FINAL FORM

# CIX CAPITAL INTERNATIONAL DESIGNATED ACTIVITY COMPANY

## SERIES MEMORANDUM

## CIX ESG AFFORDABLE HOUSING BOND (SERIES 496) NOTES DUE 2024

## ISSUED UNDER ITS CIX CAPITAL INTERNATIONAL PROGRAMME

**DATED 12 OCTOBER 2022**

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## 1 GENERAL

This Series Memorandum (as used herein, this "**Series Memorandum**") is prepared in connection with the USD 10,000,000,000 secured note programme (the "**Programme**") of CIX Capital International DAC (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 7 April 2021 relating to the Programme (the "**Programme Memorandum**").

Neither this Series Memorandum nor the Programme Memorandum constitutes a prospectus for the purposes of the Regulation 2017/1129/EU (the "**Prospectus Regulation**").

This document should be read in conjunction with the Programme Memorandum and the Master Conditions (April 2021 Edition) (*which are included in the Programme Memorandum*). Save where the context otherwise requires, terms defined in the Programme Memorandum (*including in the Master Definitions (April 2021 Edition) which are included in the Programme Memorandum*) have the same meaning when used in this Series Memorandum. Recipients of this Series Memorandum who intend to subscribe for or purchase any Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in this Series Memorandum and the Programme Memorandum.

Subject as set out below the Issuer accepts responsibility for the information contained in this Series Memorandum other than the information in sections:

1. Information relating to the Programme Structurer;

2. Information relating to the Programme Coordinator;

3. Information relating to the Calculation Agent;

4. Information relating to the Back Office Agent and Charged Assets Realisation Agent;

5. Information relating to the Charged Assets; and

6. The Private Placement Memorandum.

To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information for which it accepts responsibility contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that the information in the sections referred to in 1 to 6 above has been accurately reproduced from information provided by (a) the Programme Structurer (in respect of 1) (b) the Programme Coordinator (in respect of 2), (c) the Calculation Agent (in respect of 3) (d) the Back Office Agent and Charged Assets Realisation Agent (in respect of 4) and (e) the CIX Fund (in respect of 5 and 6), and as far as the Issuer is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Series Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Series Memorandum or the Programme Memorandum. If given or made, such information or representation must not be

relied upon as having been authorised by the Issuer, the Programme Structurer, the Programme Coordinator, the Trustee or any of them or any other person. Such information or representation could potentially be misleading in a material respect and should not be relied upon for the purposes of any assessment of whether to invest in the Notes.

Neither the delivery of this Series Memorandum or the Programme Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Trustee has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no responsibility or liability is accepted by the Trustee as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the Programme Memorandum, the Private Placement Memorandum (which is appended to this Series Memorandum) or with respect to the legality of an investment in the Notes by any prospective investor or purchaser under applicable laws or investment restrictions or similar laws or regulations.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this Series Memorandum and the Programme Memorandum.

**The Notes, which are described in this Series Memorandum, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the States of the United States. Accordingly, the Notes are being offered and sold only in bearer form pursuant to the exemption afforded by Regulation S promulgated under the Securities Act solely outside of the United States and solely to non-US persons and in specific reliance upon the representations by each Noteholder that (1) at the time of the offer and sale of the Notes to the Noteholder, the Noteholder was not a US Person as defined in Regulation S promulgated under the Securities Act, and (2) at the time of the offer and sale of the Notes to the Noteholder and, as of the date of the execution and delivery of any purchasing or subscription agreement by the Noteholder, the Noteholder was outside of the United States. The Notes may not be offered or sold in the United States or to US Persons (as defined in Regulation S) unless the Notes are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Notes are subject to certain United States tax law requirements.**

In relation to each Member State of the European Economic Area ("**EEA**") or the United Kingdom of Great Britain and Northern Ireland (the "**UK**") where the Prospectus Regulation applies (each, a "**Relevant Member State**"), and, in respect of the UK, the UK version of the Prospectus Regulation which took effect at 11.00pm on 31 December 2020 pursuant to the European Union (Withdrawal) Act 2018, an offer of Notes to the public has not and may not be made in that Relevant Member State. Without limiting the foregoing, if Notes are offered in any Relevant Member State, any such offer will only be addressed to investors who acquire Notes for a total consideration of at least €100,000 per investor, for each separate offer (or, if the Notes are denominated in a currency other than Euro, the equivalent of €100,000 in such other currency).

**IMPORTANT – EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

a) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as

amended ("**MiFID II**"); or

b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT - UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of:

a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

In this Series Memorandum any reference to any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an "**EU Matter**") which forms part of UK domestic law by application of the EUWA shall be read as including a reference to that EU Matter as it forms (by virtue of the European Union (Withdrawal) Act 2018) part of UK domestic law and as modified by UK domestic law from time to time. For the purposes of this paragraph, (i) "domestic law" shall have the meaning given in the European Union (Withdrawal) Act 2018; and (ii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the European Union (Withdrawal) Act 2018.

The Notes are illiquid investments, the purchase of which involves substantial risks. Any investor investing in the Notes should fully consider, understand and appreciate those risks.

**Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the Private Placement Memorandum and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes, as the Notes described in this Series Memorandum may not be suitable for all purchasers of Notes. Purchasers of Notes should have sufficient knowledge and experience in financial, taxation, accounting, capital treatment and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Series Memorandum and the Programme Memorandum and the merits and risks of investing in the Notes in the context of their financial and**

**regulatory position and circumstances. This Series Memorandum and the Programme Memorandum do not describe all of the risks and investment considerations applicable to an investment in the Notes. The risks and investment considerations identified in this Series Memorandum and the Programme Memorandum are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or as they may from time to time alter.**

**PARTICULAR ATTENTION IS DRAWN TO THE SECTION OF THIS SERIES MEMORANDUM HEADED "RISK FACTORS".**

## IMPORTANT INFORMATION

## INVESTOR ACKNOWLEDGEMENTS, CONFIRMATIONS, REPRESENTATIONS AND UNDERTAKINGS

Persons acquiring the Notes will be deemed to provide the confirmations, representations, acknowledgements and undertakings to the Issuer as set out below. Persons acquiring the Notes should carefully review the following information before deciding whether to purchase of the Notes. In particular, they should ensure that they are satisfied with the terms of the acknowledgements, confirmations, representations and undertakings which they will be deemed to have provided by purchasing the Notes.

### Product Information

Full information on the Issuer, the Programme and the Notes is only available on the basis of the combination of the provisions set out in the Programme Memorandum and this Series Memorandum.

*Investor Confirmation and Representation*

Each investor acquiring the Notes shall be deemed to have confirmed and represented to the Issuer that:

1. they have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in the Programme Memorandum and the Series Memorandum and the merits and risks of an investment in the Notes in the context of their own financial circumstances and investment objectives;

2. they have conducted such independent investigation and analysis regarding the Issuer, the Programme, the Charged Assets and the Notes and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes;

3. they have read and understand the detailed information set out, and incorporated, in the Programme Memorandum and the Series Memorandum prior to making any investment decision, including, without limitation, the risk factors in relation to the Notes contained in the Programme Memorandum and the Series Memorandum; and

4. their decision to purchase the Notes has been made based upon their independent investigations and they acknowledge that none of the Issuer, the Programme Structurer, the Programme Coordinator, the Charged Assets Realisation Agent, the Trustee, the Issue Agent and Principal Paying Agent, the Back Office Agent or any other Agent nor any affiliate of any of them or other person on their behalf has made any investigation of, or has made any representation or warranty, express or implied, as to the merits, suitability or appropriateness of their purchase the Notes.

### Selling Restrictions

There are restrictions on the offer or sale of Notes and on the distribution of the offering materials (including the Programme Memorandum and this Series Memorandum) (the "**Selling Restrictions**"). See further the section of the Programme Memorandum entitled "Subscription and Sale" and the section in this Series Memorandum entitled "Distribution, Issuance Process and Selling Restrictions".

GWM LTD as Back Office Agent will limit its interaction to regulated financial institutions and GWM LTD cannot interact with retail clients. Purchasers should be aware that the Back Office Agent does not conduct any due diligence on, nor establish the suitability requirements of any investors in the Notes.

*Investor Acknowledgement, Confirmation, Representation and Undertaking*

Each investor acquiring the Notes shall be deemed to have acknowledged, confirmed, represented, and undertaken to the Issuer that:

1. they are a person by whom the Notes may be lawfully purchased in accordance with the Selling Restrictions and the laws of the jurisdiction in which they are located;

2. they will comply with the Selling Restrictions and all laws, rules, regulations and directives in any jurisdiction in which they sell the Notes;

3. the Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person as defined in Regulation S (under the Securities Act ("**Regulation S**"));

4. the Notes may be not offered, sold or otherwise made available to any investor otherwise than in compliance with the Selling Restrictions;

5. in relation to each Member State of the European Economic Area ("**EEA**") or the United Kingdom of Great Britain and Northern Ireland (the "**UK**") where the Prospectus Regulation applies (each, a "**Relevant Member State**") and, in respect of the UK, the UK version of the Prospectus Regulation which took effect at 11.00pm on 31 December 2020 pursuant to the European Union (Withdrawal) Act 2018, an offer of Notes to the public has not and may not be made in that Relevant Member State. Without limiting the foregoing, if Notes are offered in any Relevant Member State, any such offer may only be addressed to investors who acquire Notes for a total consideration of at least €100,000 per investor, for each separate offer (or, if the Notes are denominated in a currency other than Euro, the equivalent of €100,000 in such other currency);

6. the Notes may not be offered, sold or otherwise made available to any retail investor within the EEA. For these purposes, a retail investor means a person who is one (or more) of:

   a) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or

   b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. .

   Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation;

7. the Notes may not be offered, sold or otherwise made available to any retail investor within the UK. For these purposes, a retail investor means a person who is one (or

more) of:

a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation; and

8. no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum and / or the Series Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

## 2 DOCUMENTS INCORPORATED BY REFERENCE

The Programme Memorandum is incorporated in, and shall be taken to form part of, this Series Memorandum. This Series Memorandum must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

## 3 RISK FACTORS

### 3.1 General

The purchase of the Notes involves substantial risks. Each prospective purchaser of the Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

**The Programme Memorandum also contains further paragraphs headed "Risk Factors" and they should be considered by prospective investors in conjunction with the risk factors set out below before making any investment decisions.**

Before making an investment decision prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the CIX Fund, the Private Placement Memorandum, the Notes and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. As part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in this Series Memorandum and in the Programme Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Series Memorandum and in the Programme Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

1. are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for a period up to and until the redemption of the Notes;

2. are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and

3. recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

Each of the Issuer, the Programme Structurer and the Programme Coordinator may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

**Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the Conditions in the Master Conditions (April 2021 Edition) (which are included in the Programme Memorandum) entitled 'Security' and 'Enforcement and Limited Recourse' and the sections in this Series Memorandum entitled 'Information relating to the Charged Assets'.**

### 3.2 Risks relating to the Issuer

*Special purpose company*

The Issuer is a special purpose company and has been established for the purpose of issuing multiple Series of secured Notes under the Programme. The Issuer has issued share capital only in the amount of EUR 1 (one euro). Should any unforeseen expenses or liabilities (which have not been provided for) arise, the Issuer may be unable to meet them, leading to an Event of Default under the Notes.

There is no certainty that Noteholders will recover any amounts payable under the Notes. Due to the limited recourse nature of the Notes (see 'Limited recourse' below), claims in respect of the Notes are limited to the proceeds of enforcement of the Mortgaged Property (being principally comprised of the Charged Assets) and any Series Settlement Account Entitlement after the deduction of any applicable expenses. In addition, if a claim is brought against the Issuer (whether under statute, common law or otherwise) which is not subject to such contractual limited recourse provisions, the only assets available to meet such claim would be the proceeds of the issuance of the Issuer's ordinary shares and any profits of the Issuer generated by its participation in the Programme to the extent any remain as at the date of such claim and are available to meet such claim. Prospective investors should note that the Issuer is not expected to retain any significant profits from its participation in the Programme. The only other assets of the Issuer will be the assets on which each Series is secured, which will be subject to the prior security interests of the relevant Noteholders and any other secured parties under that Series.

*Limited recourse*

The Notes will be limited recourse obligations of the Issuer secured on the Mortgaged Property (being principally comprised of the Charged Assets) and are not or will not (as the case may be) be obligations or responsibilities of, or guaranteed by, any other person or entity. **For the avoidance of doubt, none of the Trustee, the Programme Structurer, the Programme Coordinator, any Agent appointed by the Issuer or any other person has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes. There is no person that guarantees to Noteholders that they will recover any amounts payable under the Notes.**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of moneys due to it under the Mortgaged Property (including the Charged Assets comprised therein) and any Series Settlement Account Entitlement. The Noteholders shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Mortgaged Property and any Series Settlement Account Entitlement. To the extent that there is a shortfall in the moneys derived from the Mortgaged Property together with any Series Settlement Account Entitlement, the Issuer will have insufficient funds available to meet its obligations in respect of the Notes. In such event, any shortfall would be borne by the Noteholders in accordance with the priorities specified in the Conditions. See 'Nature of the investment' below.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in the Charged Assets nor do they confer on the Noteholder any right (whether in respect of voting, dividend or other distribution) which a holder of any Charged Assets may have had. The Issuer is not an agent of the Noteholder for any purpose.

### 3.3 Risks relating to the Notes

*Nature of the investment*

These Notes are not principal protected and are a high-risk investment in the form of a debt instrument. The Noteholders are neither assured of repayment of the capital invested nor are they assured of payment of a stated rate of interest or of any interest at all. The Notes give

Noteholders exposure to the Charged Assets (being principally comprised of the Securities (as defined below)), see "*Information relating to the Charged Assets*" below.

Any payments to be made on the Notes depend on the amounts received by the Issuer in respect of the Charged Assets. Should the Charged Assets decrease in value, Noteholders will incur a partial or total loss of their investment. Even if the Charged Assets increase in value, Noteholders may incur a partial or total loss of their investment to the extent that the appreciation of the Charged Assets is not sufficient to account for fees, costs and expenses of the Issuer.

In certain circumstances, described in the Conditions of the Notes, the Notes will be redeemed early pursuant to a Mandatory Redemption Event (including an Additional Mandatory Redemption Event), an Optional Redemption or following an Event of Default and Noteholders shall be entitled to receive only such amount as is available following the sale, redemption or other means of realisation of the Charged Assets, subject to the provisions of the Notes described under 'Limited recourse' above. In addition, it is possible that the Notes could be redeemed at zero in some circumstances. See "*Redemption at Zero*" below.

In general, redemption payments to be made on the Notes are calculated with reference to the value of the proceeds of the Charged Assets. However, if and to the extent that the amount payable by the Issuer in accordance with the Notes to the Noteholders is greater than the amount received by the Issuer in respect of the redemption of the Charged Assets, each Noteholder shall be entitled to receive only its pro rata share of such amount as is received by the Issuer under the Charged Assets after deduction of any applicable costs and expenses.

A redemption of the Notes may also be satisfied in some circumstances by a Delivery in Kind whereby the obligations of the Issuer are satisfied by a delivery of Charged Assets rather than by a cash payment. See "*Delivery in Kind*" below.

*Redemption at Zero*

Prospective investors in the Notes should be aware that the Conditions of the Notes provide that they may be redeemed at zero in extraordinary circumstances where it is not possible to realise the Charged Assets or where a Delivery in Kind cannot be effected. In the event of a redemption at zero, investors would lose their total investment and would have no further recourse against the Issuer or any other person. See further the risk factors entitled "*Charged Assets Realisation and Redemption at Zero*" and "*Delivery in Kind and Redemption at Zero*" in the Programme Memorandum.

*Change of law, tax and administrative practice*

The structure of the transaction and, *inter alia*, the issue of the Notes are based on legal, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that legal, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

*Fees payable by the Issuer*

The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of Ordinary Expenses, Extraordinary Expenses and Acquisition and Realisation Costs (*each as defined in Special Condition 1 (Definitions)*). Such expenses include fees due to the Programme Coordinator, the Trustee and the Agents, any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes and a

portion of any fees, costs and expenses related to the Programme or the operation and maintenance of the Issuer which are not directly attributable to any one Series of Notes. The relevant expenses are further described in Section 7 (*Description of the Fees and Expenses*) of this Series Memorandum.

In consideration of the investment by the Issuer in the Securities (as defined below), the CIX Fund (as defined below) has agreed to pay a facilitation fee to the Issuer. The Issuer intends to apply the facilitation fee towards the discharge of the Ordinary Expenses payable by it in respect of the Notes. The CIX Fund has further agreed to fund the payment of certain Extraordinary Expenses incurred by the Issuer. Investors should be aware that the payment of such amounts by the CIX Fund may result in a corresponding reduction in the value of the Securities. In the event that the CIX Fund fails to pay such amounts, the Programme Structurer has agreed that it will pay such amounts to the Issuer.

If the CIX Fund fails to pay such amounts, and the relevant amounts are not received by the Issuer from the Programme Structurer, such amounts will be funded from proceeds of the Charged Assets and a portion of the Charged Assets may be realised by the Issuer from time to time to fund such amounts or such amounts may be deducted from distributions on the Notes.

