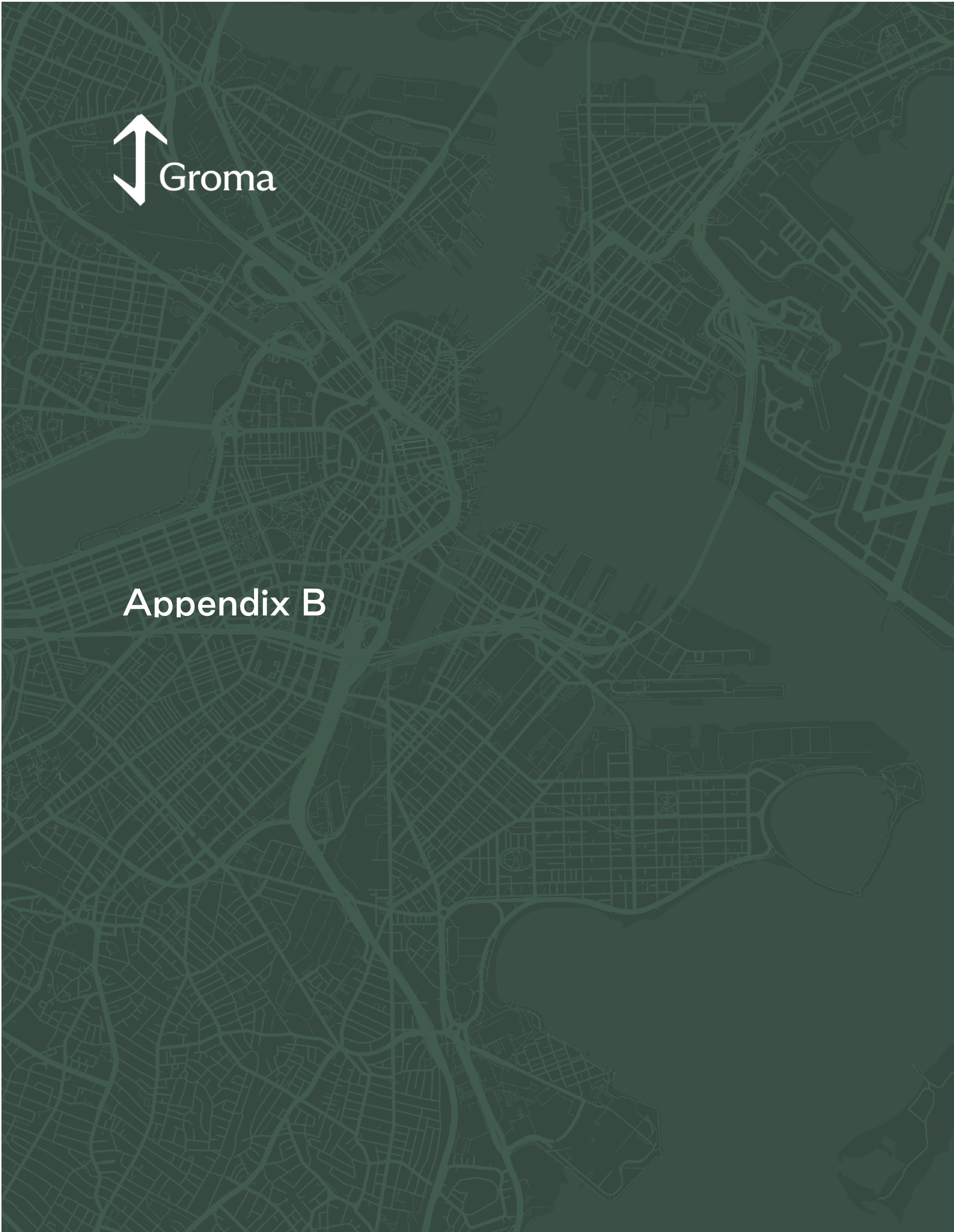
Appendix A



Appendix B