In connection with the offer and sale of the Notes, the Issuer, the Programme Structurer, the Programme Coordinator, or any of their associated companies may, directly or indirectly, pay fees in varying amounts to third parties or, as the case may be, receive fees (including but not limited to distribution fees and retrocessions) in varying amounts, including, from third parties (which may include any Transaction Parties). Each Noteholder acknowledges that the Programme Structurer and Programme Coordinator or any of their associated companies may retain all or part of such fees.

(See also the risk factor entitled "*Fees payable by the CIX Fund*").

*Optional Redemption by the Issuer*

Investors in the Notes should be aware that the Issuer has the option at any time, which shall only be exercised following consultation with the Programme Structurer, to redeem the Notes either in whole or in part, subject to the notice requirements set out in the Conditions. Such notice may only be revoked by the Issuer with the consent of the Trustee in accordance with the Conditions. In the case of a redemption of the Notes in whole, they shall be redeemed at their Early Redemption Amount and in case of a redemption of the Notes in part, they shall be redeemed by payment of a portion of the principal amount outstanding of each Note as specified in a notice by the Issuer.

Prospective Investors should be aware that should the CIX Fund be terminated, wound up, liquidated or dissolved in advance of the Maturity Date or Extended Maturity Date of the Notes, the Issuer may elect to fully or partially redeem the Notes with the proceeds of such termination, winding up, liquidation or dissolution. Investors should be aware that they may accordingly receive the redemption proceeds in respect of the Notes, either in whole or in part, prior to the stated Maturity Date or the Extended Maturity Date.

*No Optional Redemption by Noteholders*

Investors in the Notes should be aware that the Conditions of the Notes do not permit the Noteholders to submit requests for their Notes to be redeemed prior to the Maturity Date or Extended Maturity Date. Accordingly, the Notes should only be acquired by investors who are willing to hold their Notes until the Maturity Date or Extended Maturity Date, as the case may be.

*Delivery in Kind*

Investors in the Notes should be aware that the Conditions of the Notes permit the Issuer to satisfy its obligations to the holders of the Notes by delivery of a portion of the Net Charged Assets (being the Charged Assets less a provision for certain specified costs and expenses) (a "**Delivery in Kind**"). Delivery of the Net Charged Assets shall be made either to the Noteholders or to a Charged Assets Holding Agent on behalf of the Noteholders.

Before delivery can be made to a Charged Assets Holding Agent, the Issuer must give prior notice to the Noteholders specifying the identity of the Charged Assets Holding Agent (which shall be selected in good faith by the Issuer), the terms on which it is to hold the Net Charged Assets and the rights of the Noteholders in respect of the Net Charged Assets. These matters shall be determined by the Issuer, following consultation with the Programme Structurer, acting in good faith with due regard to the interests of the Noteholders provided however that neither the Issuer nor the Programme Structurer shall have any liability to the Noteholders or any other person for any loss arising out of or in connection with such matters. Noteholders should be aware that there can be no assurance that the relationship between the Noteholders and the Charged Assets Holding Agent will replicate the relationship between the Noteholders and the Issuer (including in respect of the legal and economic rights of the Noteholders and the tax status of the investment). The rights of the Noteholders following a Delivery in Kind to the Charged Assets Holding Agent may be materially less favourable than the rights of Noteholders against the Issuer and Noteholders may suffer a loss on their investment following a Delivery in Kind to the Charged Assets Holding Agent.

If a Delivery in Kind is initiated it may result in the Notes being redeemed at zero, including where it is not possible to complete delivery of the Net Charged Assets. See further the risk factor entitled "*Delivery in Kind and Redemption at Zero*" in the Programme Memorandum.

*Suspension of Redemptions*

Investors should be aware that if the Issuer does not receive certain documents which are deliverable to it by the Programme Structurer, this may result in redemptions of the Notes being suspended. If any Notes are to be redeemed on a day on which redemptions are suspended, the day for such redemptions shall, unless otherwise determined by the Issuer, be postponed until the first Business Day falling after the end of the period during which redemptions are suspended. See further the risk factor entitled "*Risks Relating to Deliverable Documents and Redemption of the Notes*" below.

*Liquidity*

No secondary market for the Notes currently exists or is expected to develop. Furthermore, it will not be possible for investors to redeem their Notes prior to the Maturity Date or Extended Maturity Date, as the case may be (see further the risk factor entitled "*No Optional Redemption by Noteholders*" above). Prospective purchasers of the Notes should therefore recognise that they may not be able to liquidate their investment in the Notes. Investment in the Notes is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time and are not acquiring the Notes with a view to a potential resale, distribution or other disposition at some future date.

Application has been made to list the Notes on the Vienna MTF of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted. Even if the Notes are listed, it is not anticipated that a secondary trading market or liquidity will develop.

*Extended Maturity Date*

The term of the Notes may be extended for further periods of up to one (1) year in respect of each extension, provided that the Calculation Agent at the request of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders not less than one (1) calendar month prior to the Maturity Date or the Extended Maturity Date if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**"). The term of the Notes may be extended on multiple occasions.

Prospective investors should be aware that the Issuer may only elect to extend the maturity of the Notes if the Programme Structurer has certified to the Issuer that it considers that such an extension is necessary to accommodate the receipt by the Issuer of further payments in respect of the Securities after the Maturity Date or any Extended Maturity Date.

*Market and legal risk*

The Notes will constitute secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Mortgaged Property (which principally comprises the Charged Assets) and any Series Settlement Account Entitlement relating to the Notes and no other assets of the Issuer will be available to satisfy claims of Noteholders. The Issuer's obligations to the Noteholders are solely funded by, and primarily secured on, the Charged Assets. Therefore, to the extent that the value of the Charged Assets falls, payment under the Charged Assets is not made, the Charged Assets cannot be sold or if the relevant security arrangements would not be enforceable, a loss of principal or interest or both under the Notes will result. Noteholders therefore assume the market and legal risk of the Charged Assets.

None of the Issuer, the Programme Structurer, the Programme Coordinator, the Trustee, the Principal Paying Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Back Office Agent, or any other Agent nor any affiliate of any of them or other person on their behalf has made any investigation of, or makes any representation or warranty, express or implied, as to the financial or other condition of the Charged Assets.

None of the Issuer, the Programme Structurer, the Programme Coordinator, the Trustee, the Principal Paying Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Back Office Agent, or any other Agent nor any affiliate of any of them (or any person on their behalf) assume any responsibility vis-à-vis the Noteholders for the economic success or lack of success of an investment in the Notes, or the performance, the value or terms of the Charged Assets. None of such parties will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Noteholders, or prospective purchasers of the Notes, with any information in relation to such matters, or to advise as to the attendant risks.

*Legal opinions*

No legal opinions will be obtained with respect to any applicable laws, including the laws governing the Charged Assets or as to the validity, enforceability or binding nature of the Charged Assets.

*Clearing Systems*

The Notes will be represented by one or more Temporary Global Notes and Permanent Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. See further the risk factor entitled "*Clearing Systems*" in the

Programme Memorandum.

*Risks Relating to Deliverable Documents and Redemption of the Notes*

The Programme Structurer has agreed to deliver, or procure the delivery of, certain Audit Deliverable Documents and Non-Audit Deliverable Documents *(each as defined in Special Condition 1 (Definitions)*) to the Issuer. These documents are required, amongst other things, to enable the Calculation Agent to determine the valuation of the Charged Assets and to prepare its NAV Reports. Prospective investors should be aware that if the Programme Structurer fails to deliver or procure the delivery of the required documents, such failure will give rise to a number of consequences which may have adverse effects for Noteholders.

If an Audit Deliverable Document is not received by or on behalf of the Issuer by its respective due date, the Issuer will notify Noteholders of the failure to receive such document and:

(A) the obligation of the Calculation Agent to prepare the NAV Reports shall be suspended;

(B) all subscriptions and redemptions of the Notes shall be suspended; and

(C) all further investments by or on behalf of the Issuer in Charged Assets shall be suspended,

in each case until such time as the failure is remedied to the satisfaction of the Issuer.

If a Non-Audit Deliverable Document is not received by or on behalf of the Issuer by the date falling thirty (30) days after its respective due date the Issuer will notify Noteholders of the failure to receive such document and:

(A) the obligation of the Calculation Agent to prepare a NAV Report shall be suspended;

(B) all subscriptions and redemptions of the Notes shall be suspended; and

(C) all investments by or on behalf of the Issuer in Charged Assets shall be suspended,

in each case until such time as the failure is remedied to the satisfaction of the Issuer.

*No expectation of Interest Payments during the term of the Notes*

It is not expected that any interest payments will be made during the term of the Notes. Notwithstanding that the Conditions of the Notes require the Issuer to make interest payments on the Notes following the receipt of distributions from the Securities, no such distributions are expected to be made and accordingly no interest payments are expected to be made during the term of the Notes. Instead it is expected that no interest payments will be made until the Early Redemption Payment Date or Final Maturity Payment Date, as the case may be.

*No assurance that Issuer will be able to pay accrued Interest, in whole or in part*

The Issuer will make interest payments on the Notes following the receipt of interest payments or other distributions from the Securities. While interest will accrue on the Notes at a rate of ten percent (10%) per annum, compounding annually, the ability of the Issuer to pay such accrued interest will depend entirely upon its receipt of interest payments or other distributions on the Securities from the CIX Fund. As disclosed in the Private Placement Memorandum, the combined return payable by the CIX Fund on the Securities is equal to the amount which would be required by the Issuer to fund the payment of the accrued interest on the Notes.

However, to the extent that the net interest payments or other distributions received from the CIX Fund, after the deduction of any applicable fees and expenses, are not sufficient to enable the Issuer to pay any amounts of accrued interest on an Interest Payment Date (other than the Final Maturity Payment Date or the Early Redemption Payment Date), either in whole or in part, any unpaid amounts of interest will be deferred until the following Interest Payment Date on which the Issuer has received sufficient net interest payments or other distributions to pay such amounts. Unpaid interest amounts will not bear interest. Upon the redemption of the Notes, whether upon an Early Redemption Date, Maturity Date or Extended Maturity Date, any amounts of accrued interest which remain unpaid shall be paid on the relevant Early Redemption Payment Date or the Final Maturity Payment Date to the extent that the Issuer has received sufficient net interest payments or other distributions from the CIX Fund to make such payments. Any accrued interest which remains unpaid on the Early Redemption Payment Date or Final Maturity Payment Date following the distribution of the net distributions received by the Issuer from the CIX Fund will be extinguished and Noteholders will have no further claims against the Issuer in respect of such amounts.

*Payments on the Early Maturity Payment Date or Final Maturity Payment Date will be limited to the Redemption Amount*

The payment of the Redemption Amount on the Early Maturity Payment Date or Final Maturity Payment Date, as the case may be, shall include the amount of interest which is payable on such date in accordance with the Conditions of the Notes. To the extent that the Redemption Amount in respect of a Note exceeds the aggregate of the principal amount outstanding of the Note on such date together with any amount of interest in respect of the Note which has accrued at the applicable interest rate on such date, the balance shall represent a payment of additional interest. Investors should note that due to the nature of the return on the Securities, it is not anticipated that any such excess would arise. To the extent that the Redemption Amount is less than the aggregate of the principal amount outstanding of the Notes and any amount of interest in respect of the Note which has accrued at the applicable interest rate on such date, the balance of any accrued interest which is unpaid shall be extinguished and Noteholders shall have no further claims against the Issuer in respect of such amounts.

*Investors may acquire less than the Principal Amount of the Notes Issued*

Investors should be aware that upon their issuance, the Notes will initially be transferred to an account of the Issuer with The Bank of New York Mellon, London Branch where they will be held until their acquisition by investors or until they are cancelled. The Notes may be held in the account of the Issuer for significant periods of time before being acquired by investors. In addition, the Issuer may elect to cancel any Notes which have not been acquired by investors. The principal amount of Notes specified in this Series Memorandum represents the amount of Notes that will be issued on the Issue Date. There is no minimum limit on the number of Notes that must be acquired by investors. Investors should therefore be aware that some Notes which are issued on the Issue Date may not be acquired by investors and it may be the case that investors only acquire a small portion of the Notes issued on the Issue Date. Investors should further be aware that while any holding of Notes they acquire may represent a particular portion of Notes issued on the Issue Date, their holding may ultimately represent a larger portion of Notes actually acquired by investors. Investors should also be aware that, as a consequence of the above, the amount invested by the Issuer in the Charged Assets may be significantly less than the principal amount of Notes issued on the Issue Date.

*Charges on subscriptions for the Notes*

The subscription price of Notes acquired after the initial Issue Date on 14 October 2022 shall be calculated based on the aggregate of (i) the Initial Subscription Price; and (ii) an amount calculated at a rate of ten percent (10%) per annum from the Issue Date to the date of

purchase. The amount in excess of the Initial Subscription Price is intended to reflect the entitlement to accrued interest of Notes which are acquired after the Issue Date and to avoid dilution of the existing investors. There is no assurance that this will be successful. To the extent that any interest payment is made in respect of the Notes or the Notes are redeemed in part following the Issue Date, the subscription price may be adjusted by the Issuer to a price which the Calculation Agent considers to reflect such interest payment or partial redemption and which would not dilute the value of the Notes of existing Noteholders. The Issuer may also adjust the subscription price where it considers this necessary to reflect any increase or decrease in the NAV of the Notes following the Issue Date provided that the Calculation Agent has confirmed to the Issuer that it is satisfied that the adjustment will not dilute the entitlements of existing Noteholders.

### 3.4 Risks relating to the Charged Assets

*Investment in the Series Assets*

The Issuer intends to use the net proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in the Series Assets, being:

(a) Class B Stock (the "**Class B Stock**") issued by CIX ESG Affordable Housing Fund, Inc (the "**CIX Fund**"); and

(b) a secured loan to be advanced by the Issuer to the CIX Fund (the "**Loan**") which shall be evidenced by a secured promissory note to be executed by the CIX Fund in favour of the Issuer (the "**Portfolio Note**" and together with the Class B Stock, the "**Securities**")).

20% of the amount invested by the Issuer in the Securities shall be invested in the Class B Stock, while the remaining balance shall be invested in the Loan.

As described in the Private Placement Memorandum of the CIX Fund (a copy of which is included as Appendix 1 to this Series Memorandum), the obligations of the CIX Fund under the Portfolio Note shall be secured by a pledge of 100% of the CIX Fund's rights arising under (i) a deposit account and control agreement to be entered into by the CIX Fund, the Castellan Fund (as defined below) and Webster Bank, N.A and (ii) a security agreement to be entered into by the CIX Fund, the Castellan Fund and the manager of the Castellan Fund.

The CIX Fund's investment objective is to provide investors in the Securities with current income and capital appreciation by investing in rights related to the acquisition, rehabilitation and development of affordable rental housing properties (each such property, a "**Property**") in each case primarily financed or expected to be financed through Low-Income Housing Tax Credits and tax-exempt bonds.

The CIX Fund intends to invest in such Properties by making a loan to CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "**Castellan Fund**"). The Castellan Fund was sponsored by Castellan Holdings LLC, an affiliate of Castellan Real Estate Partners, which is an experienced U.S. property developer, owner and manager based in New York – NY ("**Castellan**"). Through the Castellan Fund and its direct or indirect subsidiaries, Castellan will own and manage, the Properties. The CIX Fund will rely on the operating and management experience of Castellan to maintain, create or add value to the Properties and to eventually sell the Properties to low-income housing tax credit investors.

CIX Capital GP, a Cayman Islands exempted company ("**CIX Capital GP**"), is the holder of all of the Class A Stock of the Company. The Issuer, as a holder of Class B Stock, shall have no right to vote on any matter to be voted on by the stockholders of the Company. As sole holder

of the Class A Stock, CIX Capital GP will control the management and affairs of the CIX Fund.

The CIX Fund will be managed by a board of directors elected by CIX Capital GP, in its sole discretion.

CIX Capital International Ltda., a Brazilian limited liability company ("**CIX Capital**"), will act as the investment manager of the CIX Fund, pursuant to an Investment Management Agreement (the "**Fund Management Agreement**") between the CIX Fund and CIX Capital. Pursuant to the Fund Management Agreement, the investment management services to be provided by CIX Capital to the CIX Fund include financial advisory, investor relations, distributions, and negotiation and servicing of loans. CIX Capital has also been appointed to act as Programme Structurer by the Issuer.

The CIX Fund will engage a third-party administrator to provide administrative services to the CIX Fund. The administrator of the CIX Fund will initially be Intertrust Group, with offices located at One Nexus Way, Camana Bay, Grand Cayman, Cayman Islands, KY1-9005.

Potential investors should note that investing in the Notes does not provide any assurance as to the nature of the CIX Fund, the Securities or the Castellan Fund. For example, no assurance is provided as to (i) the constitutional documentation of the CIX Fund, (ii) any subscription agreement in place as of the Issue Date or thereafter, (iii) any ability of the CIX Fund to issue further securities or receive further loans (in either the same or a different class to that of the Securities); (iv) the transferability of the Securities, (v) any right to refuse registration of the Securities or (vii) any pre-emption rights in respect of the Securities. Such issues may affect the ability of the Trustee to enforce the Series Charging Instrument and realise the Series Assets and Related Rights. Potential investors should carry out their own due diligence in this regard.

**Potential investors should refer to the Private Placement Memorandum, appended to this Series Memorandum hereto, for more detail on the Securities to be acquired by the Issuer.**

**Prospective purchasers of the Notes should also conduct their own independent investigation and analysis regarding the Issuer, CIX Capital, CIX Capital GP, the CIX Fund and its service providers and the Castellan Fund as they deem appropriate to evaluate the merits and risks of an investment in the Notes.**

*Independent Investigations of the Securities*

Prior to making an investment in the Notes, investors should ensure that they fully understand the investment represented by the Securities and the factors that may influence the value of the Securities and the level of return payable in respect the Securities. The value and the return payable in respect of the Securities are the principal factors that will affect the return payable on the Notes. Accordingly, investors should conduct their own independent investigation and analysis (either alone or with the help of a financial and / or legal adviser) regarding the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Potential investors should refer to the Private Placement Memorandum appended to this Series Memorandum for more detail on the Securities. Investors should also refer to such other materials as they or their advisers consider necessary to conduct their investigations. Among the factors that should be considered by potential investors are the following:

(i) the manner in which the proceeds of the Securities will be used by the CIX Fund;

(ii) any fees or expenses payable, directly or indirectly, by the CIX Fund which may affect the

value of the Securities and result in a reduction of the value of Notes (see further "*Fees Payable by the CIX Fund*" below); and

(iii) the terms of any other material investments in or sources of financing for the CIX Fund and the ranking of the Securities relative to such other investments or sources of financing.

The above factors are not exhaustive and investors are solely responsible for making their own determination of the appropriateness of acquiring the Notes based on their own assessment of, amongst other things, the investment represented by the Securities. None of the Issuer, the Programme Structurer, the Programme Coordinator, the Trustee, the Principal Paying Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Back Office Agent or any other Agent or any affiliate of any of them or other person on their behalf expresses any view on the merit or appropriateness of an investment in the Securities. **Any person who does not fully understand the investment represented by the Securities (including the merits and risks associated with such an investment), should not acquire the Notes.**

*Investments of the CIX Fund*

Prior to making an investment in the Notes, investors should ensure that they fully understand the manner in which the proceeds of the Securities will be invested by the CIX Fund. In particular, as disclosed in the Private Placement Memorandum, the CIX Fund intends to make a loan to the Castellan Fund.

Investors should ensure that they fully understand the nature of the loan to the Castellan Fund and the associated risks and should review the relevant disclosures contained in the Private Placement Memorandum.

*The Private Placement Memorandum*

Potential investors should conduct their own investigations of the merits of an investment in the Securities including by referring to the Private Placement Memorandum appended to this Series Memorandum. When conducting their investigations potential investors should be aware that none of the Issuer, the Programme Structurer, the Programme Coordinator, the Trustee, the Principal Paying Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Back Office Agent or any other Agent or any affiliate of any of them or other person on their behalf has investigated or makes any representation regarding the accuracy or completeness of the information contained in the Private Placement Memorandum. Investors should be aware that if the Private Placement Memorandum is inaccurate or incomplete, it may not include all information which is relevant to making an assessment of the CIX Fund or an investment in the Securities or it may be misleading with respect to, or not include all details of, the risks which are relevant to an investment in the Securities.

*Changes to the CIX Fund and the Securities*

When conducting an investigation of the Securities and the CIX Fund, potential investors in the Notes should have regard to the possibility that features of the Securities and the CIX Fund may be subject to change. Such changes could include, without limitation, a change in the investment policy and strategy of the CIX Fund, a change in the service providers appointed by the CIX Fund and a change in the fees payable by the CIX Fund. Such changes may affect the attractiveness of an investment in the Securities and the potential return which is payable to holders of the Securities. It is possible that such changes could be effected without the consent of the Issuer and may adversely affect the interests of the Noteholders.

*Fees Payable by the CIX Fund*

When conducting their investigation of the investment represented by the Securities, prospective investors should have regard to the fees and expenses which are payable, directly or indirectly, by the CIX Fund. The payment of any fees and expenses by the CIX Fund may reduce the value of the Securities which would be reflected by a corresponding reduction in the value of the Notes and a reduction in the amount receivable by Noteholders upon the redemption of the Notes.

In particular, in the "*Summary of Principal Terms*" section of the Private Placement Memorandum, investors should review the disclosures entitled "*Sales of Securities through Distributors; Distribution Fees*", "*Fees Payable to Administrator, and CIX Capital and Affiliates*", "*Platform Fee*" and "*Fund Expenses*".

In addition, the CIX Fund has agreed to pay a facilitation fee to the Issuer which will be used by the Issuer to discharge its Ordinary Expenses. The CIX Fund has also agreed to fund the payment of any Extraordinary Expenses which are payable by the Issuer. The payment of such amounts by the CIX Fund may reduce the value of the Securities which would be reflected by a corresponding reduction in the value of the Notes and a reduction in the amount receivable by Noteholders upon the redemption of the Notes.

**Potential investors should refer to the Private Placement Memorandum, appended to this Series Memorandum hereto, for more detail on the fees and expenses payable by the CIX Fund**.

*Series Charging Instrument*

Pursuant to the terms of the Series Charging Instrument, the Issuer will grant security to the Trustee over, amongst other things, the Securities it acquires for the benefit of the Noteholders and the other Secured Parties. It should be noted that the Noteholders are reliant on the Issuer, the Programme Structurer and the CIX Fund to take all necessary steps to ensure that the Series Charging Instrument is perfected and enforceable. If (i) one or more steps necessary to effect perfection of the Series Charging Instrument are not taken, (ii) there are any issues with Issuer's title to the assets the subject of the Series Charging Instrument, or (iii) there is any restriction on the ability to charge the assets the subject of the Series Charging Instrument, then the Series Charging Instrument may not be enforceable in whole or in part. Noteholders should be aware that the Trustee has not investigated any of the above matters and is solely reliant on the Issuer, the Programme Structurer and the CIX Fund to take all necessary steps to ensure that the Series Charging Instrument is valid and enforceable in the manner envisaged over the relevant assets.

Prospective investors should be aware that upon an enforcement of the security created by the Series Charging Instrument over the Securities, there may be restrictions on the transferability of the Securities including with respect to the persons or entities who are eligible to acquire the Securities. Additionally, any such transfer would require the consent of the CIX Fund and potentially the holder of the Class A Stock. Such restrictions may limit the ability of the Trustee to realise the Securities by way of a sale upon an enforcement of the Series Charging Instrument which could result in a delay in the proceeds of the Securities being distributed to Noteholders following the enforcement of the Series Charging Instrument.

*Operating History of the CIX Fund*

The CIX Fund was formed as a Delaware corporation in 2022 and has not yet commenced business operations. As a result, investors will have very limited historical information for the purposes of making their investment decision. The CIX Fund is subject to all of the business

risks and uncertainties associated with any new business, including the risk that the CIX Fund will not achieve its investment objectives. The results of the CIX Fund's operations will depend on a variety of factors from time to time outside of the control of the CIX Fund, including the ability of the CIX Fund to acquire the Properties, the availability of opportunities for investment, the availability of funding and economic conditions.

*Realisation of the Securities and Payments on the Notes*

Payments under the Notes will only be made after receipt of the Realisable Value (being the proceeds of realisation of the Charged Assets) by the Issuer. The date of payment of the Redemption Amount under the Notes is therefore not fixed. It may take a considerable period of time to realise or liquidate the Charged Assets, whether upon the final maturity of the Notes or an early redemption. Upon the final maturity of the Notes, payment of the Redemption Amount will be made on the Final Maturity Payment Date which may be significantly later than the Maturity Date or Extended Maturity Date, as the case may be. Similarly, upon an early redemption of the Notes payment of the Early Redemption Amount will be made on the Early Redemption Payment Date which may be significantly later than the Early Redemption Date.

As the Charged Assets are comprised principally of the Securities, payments by the Issuer under the Notes will be made from the proceeds of realisation of the Securities.

As disclosed in the Private Placement Memorandum, the CIX Fund intends to invest all of the proceeds of the offering of the Securities by December 31, 2022. The CIX Fund intends to be repaid on the Castellan Note (as defined and described in the Private Placement Memorandum), and distribute the proceeds to investors, including the Issuer, within two (2) years after the Initial Closing (as defined in the Private Placement Memorandum). Notwithstanding the foregoing, the CIX Fund shall have, in its sole and absolute discretion, the right to extend its term by one (1) year to the extent necessary to accommodate market cycles and to liquidate the investments of the CIX Fund in an orderly fashion. After the CIX Fund's capital is fully invested, the CIX Fund plans to manage its investments, and sell investments, until it decides to commence a complete liquidation of its investments. The timing for the sale of the Properties will depend on market and economic conditions and other factors, so there can be no assurance that the CIX Fund will be able to liquidate investments at the times projected in the Private Placement Memorandum.

Any delays experienced by the Issuer in receiving the realisation proceeds of the Securities, whether upon the final maturity or an early redemption of the Notes will lead to corresponding delays, which may be significant, in payments being made to Noteholders.

Delays in realising the Charged Assets may lead to the obligations of the Issuer in respect of the Notes being satisfied by a Delivery in Kind or a redemption of the Notes at zero. See further "*Redemption at Zero*" and "*Delivery in Kind*" above and the risk factors entitled "*Charged Assets Realisation and Redemption and Zero*" and "*Delivery in Kind and Redemption at Zero*" in the Programme Memorandum.

*Lack of diversification*

The Charged Assets will be comprised of an exposure to a single entity, being the CIX Fund. Due to such concentration, the Charged Assets may be more susceptible to a single adverse economic or regulatory occurrence, and lead to greater fluctuations in the value of Notes than may have been the case if the Charged Assets were comprised of a diversified pool of exposures.

*Partial Interest in the CIX Fund*

Prospective purchasers of the Notes should be aware that the Class B Stock to be acquired by the Issuer may not comprise 100% of the issued Class B Stock of the CIX Fund nor is the CIX Fund prohibited from issuing further stock or shares.

*Risks Related to the CIX Fund and its operations*

The performance and realisation of the Charged Assets (being principally comprised of the Securities), and thereby, of the Notes, is dependent on the overall performance, operations and financial condition of the CIX Fund which is in turn dependent on the performance of the Castellan Fund.

**NEITHER THE ISSUER, THE TRUSTEE NOR ANY OF THE AGENTS HAVE REVIEWED THE OVERALL PERFORMANCE, OPERATIONS AND FINANCIAL CONDITION OF THE CIX FUND, THE CASTELLAN FUND OR ANY OTHER CONDITIONS OF THE CIX FUND OR THE CASTELLAN FUND AT THE TIME OF THE ISSUE DATE AND DO NOT GUARANTEE OR MAKE ANY RECOMMENDATIONS OR WARRANTIES, IN ANY FORM, AS TO THE SUITABILITY OF ANY INVESTMENT, INCLUDING THROUGH PURCHASE OF THE NOTES, THE PERFORMANCE OF WHICH IS DEPENDENT ON THE CIX FUND AND THE CASTELLAN FUND OR ANY OF THEIR OPERATIONS.**

Any event having an adverse effect on the CIX Fund or the Castellan Fund may, through the performance of the Securities, affect the performance of the Notes and the Issuer's ability to meet its obligations in respect of the Notes. Therefore, any event having an adverse effect on the CIX Fund's or the Castellan Fund's financial results, performance, and / or growth prospects may subsequently, through the Securities, adversely affect the performance of the Notes and the ability by the Issuer to meet its obligations in respect of the Notes, which will be dependent on the receipt by the Issuer of moneys due to it under the Charged Assets (including the Securities). Accordingly, any risks which are applicable to an investment in the Securities will be equally applicable to the Notes. Investors should conduct their own independent investigation and analysis (either alone or with the help of a financial and / or legal adviser) regarding the description of the risks applicable to the CIX Fund, the Castellan Fund and the Securities contained in the Private Placement Memorandum as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE PRIVATE PLACEMENT MEMORANDUM ENTITLED "RISK FACTORS". PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN**

*Taxation of the Securities*

The Private Placement Memorandum, under the heading "Certain United States Tax Considerations", includes a description of the expected US tax treatment of the Securities. There is no assurance however that the relevant tax authorities will agree with the approach detailed in the Private Placement Memorandum and should they take a different view this could have potentially adverse consequences which may result a reduction in the amounts payable by the Issuer in respect of the Notes. Furthermore, none of the Issuer, the Programme Coordinator, the Trustee, the Principal Paying Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Back Office Agent or any other Agent has independently investigated or verified, nor provides any assurance with respect to, the tax treatment of the Securities. To the extent that any tax is payable by the Issuer in respect of any interest payments or other distributions made by the CIX Fund, such payments will result in a reduction of the amounts distributable to Noteholders and a corresponding reduction in the value of the Notes.

Without limitation to the above, to the extent that any amounts of withholding tax are applied

to interest payments or other distributions made by the CIX Fund, this would reduce the amount available for distribution by the Issuer in respect of the Notes. Furthermore, the Issuer could be subject to Irish tax on any amounts so withheld which would further reduce the amount available for distribution in respect of the Notes.

Furthermore, the tax treatment detailed in the Private Placement Memorandum assumes that the Securities will not be sold prior to their maturity. While the Issuer does not intend to sell the Securities, were any such sale to occur, whether upon an enforcement of the security granted by the Issuer in respect of the Notes or otherwise, this could potentially have adverse consequences such as giving rise to a tax liability for the Issuer or otherwise reducing the amount receivable by the Issuer which would lead to a corresponding reduction in the amounts payable by the Issuer in respect of the Notes.

Accordingly, investors should conduct their own independent investigation and analysis (either alone or with the help of a financial and / or legal adviser) regarding such matters as they deem appropriate to evaluate the merits and risks of an investment in the Notes.

*Risk of Fraud or Impropriety*

The Issuer will have no role in the management or operations of the CIX Fund. In the event of any fraud or impropriety by the CIX Fund or any service provider to the CIX Fund, it is possible that the proceeds of the Securities could be misappropriated leading to a complete loss of their value. The Issuer is not responsible for monitoring the CIX Fund and in the event that the Securities lose their value as a result of such fraud or impropriety, the Issuer shall have no further obligations to the Noteholders.

*Risks Related to the Valuation of the Charged Assets*

**NAV Reports**

On each NAV Report Date, the Calculation Agent shall, save where the required valuation information has not been received, deliver a NAV Report to the Programme Coordinator and the Issuer. Following receipt by the Programme Coordinator and the Issuer of the NAV Report from the Calculation Agent on the NAV Report Date, the Programme Coordinator will disseminate the NAV per Note to Bloomberg, Reuters, SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

Investors should be aware that the NAV Report and the summary thereof will be an estimated valuation of the Portfolio and shall not be interpreted as an indication of the expected Redemption Amount of the Notes. In particular, the calculation for the Net Asset Value of the Portfolio will be comprised of an estimated valuation, as at the NAV Calculation Date, of the Securities. The NAV Report and the summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendment and / or corrections at any time without giving notice to any person.

The valuation of the Securities used to calculate the Net Asset Value of the Portfolio on the NAV Calculation Date may not be current as of such date, therefore the valuation of the Securities used to calculate the Net Asset Value of the Portfolio on the NAV Calculation Date may differ from the actual value of the Securities on such NAV Calculation Date.

**Valuations**

The calculation of the Net Asset Value of the Portfolio will be based largely on the valuations of the Securities provided by the CIX Fund and such valuations will not be independently verified by the Calculation Agent. The Issuer will pay fees to a number of service providers

which such fees may be expressed as a percentage of the Net Asset Value of the Portfolio and, should the Net Asset Value of the Portfolio be overstated or understated this may result in over or underpayment to such service providers. Provided that any price or valuation is used in good faith when determining the Net Asset Value of the Portfolio, no party shall incur any liability should such price or valuation later prove to be incorrect.

Generally, save in the absence of manifest error, there shall be no retroactive adjustment of the Net Asset Value of the Portfolio in the event of subsequent discovery that an incorrect or inaccurate price or valuation was used to calculate the Net Asset Value of the Portfolio. However, to the extent that a valuation provided to the Issuer by the CIX Fund is revised, this may require an adjustment to the calculation of the Net Asset Value of the Portfolio for the relevant period.

### 3.5 Summary of Principal Underlying Investment Risks

As with any investment, you could lose all or part of your investment in the Notes, and the Notes' performance could trail that of other investments. The Notes are subject to one or more of the principal risks noted below (either directly or through the Issuer's investments in Series Assets), any of which may adversely affect the Notes' Net Asset Value, trading price, yield, total return and ability to meet its investment objective.

#### *3.5.1 Counterparty Risk*

The Issuer bears the risk that the CIX Fund may default on its obligations (if any) or otherwise fail to honour its obligations to holders of the Securities or under the Private Placement Memorandum. In such case the Issuer will lose money and the value of an investment in the Notes may decrease.

#### *3.5.2 Investment Risk*

As with all investments, an investment in the Notes is subject to investment risk. Noteholders could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.

#### *3.5.3 Liquidity Risk*

The Securities are an illiquid investment. In the event that the Issuer defaults or the Notes are subject to redemption there is no assurance that the Securities can be timely redeemed such that value can be realised for investors.

#### *3.5.4 Market Trading Risk*

It is not expected that a secondary market will develop for the Notes. However, if such a market were to develop, a holder of the Notes would face numerous market trading risks, including losses from trading in secondary markets and periods of high volatility. ANY OF THESE FACTORS, AMONG OTHERS, COULD LEAD TO THE NOTES TRADING AT A PREMIUM OR DISCOUNT TO NET ASSET VALUE ON ANY SECONDARY MARKET THAT DEVELOPED.

**AS WITH ANY INVESTMENT YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT IN THE NOTES AND THE NOTES' PERFORMANCE COULD TRAIL THAT OF OTHER INVESTMENTS. YOUR ATTENTION IS DRAWN TO THE PRIVATE PLACEMENT MEMORANDUM ATTACHED AS AN APPENDIX TO THIS SERIES MEMORANDUM. IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE PRIVATE PLACEMENT MEMORANDUM ENTITLED "RISK FACTORS". PROSPECTIVE**

**INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN.**

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED 'RISK FACTORS' IN THE PROGRAMME MEMORANDUM.**

## 4 CONDITIONS OF THE NOTES

All capitalized terms used but not otherwise defined below shall have the meanings respectively ascribed to them by (i) Special Condition 1 (*Definitions*) as set out in Part B below or (ii) the Master Definitions (April 2021 Edition).

The Conditions of the Notes shall consist of the Master Conditions (April 2021 Edition) as completed, amended, restated, varied, modified, supplemented, extended, renewed, or replaced by the terms set out in the table below in Part A and by the special conditions set below in Part B (the "**Special Conditions**").

*References to particular Conditions are to Conditions appearing in the Master Conditions while references to particular Special Conditions are to Special Conditions set out in Part B.*

The Issuer intends that any Further Notes (as defined herein) shall (save in respect of the relevant issue date) have the same Conditions as, and form a single Series with, the other Notes of Series 496.

**PART A**

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| **Programme:** | USD 10,000,000,000 Secured Note Programme of CIX Capital International DAC |
| **Series:** | CIX ESG Affordable Housing Bond (Series 496) Notes due 2024 |
| **Series Number:** | 496 |
| **Tranche Number:** | 1 |
| **ISIN Code:** | XS2545418183 |
| **Common Code:** | 254541818 |
| **Delivery:** | Issue Agent shall deliver Notes to the Issuer in free of payment form prior to subscription by Noteholders. |

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| **Issue Date:** | 14 October 2022 |
| **Trade Date:** | 14 October 2022 |
| **Maturity Date:** | 13 October 2024 |
| **Extended Maturity Date:** | The maturity of the Notes may be extended for further periods of up to one (1) year at a time. The Notes may be extended on multiple occasions.<br>Prospective investors should be aware that the Issuer may only elect to extend the maturity of the Notes if the Programme Structurer has certified to the Issuer that it considers that such an extension is necessary to accommodate the receipt by the Issuer of further payments in respect of the Securities after the Maturity Date or any Extended Maturity Date.<br>Investors should be aware that the Maturity Date may be extended in the event of an extension of the term of the CIX Fund. The circumstances in which the CIX Fund may be extended are disclosed in the Private Placement |

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| | Memorandum.<br>**See further Special Condition 5.5 (*Extended Maturity Date*)** |
| **Principal Amount:** | USD 20,000,000<br><br>See also the risk factor entitled "*Investors may acquire less than the Principal Amount of the Notes*" in the Series Memorandum. |
| **Currency:** | USD |
| **Authorised Denomination:** | USD 1,000, provided that the minimum principal amount of Notes which an investor may subscribe for is USD 200,000. |
| **Initial Subscription Price:** | 100% |
| **Subscription Price:** | Subject as provided below, the aggregate of (i) the Initial Subscription Price; and (ii) an amount calculated at a rate of 10% per annum (compounded annually) from 14 October 2022 to the date of purchase as determined by the Calculation Agent.<br><br>To the extent that any interest payment is made in respect of the Notes or the Notes are redeemed in part following the Issue Date, the subscription price may be adjusted by the Issuer to a price which the Calculation Agent considers to reflect such interest payment or partial redemption and which would not dilute the value of the Notes of existing Noteholders. The Issuer may also adjust the subscription price where it considers this necessary to reflect any increase or decrease in the NAV of the Notes following the Issue Date provided that the Calculation Agent has confirmed to the Issuer that it is satisfied that the adjustment will not dilute the entitlements of existing Noteholders. |

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| **Issuer:** | CIX Capital International Designated Activity Company |
| **Programme Structurer:** | CIX Capital International Ltda. |
| **Programme Coordinator:** | FlexFunds LTD |
| **Back Office Agent:** | GWM LTD |
| **Trustee:** | Apex Corporate Trustees (UK) Limited |
| **Calculation Agent:** | FlexFunds ETP, LLC |
| **Charged Assets Realisation Agent:** | GWM LTD |
| **Issue Agent:** | The Bank of New York Mellon, London Branch |
| **Principal Paying Agent:** | The Bank of New York Mellon, London Branch |
| **Other Parties:** | No Portfolio Manager, Swap Counterparty, Custodian, Registrar or Transfer Agent will be appointed in respect of the Notes. |

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| **Status of the Notes:** | Secured and limited recourse obligations of the Issuer ranking *pari passu* without any preferences amongst themselves secured as set out under "*Security*" below and subject to the priority set out under "*Priority*" below. |
| **Priority:** | Standard Priority applies. |
| **Type of Note:** | Variable Coupon Amount Note. |
| **Interest Rate:** | 10% per annum. |
| **Day Count Fraction:** | Actual/Actual |
| **Interest Payments:** | It is not expected that any interest payments will be made during the term of the Notes. While as detailed below the Conditions of Notes require the Issuer to make interest payments on the Notes following the receipt of Net Distribution Proceeds, being principally distributions from the Securities, no such distributions are expected to be made and accordingly no interest payments are expected to be made until the Early Redemption Payment Date or Final Maturity Payment Date, as the case may be. |
| **Interest Amount:** | Subject as described below, each Note accrues interest on its Calculation Amount from and including the Interest Commencement Date until the date on which the Notes are to be redeemed, being as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date at 10% per annum. Interest shall be compounded annually on each anniversary of the Issue Date in the manner described below.<br><br>In respect of each Interest Period, the amount of interest payable in respect of each Note shall be calculated on the related Interest Determination Date and shall be payable in arrear on the immediately following Interest Payment Date provided that in the case of an Interest Period ending on the Maturity Date or the Extended Maturity Date, interest shall be payable on the Final Maturity Payment Date and in the case of an Interest Period ending on any Early Redemption Date, interest shall be payable on the Early Redemption Payment Date.<br><br>The amount of interest payable in respect of any Note for any Interest Period shall, subject as described below, be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction (the "**Interest Amount**").<br><br>Interest shall be compounded annually such that on each anniversary of the Issue Date, the Calculation Amount shall be increased to reflect the amount of interest which has accrued but which is unpaid at that time. To the extent that one or more anniversaries of the Issue Date occur during an Interest Period, the calculation of the Interest Amount for that Interest Period shall be adjusted by the Calculation |

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| | Agent to take account of the number of days for which the Calculation Amount was increased.<br><br>Interest shall only be payable on each Interest Payment Date in respect of the preceding Interest Period to the extent that the Issuer has received, by each related Interest Determination Date, Net Distribution Proceeds (as described below) from the CIX Fund which are sufficient to discharge the aggregate Interest Amounts payable in respect of the Notes. To the extent that, by the Interest Determination Date in respect of any Interest Period, the Issuer has received no Net Distribution Proceeds, or Net Distribution Proceeds which are less than the aggregate amounts of interest payable in respect of the Notes as calculated in accordance the provisions described above, the Interest Amounts payable in respect of each Note on the following Interest Payment Date shall be reduced: (i) in the case where no Net Distribution Proceeds have been received, to zero; and (ii) in the case where Net Distribution Proceeds which are less than the calculated amounts which are payable, on a *pro rata basis* so that the aggregate of the reduced Interest Amounts is equal to the Net Distribution Proceeds.<br><br>To the extent that, for any Interest Period, any amount of accrued interest is not paid on the related Interest Payment Date due to the operation of the provisions described above, such event shall not constitute an Event of Default under the Notes and such unpaid interest shall be paid on the next following Interest Payment Date as an additional payment of interest to the extent that the Issuer has received sufficient Net Distribution Proceeds on the next Interest Determination Date to discharge such amounts. Any unpaid interest amounts shall not accrue interest.<br><br>To the extent that, on the Interest Determination Date in respect of the Interest Period ending on the Maturity Date, the Extended Maturity Date or Early Redemption Date, the Net Distribution Proceeds received by the Issuer are less than the amounts of interest which are calculated to be payable on the related Final Maturity Payment Date or Early Redemption Payment Date, together with any amounts of accrued interest in respect of previous Interest Periods which remain unpaid, the amount of interest payable by the Issuer shall be limited to the aggregate of the Net Distribution Proceeds which are available for distribution which shall be allocated among each Note on a *pro rata* basis and any balance remaining unpaid shall be extinguished and the payment by the Issuer of the Redemption Amount on such Final Maturity Payment Date or Early Redemption Payment Date shall discharge all remaining claims of the Noteholders against the Issuer and Noteholders shall have no further claims against the Issuer |

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| | in respect of such amounts.<br><br>The payment of the Redemption Amount on the Early Maturity Payment Date or Final Maturity Payment Date, as the case may be, shall include the amount of interest which is payable on such date in accordance with the Conditions of the Notes. To the extent that the Redemption Amount in respect of a Note exceeds the aggregate of the principal amount outstanding of the Note on such date together with any amount in respect of the Note which has accrued at the applicable interest rate on such date, the balance shall represent a payment of additional interest. Investors should note that due to the nature of the return on the Securities, it is not anticipated that any such excess would arise. To the extent that the Redemption Amount is less than the aggregate of the principal amount outstanding of the Notes and any amount of interest in respect of the Note which has accrued at the applicable interest rate on such date, the balance of any accrued interest which is unpaid shall be extinguished and Noteholders shall have no further claims against the Issuer in respect of such amounts.<br><br>To the extent that by the Interest Determination Date in respect of any Interest Period, the Issuer has received Net Distribution Proceeds which exceed the aggregate amounts of interest payable in respect of the Notes as calculated in accordance with the provisions described above together with any other amounts of accrued interest in respect of previous Interest Periods which remain unpaid, the Interest Amounts payable in respect of each Note on the following Interest Payment Date shall be increased on a *pro rata* basis so that the aggregate of the increased Interest Amounts is equal to the Net Distribution Proceeds.<br><br>The Calculation Agent will on each Interest Determination Date calculate the Interest Amounts for the related Interest Period including any adjustments that are required due to the operation of the provisions described above. The calculation of the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.<br><br>The term "*Net Distribution Proceeds*" means an amount determined by the Calculation Agent being the proceeds of any distribution in respect of the Charged Assets which the Calculation Agent is satisfied is in the nature of interest or is not required to discharge any principal amount outstanding of the Notes *less*:<br><br>1. any costs, expenses, taxes and duties incurred in connection with the receipt of such revenue; and |

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| | 2. any outstanding fees pursuant to Special Condition 10 (*Fees*).<br><br>**See further Special Condition 2 (*Interest*)** |
| **Interest Commencement Date:** | 14 October 2022 |
| **Interest Period:** | As regards the first Interest Period, the period from and including the Interest Commencement Date to and including the earlier to occur of: (a) the date on which the Issuer receives Net Distribution Proceeds in respect of the Notes, and (b) the date on which the Notes are to be redeemed, being as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date and as regards all subsequent Interest Periods, if any, the period from and including the first date following the end of the previous Interest Period to and including the earlier to occur of: (a) the date on which the Issuer receives Net Distribution Proceeds in respect of the Notes, and (b) the date on which the Notes are to be redeemed, being as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date. |
| **Interest Determination Date:** | In respect of any Interest Period, the Business Day on which the Calculation Agent has confirmed the amount of the Net Distribution Proceeds received by the Issuer. |
| **Calculation Amount:** | In respect of each Note at any time the outstanding principal amount of such Note and which on its initial Issue Date shall be equal to its Authorised Denomination provided that on each anniversary of the Issue Date, the Calculation Amount shall be increased to reflect any interest which has accrued but which is unpaid at that time. |
| **Interest Payment Dates:** | Any Payment Business Day falling after the end of an Interest Period but which is not later than 10 Payment Business Days following an Interest Determination Date. At least two (2) Payment Business Days prior to such Interest Payment Date, the Calculation Agent shall provide to the Principal Paying Agent a notice setting out the Interest Payment Date and Interest Amount payable. For the avoidance of doubt the "*Interest Payment Date*" shall be deemed to be the date on which the Interest Amount is wired by the Issuer to the Principal Paying Agent. |
| **Listing:** | An application has been made for admission of the Notes to the official list of the Vienna MTF of the Vienna Stock Exchange. Such listing is expected to take place on or about the Issue Date, however no assurance is given that approval of such application will be granted. |
| **Selling Restrictions:** | The Notes will not be offered to the public in any jurisdiction. See *'Distribution, Issuance Process and Selling Restrictions'* in the Series Memorandum and "*Subscription and Sale*" in the Programme Memorandum. |

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| **Form of Notes:** | Bearer Notes |
| **871(m)** | The Notes will not be treated as subject to 871(m) of the US Internal Revenue Code of 1986 as amended. |
| **The Notes will initially be represented by:** | Temporary Global Note |
| **Applicable TEFRA exemption:** | D Rules |
| **Exchange of Temporary Global Note or Permanent Global Note:** | The Temporary Global Note or, as the case may be, Permanent Global Note, will be exchangeable, in whole but not in part, for a definitive Bearer Note if Euroclear or Clearstream, Luxembourg or any other clearing system in which the Permanent Global Note or, as the case may be, Temporary Global Note is for the time being deposited terminates its business and no Alternative Clearing System, satisfactory to the Trustee and the Principal Paying Agent is available. |
| **Principal Finance Centre:** | New York |
| **Business Day Convention:** | Following Business Day Convention applies |
| **Redemption Amount:** | Unless previously redeemed, the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD equal to the Redemption Amount.<br><br>The Issuer (or the Charged Assets Realisation Agent (or Charged Assets Liquidation Agent if applicable) or other person acting on behalf of the Issuer in accordance with the Transaction Documents) will use reasonable endeavours to sell or procure the sale or other means of realisation of the Charged Assets with the objective that the Final Maturity Payment Date falls on or as close as practicable to the Maturity Date or the Extended Maturity Date. Notwithstanding such endeavours, there may be a significant delay between the Final Maturity Payment Date and the Maturity Date or Extended Maturity Date, as the case may be.<br><br>In respect of each Note, the Redemption Amount shall be an amount equal to the greater of (i) zero and (ii) the Net Proceeds.<br><br>The "*Net Proceeds*" means, an amount determined by the Calculation Agent being the *pro rata* share of the Realisable Value of the Charged Assets in respect of one Note; less the *pro rata* share in respect of one Note of each of the following:<br><br>(a) any costs and expenses of realising or selling the Charged Assets;<br>(b) any fees, costs or expenses owing to the Trustee |

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| | and the Agents in connection with the Notes;<br>(c) any fees payable to the Programme Coordinator in connection with the Notes; and<br>(d) any other outstanding fees, costs or expenses payable by the Issuer in connection with the Notes.<br><br>The "*Realisable Value*" means an amount calculated by the Calculation Agent being the proceeds actually received by the Issuer in connection with a realisation of the Charged Assets (whether by redemption, sale, disposal or any other means of realisation) *less* any costs, expenses, taxes and duties incurred in connection with the realisation of the Charged Assets.<br><br>**See further Condition 2.4 (*Redemption Amount of Notes*) and Special Condition 3 (*Redemption Amount*)** |
| **Early Redemption Amount:** | Upon an Optional Redemption (other than a partial redemption), Mandatory Redemption or a redemption following an Event of Default, the Notes shall be redeemed at the Early Redemption Amount.<br><br>Upon an Optional Redemption (other than a partial redemption) or Mandatory Redemption, the Early Redemption Amount of each Note shall be its *pro rata* share of the Net Proceeds of the realisation of the Charged Assets. Upon a redemption following an Event of Default and the enforcement of the security in respect of the Notes, the Early Redemption Amount in respect of each Note shall be the amount available by applying the portion available to the Noteholders pursuant to Condition 3.4 (Application) of the net proceeds of enforcement of the security in accordance with Condition 3 (Security) *pari passu* and rateably between the Notes.<br><br>The Early Redemption Amount will be payable on the Early Redemption Payment Date and there may be a significant delay between the Early Redemption Payment Date and the specified date for early redemption.<br><br>**See further Condition 2.4 (Redemption Amount of Notes) and Special Condition 4 (Early Redemption Amount)** |
| **Optional Redemption by the Issuer:** | The Issuer, subject to compliance with all relevant laws, regulations and directives may, following consultation with the Programme Structurer, and upon giving not more than sixty (60) nor less than ten (10) Business Days' notice (an "**Optional Redemption Notice**") to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 7 (Notices), redeem any amount of the Notes in whole or in part. In the case of a redemption of the Notes |

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| | in whole, they shall be redeemed at their Early Redemption Amount on the date specified in the Optional Redemption Notice provided that the Early Redemption Amount shall be payable on the Early Redemption Payment Date. In the case of a redemption of the Notes in part, they shall be redeemed by payment of a portion of the principal amount outstanding of each Note as specified in the Optional Redemption Notice (such amount the "**Partial Redemption Amount**") provided that the Partial Redemption Amount shall be payable on the date specified in the Optional Redemption Notice.<br><br>**See further Condition 2.10.2 (*Optional Redemption by the Issuer*) and Special Condition 5.2 (*Optional Redemption by the Issuer*)** |
| **Optional Redemption by Noteholders:** | Not Applicable.<br><br>The Conditions of the Notes do not permit the Noteholders to submit requests for their Notes to be redeemed prior to the Maturity Date or Extended Maturity Date.<br><br>**See further Condition 2.10.1 (*Optional Redemption by the Noteholder*) and Special Condition 5.1 (*Optional Redemption by the Noteholder*)** |
| **Purchase by the Issuer:** | Subject to receipt by the Issuer of an amount (whether by sale of the Charged Assets (or in the case of a purchase of some only of the Notes, a proportion of the Charged Assets corresponding to the proportion of the Notes to be purchased) or otherwise) which is sufficient to fund the purchase price payable by the Issuer, the Issuer may purchase Notes in the open market or otherwise at any price.<br><br>**See further Condition 2.11 *(Purchase)* and Special Condition 5.3 *(Optional Purchase)*** |
| **Mandatory Redemption:** | If, in accordance with Condition 2.2 (Mandatory Redemption):<br><br>(i) the Issuer satisfies the Trustee that the performance of its obligations under the Notes or ancillary thereto has or will become unenforceable, illegal or otherwise prohibited in whole or in part; and / or<br><br>(ii) the Issuer considers, having consulted with the Programme Structurer and the Programme Coordinator, that an event or circumstance has occurred or arisen, or is likely to occur or arise such that the continuation of the Series would, as a result of such event or circumstance give rise to material financial or reputational risks for the Issuer, the Programme, the Programme Structurer, the |

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| | Programme Coordinator, or any of the Agents; or<br><br>(iii) the occurrence of any circumstance or event which would otherwise lead to Notes being issued in definitive form has occurred, unless the Issuer, following consultation with the Programme Structurer, determines otherwise acting in its sole discretion; and / or<br><br>(iv) the occurrence of a distribution or return of capital and / or assets to holders of the Charged Assets following the winding up, redemption, buy-back or liquidation of all of the Securities; and / or<br><br>(v) the CIX Fund fails to comply in any material respect with the Private Placement Memorandum and/or the Letter Agreement and/or any other agreement between the Issuer and the CIX Fund in respect of the Securities,<br><br>then the Notes shall, unless following consultation the Noteholders determine otherwise by way of Written Resolution or Extraordinary Resolution, become due and repayable at their Early Redemption Amount which shall be payable on the Early Redemption Payment Date.<br><br>**See further Condition 2.2 (*Mandatory Redemption*) and Special Condition 6 (*Mandatory Redemption*)** |
| **Suspension of Redemptions:** | Redemptions may be suspended in circumstances where a Deliverable Document is not received by the Issuer.<br><br>**See further Special Condition 9 (*Failure to Deliver a Deliverable Document*)** |
| **Charged Assets Realisation:** | To enable the redemption of the Notes, whether upon the Final Maturity Payment Date, a Mandatory Redemption, an Optional Redemption or following an Event of Default and to facilitate purchases of the Notes by the Issuer, the Issuer (or, Charged Assets Realisation Agent (or Charged Assets Liquidation Agent if applicable) or other person acting on behalf of the Issuer in accordance with the Transaction Documents with respect to the realisation of Charged Assets) will use reasonable endeavours to sell or procure the sale or other means of realisation of the Charged Assets.<br><br>If it is not possible to realise the Charged Assets, the obligations of the Issuer may be satisfied by a Delivery in Kind or the Notes could potentially be redeemed at zero.<br><br>**See further Condition 2.5 *(Charged Assets Realisation)* and Special Condition 15 *(Charged Assets Realisation)*** |
| **Delivery in Kind:** | Investors in the Notes should be aware that the Conditions |

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| | of the Notes permit the Issuer to satisfy its obligations to the holders of the Notes by delivery of a portion of the Net Charged Assets (being the Charged Assets less a provision for certain specified costs and expenses) (a "**Delivery in Kind**"). Delivery of the Net Charged Assets shall be made either to the Noteholders or to a Charged Assets Holding Agent on behalf of the Noteholders. Before delivery can be made to a Charged Assets Holding Agent, the Issuer must give prior notice to the Noteholders specifying the identity of the Charged Assets Holding Agent (which shall be selected in good faith by the Issuer following consultation with the Programme Structurer), the terms on which it is to hold the Net Charged Assets and the rights of the Noteholders in respect of the Net Charged Assets. If a Delivery in Kind is initiated it may result in the Notes being redeemed at zero including where it is not possible to complete delivery of the Net Charged Assets.<br><br>**See further Condition 2.9 (*Delivery in Kind*) and Special Condition 7 (*Delivery in Kind*)** |
| **Redemption at Zero:** | Prospective investors in the Notes should be aware that the Conditions of the Notes provide that they may be redeemed at zero in circumstances where it is not possible to realise the Charged Assets or where a Delivery in Kind cannot be effected. In the event of a redemption at zero, investors would lose their total investment and would have no further recourse against the Issuer or any other person.<br><br>**See further Condition 2.5 (*Charged Assets Realisation*), Condition 2.9 (*Delivery in Kind*), Special Condition 7 (*Delivery in Kind*) and Special Condition 15 (*Charged Assets Realisation*)** |
| **Reports, calculations, determinations and notifications:** | On each NAV Report Date, the Calculation Agent shall, subject to Special Condition 9 (*Failure to Deliver a Deliverable Document*) deliver a NAV Report to the Programme Coordinator and the Issuer.<br><br>The Programme Coordinator will disseminate the NAV per Note to Bloomberg, Reuters, SIX Financial Information USA Inc. and to the Vienna Stock Exchange.<br><br>**See further Special Condition 8 (*Reports, calculations, determinations and notifications*)** |
| **Fees:** | The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of Ordinary Expenses, Extraordinary Expenses and Acquisition and Realisation Costs, which expenses include fees due to the Trustee, the Programme Coordinator and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes and a portion of any fees, costs and expenses related to the |

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| | Programme or the operation and maintenance of the Issuer which are not directly attributable to any one Series of Notes).<br><br>All fees are payable prior to any amounts being payable in respect of the Notes to any Noteholders. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the Net Asset Value of the Notes (unless otherwise satisfied).<br><br>The CIX Fund has agreed to pay a facilitation fee to the Issuer which will be applied towards the discharge of the Ordinary Expenses payable by it in respect of the Notes. The CIX Fund has further agreed to fund the payment of the Extraordinary Expenses by the Issuer. Investors should be aware that the payment of such amounts by the CIX Fund could result in a reduction in the value of the Securities.<br><br>**See further Special Condition 10 (*Fees*) and the section in the Series Memorandum entitled "*Description of the Fees and Expenses*".** |
| **Further Issues:** | The Issuer shall be at liberty to issue Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued).<br><br>**See further Condition 16 (*Further Issues*) and Special Condition 11 (*Further Issues*)** |
| **Governing Law:** | The Notes and any dispute or claim arising out of or in connection with them (including non-contractual obligations, disputes or claims) shall be governed by and construed in accordance with Irish law. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Programme Account Agreements are governed by English law and the courts of England and Wales shall have jurisdiction over any dispute or claim relating thereto. The Series Charging Instrument is governed by Delaware law and the Delaware State and / or Federal Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto. |

| **Series Assets:** | |
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| **Series Assets:** | (1) The Securities and (2) any and all investments, agreements, contracts, shareholder and/or partnership interests acquired by the Issuer in relation to the Notes and any and all related investments, monies, credit balances, assets or related contracts, trading positions, any sums standing to the credit of a deposit account (if any) or |

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| | beneficial interests in any assets, to the extent any of the foregoing is:<br><br>(i) held, carried and / or maintained by the Issuer, the Trustee and / or any of the Agents, in relation to the Notes; or<br><br>(ii) established, agreed or obtained by the Issuer in relation to the Notes. |
| **Securities:** | The "Securities" are comprised of:<br>(a) Class B Stock (the "**Class B Stock**") issued by CIX ESG Affordable Housing Fund, Inc (the "**CIX Fund**") as acquired by the Issuer with the proceeds of the Notes; and<br>(b) a secured promissory note to be executed by the CIX Fund in favour of the Issuer evidencing a secured loan to be advanced to the CIX Fund (the "**Portfolio Note**") with the proceeds of the Notes.<br><br>***See further the section in the Series Memorandum entitled "Information relating to the Charged Assets".*** |

| **Security** | |
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| **Charged Assets:** | The Charged Assets shall be (i) the Series Assets and (ii) the Related Rights. |
| **Related Rights:** | All rights of the Issuer derived from or connected to the Series Assets including, without limitation, any rights to receive additional shares or other securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, interest, dividend, distribution, income or otherwise) in respect of the Series Assets. |
| **Series Charging Instrument:** | Pursuant to a supplemental security agreement in respect of the Series Assets to be entered into between the Issuer and the Trustee and dated on or about the date of the purchase of the initial Securities, the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the laws of the State of Delaware over the Issuer's interest in the Securities (such security, the "**Series Charging Instrument**"). |

## PART B

## SPECIAL CONDITIONS OF THE NOTES

### 1 Definitions

Words set out in italics in these Special Conditions do not form part of the definitions for the purpose of the Series Constituting Instrument and the documents constituted thereby. In the event of a conflict between the Conditions and the Special Conditions, the Special Conditions shall prevail.

"**Acquisition and Realisation Costs**" means the costs incurred by the Issuer in respect of the acquisition and realisation of the Charged Assets which shall include:

(i) in relation to any acquisition of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any applicable distribution fees, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the acquisition of such Charged Assets) incurred or payable by the Issuer; and

(ii) in relation to any realisation of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the sale or other realisation of any such Charged Assets) incurred or payable in respect of such sale or other realisation.

"**Audit Deliverable Document**" means each document which the Programme Structurer has agreed to deliver (or to procure the delivery of) to the Issuer by such dates as may be agreed from time to time by the Issuer and the Programme Structurer in connection with the audit of the CIX Fund including but not limited to the audited financial statements of the CIX Fund.

"**Calculation Amount**" means in respect of each Note at any time the outstanding principal amount of such Note and which on its initial Issue Date shall be equal to its Authorised Denomination.

"**CIX Fund**" means CIX ESG Affordable Housing Fund, Inc, a Delaware corporation.

"**Class B Stock**" means Class B stock issued by the CIX Fund and acquired by the Issuer with the proceeds of the Notes.

"**Day Count Fraction**" means Actual/Actual.

"**Deliverable Documents**" means the Audit Deliverable Documents and the Non-Audit Deliverable Documents.

"**Extraordinary Expenses**" means any fees and expenses incurred by the Issuer which are determined by the Calculation Agent to be outside the normal and ordinary course of business for the Series.

"**Letter Agreement**" means the agreement entered into on or about the Issue Date between the Issuer and the CIX Fund that supplements the terms of the Securities and Private Placement Memorandum.

"**NAV per Note**" means the aggregate Net Asset Value of the Portfolio divided by

the total number of outstanding Notes.

"**NAV Report**" means a report provided to the Issuer and the Programme Coordinator by the Calculation Agent setting out the calculation of the Net Asset Value of the Portfolio (net of any fees as described under Special Condition 10 (*Fees*).

"**NAV Calculation Date**" means the last calendar day of each calendar month, provided that the Calculation Agent may in its sole discretion elect that the NAV Calculation Date shall mean any calendar day of any week by notifying the Issuer, the Trustee and the Noteholders in accordance with Condition 7 (*Notices*).

"**NAV Report Date**" means two Business Days after each NAV Calculation Date.

"**Net Asset Value**" means, in respect of the Notes, the value for each component of the Series Assets (net of any fees as described under Special Condition 10 (Fees)), as provided by the Calculation Agent to the Issuer and the Programme Coordinator, as the case may be, on or before the NAV Report Date.

"**Net Distribution Proceeds**" means an amount determined by the Calculation Agent being the proceeds of any distribution in respect of the Charged Assets which the Calculation Agent is satisfied is in the nature of interest or is not required to discharge any principal amount outstanding of the Notes *less*:

1. any costs, expenses, taxes and duties incurred in connection with the receipt of such revenue; and

2. any outstanding fees pursuant to Special Condition 10 (*Fees*).

"**Non-Audit Deliverable Document**" means:

(i) each quarterly report which the Programme Structurer has agreed to deliver to the Issuer by such dates as may be agreed from time to time by the Issuer and the Programme Structurer;

(ii) each valuation report of the administrator of the CIX Fund which the Programme Structurer has agreed to deliver to the Issuer by such dates as may be agreed from time to time by the Issuer and the Programme Structurer; and

(iii) each independent audit confirmation which the Programme Structurer has agreed to deliver at the request of the auditors of the Issuer and by such time as is specified by the auditors of the Issuer.

"**Ordinary Expenses**" means:

(1) fees and expenses payable to the Trustee in accordance with the terms of the Series Trust Deed;

(2) fees and expenses payable to the Agents in accordance with the Series Agency Agreement;

(3) fees and expenses payable to the Programme Coordinator in accordance with the Series Coordination Agreement;

(4) fees and expenses payable to the Programme Accounts Bank in accordance with the terms of the Programme Accounts Agreements and the Programme Accounts Security Agreement;

(5) any other fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including but not limited to:

(aa) costs incurred in connection with the issuance, listing and clearing of the Notes and / or the performance of obligations in relation thereto;

(bb) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Series Constituting Instrument and the Series Documents as defined therein;

(cc) any fees, costs and expenses of the corporate services provider of the Issuer payable in respect of the Notes;

(dd) any fees incurred in connection with the appointment of process agents required to be appointed pursuant to the Transaction Documents;

(ee) any legal fees and disbursements payable by the Issuer, the Programme Coordinator or the Trustee to the legal advisers to the Issuer, the Programme Coordinator or the Trustee in respect of the issuance of the Notes; and

(ff) any other fees, costs or expenses as designated by the Programme Coordinator.

(6) a portion, as determined by the Calculation Agent (based on an equal allocation among each Series of Notes or such other method of allocation as the Calculation Agent considers to be fair and reasonable), of any fees, costs and expenses incurred by the Issuer in respect of the Programme or the general maintenance or operation of the Issuer which are not directly attributable to any Series of Notes; and

(7) a total of EUR 1,000 per annum which shall be retained by the Issuer in respect of all Series in issuance,

but in each case not including Extraordinary Expenses and Acquisition and Realisation Costs.

"**Portfolio**" means the Series Assets.

"**Portfolio Note**" means a secured promissory note executed by the CIX Fund in favour of the Issuer evidencing a secured loan advanced by the Issuer to the CIX Fund with the proceeds of the Notes.

"**Private Placement Memorandum**" means the Confidential Private Placement Memorandum of the CIX Fund, dated 11 October 2022 as amended, restated, amended and restated or supplemented from time to time, appended to the Series Memorandum.

"**Securities**" means the Class B Stock and the Portfolio Note invested in by the

Issuer with the proceeds of the Notes.

"**Security**" means the security constituted by (i) the Series Trust Deed entered into by the execution of the Series Constituting Instrument, (ii) the Series Charging Instrument and (iii) the Programme Accounts Security Agreement.

**"Series 496"** means the Series constituted pursuant to the Series Constituting Instrument.

"**Series Charging Instrument"** means the supplemental security to be entered into between the Issuer and the Trustee on the date that the Issuer makes its first investment in the Securities.

"**Series Constituting Instrument**" means the constituting instrument in respect of the CIX ESG Affordable Housing Bond (Series 496) Notes due 2024 entered into between the Issuer, the Trustee, the Agents, the Back Office Agent, the Programme Structurer and the Programme Coordinator.

## 2 Interest

2.1 Condition 1 (*Interest*) shall apply to the Notes read with this Special Condition 2.

2.2 Subject to Special Condition 2.3, each Note accrues interest on its Calculation Amount from and including the Interest Commencement Date until the date on which the Notes are to be redeemed, being as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date at the rate per annum equal to the Interest Rate. In respect of each Interest Period, the amount of interest payable in respect of each Note shall be calculated on the related Interest Determination Date and shall be payable in arrear on the immediately following Interest Payment Date provided that in the case of an Interest Period ending on the Maturity Date or the Extended Maturity Date, interest shall be payable on the Final Maturity Payment Date and in the case of an Interest Period ending on any Early Redemption Date, interest shall be payable on the Early Redemption Payment Date. The amount of interest payable in respect of any Note for any Interest Period shall, subject to Special Conditions 2.3 to 2.6, be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction (the "**Interest Amount**"). Interest shall be compounded annually such that on each anniversary of the Issue Date, the Calculation Amount shall be increased to reflect the amount of interest which has accrued but which is unpaid at that time. To the extent that one or more anniversaries of the Issue Date occur during an Interest Period, the calculation of the Interest Amount for that Interest Period shall be adjusted by the Calculation Agent to take account of the number of days for which the Calculation Amount was increased. To the extent that the Notes are partially redeemed during an Interest Period, the calculation of the Interest Amount for that Interest Period shall be adjusted by the Calculation Agent to take account of the number of days for which the Calculation Amount was reduced.

2.3 Interest shall only be payable on each Interest Payment Date in respect of the preceding Interest Period to the extent that the Issuer has received by each related Interest Determination Date Net Distribution Proceeds from the CIX Fund which are sufficient to discharge the aggregate Interest

Amounts payable in respect of the Notes. To the extent that by the Interest Determination Date in respect of any Interest Period, the Issuer has received no Net Distribution Proceeds, or Net Distribution Proceeds which are less than the aggregate amounts of interest payable in respect of the Notes as calculated in accordance with Special Condition 2.2, the Interest Amounts payable in respect of each Note on such Interest Payment Date shall be reduced: (i) in the case where no Net Distribution Proceeds have been received to zero; and (ii) in the case where Net Distribution Proceeds which are less than the calculated amounts which are payable, on a *pro rata* basis so that the aggregate of the reduced Interest Amounts is equal to the Net Distribution Proceeds.

2.4 To the extent that for any Interest Period, any amount of accrued interest is not paid on the related Interest Payment Date due to the operation of Special Condition 2.3, such event shall not constitute an Event of Default under the Notes and such unpaid interest shall be paid on the next following Interest Payment Date as an additional payment of interest to the extent that the Issuer has received sufficient Net Distribution Proceeds on the next Interest Determination Date to discharge such amounts. Unpaid interest amounts shall not accrue interest.

2.5 To the extent that on the Interest Determination Date in respect of the Interest Period ending on the Maturity Date, the Extended Maturity Date or Early Redemption Date, the Net Distribution Proceeds received by the Issuer are less than the amounts of interest which are calculated to be payable on the related Final Maturity Payment Date or Early Redemption Payment Date, together with any amounts of accrued interest in respect of previous Interest Periods which remain unpaid, the amount of interest payable by the Issuer shall be limited to the aggregate of the Net Distribution Proceeds which are available for distribution which shall be allocated among each Note on a *pro rata* basis and any balance remaining unpaid shall be extinguished and the payment by the Issuer of the Redemption Amount on such Final Maturity Payment Date or Early Redemption Payment Date shall discharge all remaining claims of the Noteholders against the Issuer and Noteholders shall have no further claims against the Issuer in respect of such amounts.

2.6 To the extent that by the Interest Determination Date in respect of any Interest Period, the Issuer has received Net Distribution Proceeds which exceed the aggregate amounts of interest payable in respect of the Notes as calculated in accordance with Special Condition 2.2 together with any other amounts of accrued interest in respect of previous Interest Periods which remain unpaid, the Interest Amounts payable in respect of each Note on the following Interest Payment Date shall be increased on a *pro rata* basis so that the aggregate of the increased Interest Amounts is equal to the Net Distribution Proceeds.

2.7 The payment of the Redemption Amount on the Early Maturity Payment Date or Final Maturity Payment Date, as the case may be, shall include the amount of interest which is payable on such date in accordance with the provisions above. To the extent that the Redemption Amount in respect of a Note exceeds the aggregate of the principal amount outstanding of the Note on such date together with any amount of interest in respect of the Note which has accrued at the applicable interest rate on such date, the balance shall represent a payment of additional interest.

To the extent that the Redemption Amount is less than the aggregate of the principal amount outstanding of the Notes and any amount of interest in respect of the Note which has accrued at the applicable interest rate on such date, the balance of any accrued interest which is unpaid shall be extinguished and Noteholders shall have no further claims against the Issuer in respect of such amounts.

2.8 The Calculation Agent will on each Interest Determination Date calculate the Interest Amounts for the related Interest Period including any adjustments that are required due to the operation of Special Conditions 2.3 to 2.7. The calculation of the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

## 3 Redemption Amount

3.1 The Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (*Redemption Amount of Notes*).

## 4 Early Redemption Amount

4.1 The Early Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (*Redemption Amount of Notes*).

## 5 Optional Redemption and Purchase

### 5.1 Optional Redemption by the Noteholder

Condition 2.10.1 (*Optional Redemption by the Noteholder*) shall not apply to the Notes.

### 5.2 Optional Redemption by the Issuer

5.2.1 Condition 2.10.2 (*Optional Redemption by the Issuer*) shall apply to the Notes subject to the amendments set out below.

5.2.2 Condition 2.10.2(A) shall be amended to read as follows:

"*If this Condition 2.10.2 (Optional Redemption by the Issuer) is stated by the Conditions to be applicable, the Issuer subject to compliance with all relevant laws, regulations and directives may, following consultation with the Programme Structurer, and upon giving not more than sixty (60) nor less than ten (10) Business Days' notice to the Trustee and the Noteholders in accordance with Condition 7 (Notices) (such notice, the "**Optional Redemption Notice**"), redeem any amount of the Notes in whole or in part. In the case of a redemption in whole, the Notes shall be redeemed at their Early Redemption Amount on the date specified in the Optional Redemption Notice (the "**Optional Redemption Date**") provided that the Early Redemption Amount shall be payable on the Early Redemption Payment Date. In the case of a redemption in part, the Notes shall be redeemed in part by payment of a portion of the principal amount outstanding of each Note as specified in the Optional Redemption Notice (such amount the "**Partial Redemption Amount**") provided that the Partial Redemption Amount shall be payable on the date specified in the Optional Redemption Notice.*"

**5.3 Optional Purchase**

5.3.1 Condition 2.10.3 (Optional Purchase) shall not apply to the Notes.

5.3.2 Condition 2.11.1 shall apply to the Notes.

**5.4 Suspension of Redemptions**

If any Notes are to be redeemed on a day on which redemptions are suspended pursuant to Special Condition 9 (*Failure to Deliver a Deliverable Document*), the day for such redemptions shall, unless otherwise determined by the Issuer, be postponed until the first Business Day falling after the end of the period during which redemptions are suspended.

**5.5 Extended Maturity Date**

The term of the Notes may be extended for further periods of up to one (1) year at a time, provided that the Calculation Agent, at the request of the Issuer, following consultation with the Programme Structurer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders one (1) calendar month prior to the Maturity Date or any Extended Maturity Date, if applicable, stating that such extension shall take place in respect of the Notes. The term of the Notes may be extended on multiple occasions. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**"). The Issuer may only request an extension pursuant to this Special Condition 5.5. (*Extended Maturity Date*), if the Programme Structurer has certified to the Issuer that it considers that such an extension is necessary to accommodate the receipt by the Issuer of further payments in respect of the Securities after the Maturity Date or any Extended Maturity Date.

**6 Mandatory Redemption**

6.1 Condition 2.2 (*Mandatory Redemption*) shall apply to the Notes read with this Special Condition 6 (*Mandatory Redemption*).

6.2 Condition 2.2.1(B) shall be amended to read as follows:

*"the Issuer considers, having consulted with the Programme Structurer and the Programme Coordinator, that an event or circumstance has occurred or arisen, or is likely to occur or arise such that the continuation of the Series would, as a result of such event or circumstance give rise to material financial or reputational risks for the Issuer, the Programme, the Programme Structurer, the Programme Coordinator or any of the Agents; or"*

6.3 Condition 2.2.1(E) shall be amended to read as follows:

"*the occurrence of any circumstance or event which would otherwise lead to Notes being issued in definitive form has occurred, unless the Issuer,*

*following consultation with the Programme Structurer, determines otherwise acting in its sole discretion; and / or*"

6.4 Condition 2.2.1(C) and Condition 2.2.1(D) shall be deleted and the following paragraphs shall be renumbered accordingly.

6.5 Each of the following shall be Additional Mandatory Redemption Events for the purposes of Condition 2.2.1:

(A) the occurrence of a distribution or return of capital and / or assets to holders of the Securities following the winding up, redemption, buy-back or liquidation of all of the Securities; or

(B) the CIX Fund fails to comply in any material respect with the Private Placement Memorandum and/or the Letter Agreement and/or any other agreement between the Issuer and the CIX Fund in respect of the Securities.

## 7 Delivery in Kind

7.1 Condition 2.9.1 (*Delivery in Kind to the Charged Assets Holding Agent*) shall apply to the Notes read with this Special Condition 7 (*Delivery in Kind*). The Charged Assets Holding Agent shall be an entity which is selected in good faith by the Issuer, following consultation with the Programme Structurer, and notified to the Noteholders by the Issuer in the Delivery in Kind Notice.

7.2 Condition 2.9.2 (*Delivery in Kind to the Noteholders*) shall apply to the Notes.

7.3. Notwithstanding anything to the contrary in the Conditions, and in particular, Condition 2.9.1 (Delivery in Kind to the Charged Assets Holding Agent) or Condition 2.9.2 (Delivery in Kind to the Noteholders), the exercise by the Programme Structurer of any rights or authorities pursuant to Condition 2.9.1 (Delivery in Kind to the Charged Assets Holding Agent) or Condition 2.9.2 (Delivery in Kind to the Noteholders) shall be subject to the control and supervision of the Issuer and the Programme Structurer shall not be entitled to exercise any rights or authorities granted to it without first consulting with and receiving the prior consent of the Issuer. Any purported exercise without first receiving the prior consent of the Issuer shall be of no effect.

7.4 Condition 2.9.1(E) shall be amended to read as follows:

"*The Delivery In Kind Notice shall include the following information:*

*(i) the identity of the Charged Assets Holding Agent;*

*(ii) the terms on which the Charged Assets Holding Agent will hold the Net Charged Assets; and*

*(iii) the rights of the Noteholders in respect of the Net Charged Assets.*

*The matters at paragraphs (ii) and (iii) above shall be determined and*

*finalised by the Issuer following consultation with the Programme Structurer and acting in good faith with due regard to the interests of the Noteholders and subject to any restrictions contained in the Series Constituting Instrument provided however that neither the Issuer nor the Programme Structurer shall have any liability to the Noteholders or any other person for any loss arising out of or in connection with such matters. The Trustee shall not be required to review, consider, investigate, monitor or approve the matters specified in paragraphs (i) to (iii) or any other terms relevant to the manner in which the Net Charged Assets shall be held by the Charged Assets Holding Agent following the Delivery In Kind being effected.*"

**8 Reports, calculations, determinations and notifications**

8.1 On each NAV Report Date, the Calculation Agent shall, subject to Special Condition 9 (*Failure to Deliver a Deliverable Document*) deliver a NAV Report to the Programme Coordinator and the Issuer.

8.2 Following receipt by the Programme Coordinator and the Issuer of the NAV Report from the Calculation Agent on the NAV Report Date, the Programme Coordinator will disseminate the NAV per Note to Bloomberg, Reuters, SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

8.3 The NAV Report and any summary thereof will be an estimated valuation of the Portfolio and shall not be interpreted as an indication of the expected Redemption Amount of the Notes. In particular, the calculation for the Net Asset Value of the Portfolio will be comprised of an estimated valuation, as at the NAV Calculation Date, of the Securities. The NAV Report and any summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendment and / or corrections at any time without giving notice to any person. The valuation of the Securities will be based on the Deliverable Documents. The valuation of the Securities used to calculate the Net Asset Value of the Portfolio on the NAV Calculation Date may not be current as of such date, therefore the valuation of the Securities used to calculate the Net Asset Value of the Portfolio on the NAV Calculation Date may differ from the actual value of the Securities on such NAV Calculation Date.

8.4 Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its sole and absolute discretion. The Calculation Agent has agreed in the Series Constituting Instrument to comply with its obligations set out in these Conditions.

8.5 Each Transaction Party (other than the Calculation Agent) shall be entitled to rely on any certification, notification, calculation or determination of the Calculation Agent given or copied to it as being true and accurate for all purposes and none of them shall be obliged to make any investigation or enquiry into any such certification, notification, calculation or determination or into the basis on which such certification, notification, calculation or determination was prepared, given or made.

8.6 Without limitation to Special Condition 9.1(A) or 9.2(A), in the event that any Deliverable Document is not received by its respective due date and the Calculation Agent does not otherwise have information which it considers satisfactory for the purposes of determining the value of the Series Assets, the Calculation Agent may consider the value of the Series Assets be the cost of the Series Asset or such other price as the Calculation Agent considers to be reasonable. The Calculation Agent shall incur no liability to any Noteholders or any other person as a result of considering the value of the Series Assets to be the cost of the Series Assets in accordance with this Special Condition 8.6. The Calculation Agent shall not be required to modify this value until such time as it receives the outstanding Deliverable Document or such other information as it considers satisfactory for the purposes of determining the value of the Series Assets.

8.7 The Calculation Agent is entitled to rely on the Deliverable Documents and any certification, notification, calculation, determination or announcement made by or on behalf of the CIX Fund and / or any agent of the CIX Fund in connection with the Series Assets and shall not be obliged to make any investigation or enquiry into, and shall incur no liability to any person for relying on, any such Deliverable Document or any certification, notification, calculation, determination or announcement reasonably believed by it to be genuine and made by or on behalf of the CIX Fund and/or any agent of the CIX Fund.

## 9 Failure to Deliver a Deliverable Document

9.1 If an Audit Deliverable Document is not received by or on behalf of the Issuer by its respective due date, the Issuer will notify Noteholders in accordance with Condition 7 (*Notices*) of the failure to receive such document and:

(A) the obligation of the Calculation Agent to prepare the NAV Reports shall be suspended;

(B) all subscriptions and redemptions of the Notes shall be suspended; and

(C) all further investments by or on behalf of the Issuer in Charged Assets shall be suspended,

in each case until such time as the failure is remedied to the satisfaction of the Issuer.

9.2 If a Non-Audit Deliverable Document is not received by or on behalf of the Issuer by the date falling thirty (30) days after its respective due date the Issuer will notify Noteholders in accordance with Condition 7 (*Notices*) of the failure to receive such document and,

(A) the obligation of the Calculation Agent to prepare a NAV Report shall be suspended;

(B) all subscriptions and redemptions of the Notes shall be suspended; and

(C) all investments by or on behalf of the Issuer in Charged Assets shall be suspended,

in each case until such time as the failure is remedied to the satisfaction of the Issuer.

**10 Fees**

To the extent not discharged by any person on its behalf, the Issuer will be required to pay the following fees and expenses in connection with the Notes:

(1) the Ordinary Expenses;

(2) the Extraordinary Expenses; and

(3) the Acquisition and Realisation Costs.

**11 Further Issues**

Pursuant to Condition 16 (*Further Issues*) as amended and supplemented by this Special Condition 11 (*Further Issues*), the Issuer shall be at liberty to issue Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued) provided that the net proceeds of issue of such Further Notes shall be invested in additional Series Assets which are identical to the existing Series Assets and provided that the additional Series Assets represent a proportion of the existing Series Assets which the proportion that the principal amount of Further Notes to be issued bears to the Notes in issue prior to the issuance of the Further Notes.

Condition 16.1 shall be amended by the deletion of the following wording beginning in the third line of the first paragraph:

*"(and shall, if so directed in writing by the Programme Coordinator specifying the principal amount of Further Notes to be issued)*".

**12 Distributor**

The Issuer has, pursuant to a distribution agreement (the "**Distribution Agreement**") appointed CIX Capital International Ltda. as a Distributor pursuant to which CIX Capital International Ltda. may procure subscribers for the Notes or enter into agreements with third parties whereby such third parties will procure subscribers for the Notes. No fees will be payable by the Issuer to CIX Capital International Ltda. or any third party appointed by CIX Capital International Ltda. but such entities may receive distribution fees from the CIX Fund as described in the Private Placement Memorandum.

**13 Extraordinary Resolutions of the Noteholders**

The Programme Coordinator and the Programme Structurer may, in its and/or their absolute discretion, request direction to the Issuer and Trustee from the Noteholders by way of Extraordinary Resolution.

**14 Realisation of Charged Assets**

The Programme Coordinator may, at any time, give the Issuer written notice

requiring it to realise a specified number of Securities in order to fund a redemption of Notes or to cover any fees and expenses of the Issuer. Following such written notice the Issuer or another person on its behalf may, but shall not be obliged to, realise the specified number of Securities. Any realisation proceeds of the Securities shall be used for the purpose specified by the Programme Coordinator in the written notice and not for any other purpose.

## 15 Charged Assets Realisation

Condition 2.5.12 shall be amended to read as follows:

"*If the Redemption Amount of the Notes is zero, the Issuer, following consultation with the Programme Structurer, may either (i) hold the relevant Charged Assets for the time being or (ii) terminate, disclaim or transfer the Charged Assets to any third party of the Issuer's choosing (which may not be an Affiliate or business partner of the Programme Structurer) at a price equal to the minimum consideration required to make the transfer binding*."

## 16 Stay on Enforcement

Condition 5.6 shall be amended by the insertion of the following wording at the end of the Condition:

"*The exercise by the Programme Structurer of any rights or authorities pursuant to this Condition 5.6 shall be subject to the control and supervision of the Issuer and the Programme Structurer shall not be entitled to exercise any rights or authorities granted to it without first consulting with and receiving the consent of the Issuer. Any purported exercise without first receiving the consent of the Issuer shall be of no effect.*"

## 17 Authorisation

17.1 Condition 6.4.1 shall be amended to read as follows:

"*The Issuer will not exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Charged Assets unless it shall have first received the consent of the Programme Structurer or the Programme Coordinator or it shall have been directed in writing to do so by the Trustee, or by an Extraordinary Resolution of the Noteholders (each in accordance with the Conditions of the Notes) and, if such direction is given, the Issuer will act only in accordance with such directions. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) of, the Charged Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Charged Assets unless it shall have received such consent or been so directed. If any such persons aforesaid are at any time requested to give an indemnity to any person in relation to the Charged Assets or to assume obligations not otherwise assumed by them under any of the Charged Assets, or to give up, waive or forego any of their rights and / or entitlements under any of the assets secured*

*pursuant to the relevant Security Documents, or agree any composition, compounding or other similar arrangement with respect to any of the Charged Assets or any part of them, the Issuer will not give such indemnity or otherwise assume such obligations or give up, waive or forego such rights or agree such composition, compounding or other arrangement unless:*

*(A) it shall have first received the consent of the Programme Structurer or the Programme Coordinator or been so requested by the Trustee or by an Extraordinary Resolution of the Noteholders (each in accordance with the Conditions of the Notes), and*

*(B) it shall have been counter-indemnified to its satisfaction.*

*The Issuer may at any time request direction from the Trustee or by an Extraordinary Resolution of the Noteholders provided however that the Trustee shall not be required to provide a direction in response to such a request and the Trustee may seek direction from the Noteholders by way of an Extraordinary Resolution when considering its response to such a request."*

**18 Enforcement and Limited Recourse**

Condition 5.4 of the Notes shall be replaced with the following:

*"The obligations of the Issuer to pay any amounts due and payable under the Notes and the Series Documents shall be limited to the proceeds available out of any Series Settlement Account Entitlement and the Mortgaged Property, subject to the Security Interests over the Mortgaged Property created by and pursuant to the Security Documents and the order of payments in accordance with Condition 3.4 (Application) of the Conditions (or as otherwise stated in the Conditions). Neither the Noteholders nor the Trustee will have recourse to any other general assets of the Issuer. After (i) the Mortgaged Property and the Series Settlement Account Entitlement are exhausted (whether following liquidation or enforcement of the security or otherwise) and (ii) the application of the proceeds in accordance with Condition 3.4 (Application) of the Conditions (or as otherwise stated in the Conditions), and, save for lodging a claim in the liquidation of the Issuer initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer, neither the Trustee nor any Noteholder may take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Notes nor may the Portfolio Manager or the Swap Counterparty (if any) take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Series Portfolio Management Agreement or the Series Swap Agreement in respect of such Series and, in each case, all claims against the Issuer in respect of each of such sums unpaid shall be extinguished. In particular, none of the Trustee, any receiver, the Noteholders, the Agents, the Programme Structurer, the Programme Coordinator, the Portfolio Manager (if any) or the Swap Counterparty (if any) shall be entitled to petition or take any other step for the winding-up, liquidation, bankruptcy or dissolution of, or the appointment of an administrator, examiner,*

*bankruptcy receiver, receiver or other insolvency official to, or any similar procedure in respect of the Issuer, in relation to such sums or otherwise, nor shall any of them have any claim in respect of any such sums or on any other account whatsoever over or in respect of any assets of the Issuer which are attributable to or purport to be security for any other Series or any assets which are the Series Settlement Account Entitlement in respect of any other Series."*

## 5 USE OF PROCEEDS

The entire net proceeds from the issue of the Notes and any Further Notes, will be invested by the Issuer in the Securities on or as soon as practical following the date on which Notes or Further Notes are subscribed for.

The subscription price of Notes acquired after the initial Issue Date on 14 October 2022 shall be calculated based on the aggregate of (i) the Initial Subscription Price; and (ii) an amount calculated at a rate of ten percent (10%) per annum (compounded annually) from 14 October 2022 to the date of purchase. The amount in excess of the Initial Subscription Price is intended to reflect the entitlement to accrued interest of Notes which are acquired Notes after the Issue Date and to avoid dilution of the existing investors. There is no assurance that this will be successful. To the extent that any interest payment is made in respect of the Notes or the Notes are redeemed in part following the Issue Date, the subscription price may be adjusted by the Issuer to a price which the Calculation Agent considers to reflect such interest payment or partial redemption and which would not dilute the value of the Notes of existing Noteholders. The Issuer may also adjust the subscription price where it considers this necessary to reflect any increase or decrease in the NAV of the Notes following the Issue Date provided that the Calculation Agent has confirmed to the Issuer that it is satisfied that the adjustment will not dilute the entitlements of existing Noteholders.

## 6 INFORMATION RELATING TO THE CHARGED ASSETS

### General

The Issuer intends to use the net proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in the Series Assets, being:

(a) Class B Stock (the "**Class B Stock**") issued by CIX ESG Affordable Housing Fund, Inc (the "**CIX Fund**"); and

(b) a secured loan to be advanced by the Issuer to the CIX Fund (the "**Loan**") which shall be evidenced by a secured promissory note to be executed by the CIX Fund in favour of the Issuer (the "**Portfolio Note**" and together with the Class B Stock, the "**Securities**").

20% of the amount invested by the Issuer in the Securities shall be invested in the Class B Stock, while the balance shall be invested in the Loan. The Issuer may invest further amounts in the Securities from time to time from the net proceeds of the issuance of Further Notes.

As described in the Private Placement Memorandum of the CIX Fund (a copy of which is included as Appendix 1 to this Series Memorandum), the obligations of the CIX Fund under the Portfolio Note shall be secured by a pledge of 100% of the CIX Fund's rights arising under (i) a deposit account and control agreement to be entered into by the CIX Fund, the Castellan Fund (as defined below) and Webster Bank, N.A and (ii) a security agreement to be entered into by the CIX Fund, the Castellan Fund and the manager of the Castellan Fund.

### The CIX Fund

The CIX Fund's investment objective is to provide investors in the Securities with current income and capital appreciation by investing in rights related to the acquisition, rehabilitation and development of affordable rental housing properties (each such property, a "**Property**") in each case primarily financed or expected to be financed through Low-Income Housing Tax Credits and tax-exempt bonds.

The CIX Fund intends to invest in such Properties by making a loan to CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "**Castellan Fund**"). The Castellan Fund was sponsored by Castellan Holdings LLC, an affiliate of Castellan Real Estate Partners, which is an experienced U.S. property developer, owner and manager based in New York – NY ("**Castellan**"). Through the Castellan Fund and its direct or indirect subsidiaries, Castellan will own and manage the Properties. The CIX Fund will rely on the operating and management experience of Castellan to maintain, create or add value to the Properties and to eventually sell the Properties to low-income housing tax credit investors.

CIX Capital GP, a Cayman Islands exempted company ("**CIX Capital GP**"), is the holder of all of the Class A Stock of the Company. The Issuer, as a holder of Class B Stock, shall have no right to vote on any matter to be voted on by the stockholders of the Company. As sole holder of the Class A Stock, CIX Capital GP will control the management and affairs of the CIX Fund.

The CIX Fund will be managed by a board of directors elected by CIX Capital GP, in its sole discretion.

CIX Capital International Ltda., a Brazilian limited liability company ("**CIX Capital**"), will act as the investment manager of the CIX Fund, pursuant to an Investment Management Agreement (the "**Fund Management Agreement**") between the CIX Fund and CIX Capital. Pursuant to the Fund Management Agreement, the investment management services to be provided by

CIX Capital to the CIX Fund include financial advisory, investor relations, distributions, and negotiation and servicing of loans. CIX Capital has also been appointed by the Issuer to act as the Programme Structurer.

The CIX Fund will engage a third-party administrator to provide administrative services to the CIX Fund. The administrator of the CIX Fund will initially be Intertrust Group, with offices located at One Nexus Way, Camana Bay, Grand Cayman, Cayman Islands, KY1-9005.

**Background of CIX Capital GP and CIX Capital Key Executives**

The key executives of CIX Capital GP and CIX Capital are Nelson Zogbi, Carlos Balthazar Nonato Summ, Eduardo Magalhães Fonseca, Marcelo Zogbi. and Renato Zogbi. A summary of their background and experience is set forth below.

**Nelson Zogbi**

- President at CIX Capital Group;
- 30+ years of professional experience in Real Estate;
- Member of the Strategic and Investment Committees at CIX Capital;
- Member of the Investment Committee of CIX COFE US LLC (USA), CIX AHS Multifamily Income Fund (Cayman), and CIX Flagler Healthcare Fund (Cayman);
- Former Member of the Investment Committee of Fundos FII Caixa Incorporação, FII Transinc e FIP MZO Logística;
- President of MAIZ Group (Zogbi Family);
- Former Board Member of Ripasa Papel & Celulose;
- Bachelor of Civil Engineering from the University of São Paulo (POLI-USP);
- Specialization in Finance from Fundação Getúlio Vargas (FGV).

**Carlos Balthazar Nonato Summ**

- CEO at CIX Capital Group
- Director of Compliance & Risk at CIX Capital;
- Member of the Strategy, Compliance & Risk and Investment Committees at CIX Capital;
- Member of the Investment Committee of CIX COFE US LLC (USA), CIX AHS Multifamily Income Fund (Cayman), and CIX Flagler Healthcare Fund (Cayman);
- Former Investment Adviser at Vérios Investimentos (current Nu Invest);
- Worked as an Investment Adviser at Mauá Capital;
- Former Acquisition Coordinator at the Brazilian-German Chamber of Commerce and Industry;
- Specialization in Real Estate Investments from Insper;
- Specialization in Financial Markets from Saint Paul Business School;
- Bachelor of Arts in International Relations with emphasis in Economics from PUC-SP;
- Certified Board Director by Instituto Brasileiro de Governança Corporativa (IBGC).

**Eduardo Magalhães Fonseca**

- Director of Investor Relations at CIX Capital;
- Member of the Strategy and Investment Committees at CIX Capital;
- CEO at MAIZ Group (Família Zogbi);
- Former CFO & Director of Investor Relations at Banco Pine S/A;
- Former Director of Real Estate at Mauá Capital;
- Former Associate at Prosperitas Investimentos;
- Former Corporate Manager at Itaú Unibando S.A.;

- Master's degree in Finance from Birkbeck - University of London;
- Specialization in Business Administration from Fundação Getúlio Vargas (FGV);
- Bachelor of Production Engineering from Faculdade de Engenharia Industrial (FEI).

**Marcelo Zogbi**

- COO at CIX Capital Group;
- Member of the Strategy, Compliance & Risk, and Investment Committees at CIX Capital;
- Member of the Board of MAIZ Group (Zogbi Family);
- Bachelor in Business Administration from Fundação Getúlio Vargas (FGV).

**Renato Zogbi**

- Investor Relations at CIX Capital;
- Member of the Strategy Committee at CIX Capital;
- Member of the Board of MAIZ Group (Zogbi Family);
- Former Partner and Director of Banco Zogbi;
- Bachelor of Mechanical Engineering from Mackenzie University;
- Attended the Business Management Program (CIA) at Fundação Getúlio Vargas (FGV).

## Further Information

For a detailed description of the CIX Fund and the Securities see the Private Placement Memorandum which is included as Appendix 1 to this Series Memorandum.

## 7 DESCRIPTION OF THE FEES AND EXPENSES

The following is a description of the arrangements which will apply in respect of the fees and expenses which are payable by the Issuer in respect of the Notes and the manner in which they will be discharged.

**Fees Payable by the Issuer**

To the extent not discharged by any person on its behalf, the Issuer will be required to pay the following fees and expenses in connection with the Notes:

(1) the Ordinary Expenses;

(2) the Extraordinary Expenses; and

(3) the Acquisition and Realisation Costs.

*The terms "Ordinary Expenses, Extraordinary Expenses and Acquisition and Realisation Costs are defined in Special Condition 1 (Definitions).*

**Discharge of Fees by the Issuer**

The Facilitation Fee which is payable to the Issuer by the CIX Fund (as described below) shall be utilised by the Issuer to discharge to pay the Ordinary Expenses of the Series. Furthermore, the CIX Fund has agreed to fund the payment of the Extraordinary Expenses of the Issuer. The Acquisition and Realisation Costs will be discharged from the proceeds of the Notes and the Charged Assts and could reduce the Net Asset Value of the Portfolio.

If the CIX Fund fails to pay the Facilitation Fee or amounts in respect of the Extraordinary Expenses, the Programme Structurer has agreed to pay such amounts to the Issuer. If the relevant amounts are not received by the Issuer from the CIX Fund or the Programme Structurer, such amounts will be funded from proceeds of the Charged Assets.

A portion of the Charged Assets may be redeemed or realised in accordance with Special Condition 14 (*Realisation of Charged Assets*) and the proceeds applied towards the discharge of the fees and expenses of the Issuer. This may result in a decrease of Net Asset Value of the Portfolio and lead to a reduction in the Redemption Amounts and / or Interest Amounts (if any) paid to Noteholders.

**Ordinary Expenses**

The Ordinary Expenses which are payable by the Issuer are the:

(1) fees and expenses payable to the Trustee in accordance with the terms of the Series Trust Deed;

(2) fees and expenses payable to the Agents in accordance with the Series Agency Agreement;

(3) fees and expenses payable to the Programme Coordinator in accordance with the Series Coordination Agreement;

(4) any other fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including but not limited to:

(aa) costs incurred in connection with the issuance, listing and clearing of the Notes and / or the performance of obligations in relation thereto;

(bb) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Series Constituting Instrument and the Series Documents as defined therein;

(cc) any fees, costs and expenses of the corporate services provider of the Issuer payable in respect of the Notes;

(dd) any fees incurred in connection with the appointment of process agents required to be appointed pursuant to the Transaction Documents;

(ee) any legal fees and disbursements payable by the Issuer, the Programme Coordinator or the Trustee to the legal advisers to the Issuer, the Programme Coordinator or the Trustee in respect of the issuance of the Notes; and

(ff) any other fees, costs or expenses as designated by the Programme Coordinator.

(5) a portion, as determined by the Calculation Agent (based on an equal allocation among each Series of Notes or such other method of allocation as the Calculation Agent considers to be fair and reasonable), of any fees, costs and expenses incurred by the Issuer in respect of the Programme or the general maintenance or operation of the Issuer which are not directly attributable to any Series of Notes; and

(6) a total of EUR 1,000 per annum which shall be retained by the Issuer in respect of all Series in issuance,

but in each case not including Extraordinary Expenses and Acquisition and Realisation Costs.

Programme Coordinator Fee

The Ordinary Expenses include a fee which is payable to the Programme Coordinator (the "**Programme Coordinator Fee**") under the terms of the Series Coordination Agreement.

The Programme Coordinator Fee shall be calculated by the Calculation Agent and shall be an amount per annum equal to: (i) the Base Amount; less (ii) the Deductible Expenses.

*Base Amount*

Subject to the Minimum Series Base Amount and Minimum Programme Base Amount as detailed below, the base amount in respect of each Series shall be its portion of the Total Programme Base Amount which shall be allocated on a *pro rata basis* among each outstanding Series issued under the Programme based on the respective Net Asset Value of the Portfolio of each Series (the "**Base Amount**"). The "**Total Programme Base Amount**" shall be calculated as an amount equal to (i) 0.25% up to USD 50,000,000, (ii) 0.20% from USD 50,000,000 up to USD 100,000,000 and (iii) 0.15% from USD 100,000,000 onwards, of the aggregate of the Net Asset Values of the Portfolios of each outstanding Series issued under the Programme.

*Minimum Series Base Amount Level*

The Base Amount for the purposes of calculating the Programme Coordinator Fee shall be

subject to a minimum amount of €24,000 per annum, allocated quarterly in equal instalments ("**Minimum Series Base Amount**").

*Minimum Programme Base Amount Level*

At all times prior to the Programme being terminated, the aggregate of the Base Amounts for the purpose of calculating the Programme Coordinator Fee in respect of all Series issued under the Programme shall be subject to a minimum amount of €100,000 per annum, allocated quarterly in equal instalments (the "**Minimum Programme Base Amount**").

To the extent that the aggregate Programme Coordinator Fee which is payable in respect of all Series is increased as a consequence of the use of the Minimum Programme Base Amount, a portion, as determined by the Calculation Agent (based on a pro rata allocation among each outstanding Series issued under the Programme based on the respective Net Asset Value of the Portfolio of each Series), of such increase shall be allocated to each Series so that each Series shall be responsible for paying a portion of the Minimum Programme Base Amount.

*Deductible Expenses*

For the purposes of calculating the Programme Coordinator Fee, all Ordinary Expenses, other than the Programme Coordinator Fee, shall be "**Deductible Expenses**".

*Accrual of Programme Coordinator Fee*

The Programme Coordinator Fee shall accrue daily (based on the Net Asset Value as at the latest NAV Report Date) and shall be payable quarterly in arrears on the last Business Day of each quarter that the Notes remain outstanding and on the date of the final redemption of the Notes.

*Alternative Calculation of Programme Coordinator Fee*

To the extent that on any date on which the Programme Coordinator Fee is to be calculated, it is not possible (as determined by the Calculation Agent in its discretion) to calculate the Net Asset Value of the Portfolio of any Series due to a failure of the Issuer to receive any valuations of the Charged Assets which are to be delivered to it, the Programme Coordinator Fee shall instead be calculated by reference to the aggregate outstanding principal amount of the outstanding Notes of that Series.

**Extraordinary Expenses**

The Extraordinary Expenses are any fees and expenses incurred by the Issuer which are determined by the Calculation Agent to be outside the normal and ordinary course of business for the Series.

**Acquisition and Realisation Costs**

The Acquisition and Realisation Costs are the costs incurred by the Issuer in respect of the acquisition and realisation of the Charged Assets.

**Fees Payable to the Issuer**

Facilitation Fee

In consideration of the investments to be made by the Issuer in the CIX Fund, the CIX Fund has agreed to pay the Issuer a facilitation fee (the "**Facilitation Fee**").

Subject to the Minimum Series Facilitation Fee and the Minimum Programme Fee, the Facilitation Fee shall be shall a portion of the Total Programme Facilitation Fee which shall be allocated on a *pro rata basis* among each outstanding Series issued under the Programme based on the respective Net Asset Value of the Portfolio of each Series. The "**Total Programme Facilitation Fee**" shall be calculated as an annual fee in an amount equal to (i) 0.25% up to USD 50,000,000, (ii) 0.20% from USD 50,000,000 up to USD 100,000,000 and (iii) 0.15% from USD 100,000,000 onwards, of the aggregate of the Net Asset Values of the Portfolios of each outstanding Series issued under the Programme. The Facilitation Fee shall accrue daily (based on the Net Asset Value as at the latest NAV Report Date) and shall be payable quarterly in arrears on the last Business Day of each quarter that the Notes remain outstanding and on the date of the final redemption of the Securities.

The Facilitation Fee payable by the CIX Fund shall be subject to a minimum amount of EUR 24,000 per annum, payable quarterly in equal instalments ("**Minimum Series Facilitation Fee**"). For each other Series of Notes issued by the Issuer under the Programme, the Issuer shall be entitled to receive a fee which is calculated on the same basis as the Facilitation Fee (each such fee, an "**Equivalent Fee**"). At all times prior to the Programme being terminated, the aggregate of the Facilitation Fee and each Equivalent Fee in respect of other Series issued under the Programme shall be subject to a minimum amount of EUR 100,000 per annum, payable quarterly in equal instalments (the "**Minimum Programme Fee**"). To the extent that for any quarter, the aggregate of the Facilitation Fee and each Equivalent Fee in respect of other Series issued under the Programme would otherwise be less than the Minimum Programme Fee, the Facilitation Fee shall be increased (such increased fee, the "**Increased Facilitation Fee**") by a portion of the shortfall, calculated based on a pro rata allocation of the shortfall among each outstanding Series issued under the Programme based on the respective Net Asset Value of the Portfolio of each Series.

To the extent that on any date on which the Facilitation Fee is to be calculated, it is not possible (as determined by the Calculation Agent in its discretion) to calculate the Net Asset Value of the Portfolio of any Series due to a failure of the Issuer to receive any valuations of the Charged Assets which are to be delivered to it, the Facilitation Fee shall instead be calculated by reference to the aggregate outstanding principal amount of the outstanding Notes of that Series.

If the CIX Fund fails to pay the Facilitation Fee, the Programme Structurer has agreed to pay such amounts to the Issuer.

Extraordinary Expenses

The CIX Fund has further agreed to fund the payment of the Extraordinary Expenses which are payable by the Issuer from time to time.

If the CIX Fund fails to pay amounts in respect of the Extraordinary Expenses, the Programme Structurer has agreed to pay such amounts to the Issuer.

**Fees payable by the CIX Fund**

Investors in the Notes should take note of the fees payable, directly or indirectly, by the CIX Fund. Details of the fees payable by the CIX Fund are set out in the Private Placement Memorandum and in particular in the "*Summary of Principal Terms*" section of the Private Placement Memorandum, investors should review the disclosures entitled "*Sales of Securities through Distributors; Distribution Fees*", "*Fees Payable to Administrator, and CIX Capital and Affiliates*", "*Platform Fee*" and "*Fund Expenses*". Fees payable by the CIX Fund could result in a reduction in the value of the Securities which would result in a corresponding reduction in Net Asset Value of the Portfolio.

In addition, as noted above the CIX Fund has agreed to pay a Facilitation Fee to the Issuer which will be used by the Issuer to discharge its Ordinary Expenses. The CIX Fund has also agreed to fund the payment of any Extraordinary Expenses which are payable by the Issuer. The payment of such amounts by the CIX Fund could reduce the value of the Securities which will be reflected by a corresponding reduction in the value of the Notes and a reduction in the amount receivable by Noteholders upon the redemption of the Notes.

## 8 DESCRIPTION OF THE SECURITY ARRANGEMENTS AND LIMITED RECOURSE AND NON-PETITION PROVISIONS

### Introduction

The Notes will be secured, limited recourse obligations of the Issuer. The purpose of this section is to provide further information in respect of these important features of the Notes, which are included in the Conditions. However, the following description is a summary only of certain aspects of the security arrangements and is subject in all respects to the terms of the Series Trust Deed, the Series Charging Instrument, the Programme Accounts Security Agreement and the Conditions of the Notes, of which Noteholders are deemed to have notice and by which they are bound.

The Issuer will grant the security described below to the Trustee as continuing security for the payment of the Secured Obligations (being all payment and other obligations of the Issuer under the Notes and the Series Documents). The Trustee shall hold such Security on behalf of itself and the other Secured Parties (which includes the Noteholders).

### Security arrangements

The Notes will be secured by security granted over the Mortgaged Property (including the Series Assets and the Related Rights obtained with the entire net proceeds of the issue of the Notes) pursuant to the Series Trust Deed, the Series Charging Instrument and the Programme Accounts Security Agreement, each of which is described below (the "**Security**").

### Series Trust Deed

Under the Series Trust Deed, as amended by the terms of the Series Constituting Instrument, the Issuer, in favour of the Trustee for itself and as trustee for the Secured Parties, and as continuing Security, will:

(A) charge by way of first fixed charge all of its present and future right, title, benefit and interest in all of the present and future Charged Assets and all property, assets and sums derived therefrom;

(B) assign absolutely by way of security all of its present and future right, title, benefit and interest in, attaching or relating to the present and future Charged Assets and all property, sums and assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or principal value thereof which arises in connection with any such assets being held in a clearing system through a financial intermediary;

(C) charge by way of first fixed charge all of its present and future right, title, benefit and interest in all present and future sums, cash amounts and Charged Assets held by, or for, the Principal Paying Agent to meet payments due in respect of any Secured Obligation for the Notes;

(D) assign absolutely by way of security all of its present and future right, title, benefit and interest in the Series Documents and in all property, assets and sums derived from such Series Documents;

(E) assign absolutely by way of security all of its present and future right, title, benefit and interest in the Charged Programme Accounts Agreements and in all property, assets and sums derived from such agreements to the extent that they relate to the Notes (and no other Series);

(F) assign absolutely by way of security all of its present and future right, title, benefit and interest in, attaching or relating to the present and future Underlying Series Asset Documents and in all property, assets and sums derived from such agreements;

(G) assign absolutely by way of security its present and future right, title, benefit and interest in, attaching or relating to any other present and future agreement entered into between the Issuer and/or the Programme Coordinator and/or the Programme Structurer and/or the Charged Assets Realisation Agent and/or the Charged Assets Liquidation Agent and/or the Calculation Agent and in all property, assets and sums derived from such agreements for the Notes; and

(H) assign absolutely by way of security all of its present and future right, title, benefit and interest in, to and under the Distribution Agreement and all sums derived therefrom.

As continuing security for the due payment, performance and discharge of the Secured Obligations the Issuer as legal and beneficial owner will charge by way of floating charge in favour of the Trustee for itself and on trust for the Secured Parties all of the Mortgaged Property which is not effectually charged or assigned as described above.

**Series Charging Instrument**

Pursuant to the Series Charging Instrument, the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the laws of the State of Delaware over the Issuer's interest in the Securities.

Prospective investors should be aware that upon an enforcement of the security created by the Series Charging Instrument over the Securities, there may be restrictions on the transferability of the Securities including with respect to the persons or entities who are eligible to acquire the Securities. Additionally, any such transfer would require the consent of the CIX Fund and potentially the holder of the Class A Stock. Such restrictions may limit the ability of the Trustee to realise the Securities by way of a sale upon an enforcement of the Series Charging Instrument which could result in a delay in the proceeds of the Securities being distributed to Noteholders following the enforcement of the Series Charging Instrument.

**Programme Accounts Security Agreement**

Pursuant to the Programme Accounts Security Agreement, the Issuer has granted security over the Programme Operating Accounts Bank Agreement, Programme Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee, as security for itself and the Secured Parties in respect of the Issuer's obligations to the Trustee (whether for its own account or as trustee for the Secured Parties) in respect of all Series under the Programme. Pursuant to a deed of confirmation, the Issuer will confirm to the Trustee that the Programme Accounts Security Agreement charges the Programme Operating Accounts Bank Agreement, Programme Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee in respect of the Issuer's obligations under Series 496.

**Enforcement**

The Security will become enforceable if the Notes are accelerated so as to become immediately due and repayable following the occurrence of an Event of Default.

In such circumstances (subject as described below) the Trustee at its discretion may, and if

so directed by the relevant parties shall, upon being indemnified, secured and / or prefunded to its satisfaction, realise the Charged Assets. In realising the Charged Assets the Trustee may, but shall not be obliged to, procure the sale of the Charged Assets or may request the redemption of the Charged Assets if the Charged Assets allow for such request.

The Conditions provide that following an Event of Default the Trustee shall not take any steps to enforce the Security for a period of 30 calendar days. During this period the Programme Structurer (subject to it having consulted with and received the prior consent of the Issuer) may direct that either: (a) the obligations of the Issuer shall be satisfied by a Delivery in Kind of the Net Charged Assets or (b) the process for the realisation of the Charged Assets by the Charged Assets Realisation Agent shall be followed. Investors should be aware that a potential consequence of either scenario (as described more fully above) is that the Notes may be redeemed at zero where it is not possible to effect a delivery or a realisation of the Charged Assets as the case may be.

**Priority of Claims and Limited Recourse and Non Petition provisions**

Upon an enforcement of the Security, the net sums realised could be insufficient to pay all the amounts due to the Noteholders under the Notes and the amounts due to the other Secured Parties. The Trustee, the Agents, the Back Office Agent, the Programme Structurer, the Programme Coordinator and the Noteholders (in each case to the extent that their claims are secured) shall have recourse only to the Mortgaged Property and any Series Settlement Account Entitlement. If, the Trustee having realised the Mortgaged Property, the proceeds thereof together with any Series Settlement Account Entitlement are insufficient for the Issuer to make all payments then due to all such parties, the obligations of the Issuer will be limited to such proceeds of realisation of the Mortgaged Property and the Series Settlement Account Entitlement and no other assets of the Issuer will be available to meet such shortfall. Amounts owing to the Trustee (including any costs of a receiver or similar official), the Back Office Agent, Programme Structurer, the Programme Coordinator and the Agents and the other expenses of the Issuer in respect of the Notes shall rank prior to the Noteholders in the application of all moneys received in connection with the realisation or enforcement of the Security. The Trustee, the Agents, the Back Office Agent, the Programme Structurer, the Programme Coordinator, the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum and no debt shall be owed to any such persons by the Issuer. In particular, none of the Trustee, the Back Office Agent, the Programme Structurer, the Programme Coordinator and the Agents or any holder of the Notes may petition or take any other step for the winding-up, liquidation or examinership of the Issuer, and none of them shall have any claim in respect of any sum arising in respect of the Charged Assets for any other Series.

## 9 INFORMATION RELATING TO THE PROGRAMME STRUCTURER

CIX Capital International Ltda. ("**CIX Capital**") is the Programme Structurer in respect of the Notes. CIX Capital was formerly known as "*CIX Capital Soluções Financeiras Imobiliárias Ltda.*"

CIX Capital is a limited liability company organized under the laws of Brazil. Its business activities consist of structuring investments and works with companies and businesses in the real estate segment to organize customized capital and credit solutions.

As Programme Structurer, CIX Capital is responsible for the structuring of the Notes and assisting the Issuer with other administrative matters in accordance with the terms of the Series Structuring Agreement and the Conditions of the Notes. Under the terms of the Series Structuring Agreement, the Programme Structurer may also procure investors for the Notes.

The Issuer and the Programme Structurer have agreed that each of the matters which are the subject of the services and duties to be provided by the Programme Structurer shall remain subject to the control and supervision of the Issuer. In this regard, notwithstanding anything to the contrary in the Transaction Documents or the Conditions of the Notes, prior to exercising any authority granted to it under the terms of the Transaction Documents or the Conditions of the Notes to give any direction, to make any determination or to exercise any other discretion, which direction, determination or exercise of such discretion would require the Issuer to take any action, the Programme Structurer shall consult with the Issuer and shall not exercise such authority without the prior consent of the Issuer. When consulting with the Issuer, the Programme Structurer shall make recommendations to the Issuer but any decision of whether to grant its consent shall be made by the Issuer in its absolute discretion. Any purported exercise by the Programme Structurer of any authority without first procuring the prior consent of the Issuer in circumstances where such prior consent is required shall be void and of no effect. Nothing however shall require the Programme Structurer to receive the consent of the Issuer to resign or terminate its appointment in accordance with the terms of the Transaction Documents.

The Issuer may, in the event that the Programme Structurer shall be in material breach of its obligations under the Series Structuring Agreement and such breach continues for a period of thirty (30) days following the giving of notice by the Issuer to the Programme Structurer of the occurrence of the material breach, terminate the appointment of the Programme Structurer, subject to the Issuer giving not less than thirty (30) calendar days' prior written notice subject to and in accordance with the terms of the Series Structuring Agreement. In such case the Issuer would appoint a successor in accordance with the terms of the Series Structuring Agreement.

The holder of the Notes will have claims against the Issuer only and shall not have any rights directly against the Programme Structurer.

## 10 INFORMATION RELATING TO THE PROGRAMME COORDINATOR

FlexFunds Ltd, an exempted company incorporated in the Cayman Islands with limited liability, is the Programme Coordinator in respect of the Notes.

As Programme Coordinator, FlexFunds Ltd is responsible for certain management and administrative functions in relation to the Charged Assets and the Notes pursuant to the terms of the Series Coordination Agreement.

The Issuer and the Programme Coordinator have agreed that each of the matters which are the subject of the services and duties to be provided by the Programme Coordinator shall remain subject to the control and supervision of the Issuer. In this regard, notwithstanding anything to the contrary in the Transaction Documents or the Conditions of the Notes, prior to exercising any authority granted to it under the terms of the Transaction Documents or the Conditions of the Notes to give any direction, to make any determination or to exercise any other discretion, which direction, determination or exercise of such discretion would require the Issuer to take any action, the Programme Coordinator shall consult with the Issuer and shall not exercise such authority without the prior consent of the Issuer. When consulting with the Issuer, the Programme Coordinator shall make recommendations to the Issuer but any decision of whether to grant its consent shall be made by the Issuer in its absolute discretion. Any purported exercise by the Programme Coordinator of any authority without first procuring the prior consent of the Issuer in circumstances where such prior consent is required shall be void and of no effect. Nothing however shall require the Programme Coordinator to receive the consent of the Issuer to resign or terminate its appointment in accordance with the terms of the Transaction Documents.

The Issuer may, in the event that the Programme Coordinator shall be in material breach of its obligations under the Series Coordination Agreement and such breach continues for a period of thirty (30) calendar days following the giving of notice by the Issuer to the Programme Coordinator of the occurrence of the material breach, terminate the appointment of the Programme Coordinator, subject to the Issuer giving not less than thirty (30) calendar days' prior written notice subject to and in accordance with the terms of the Series Coordination Agreement. The Programme Coordinator may at any time resign subject to giving sixty (60) calendar days' prior written notice to the Issuer. In such case the Issuer would appoint a successor in accordance with the terms of the Series Coordination Agreement.

The holder of the Notes will have claims against the Issuer only and shall not have any rights directly against the Programme Coordinator.

### Programme Coordinator Fee

The fees payable to FlexFunds Ltd as the Programme Coordinator are described in Section 7 (*Description of the Fees and Expenses*) of this Series Memorandum.

## 11 INFORMATION RELATING TO THE CALCULATION AGENT

FlexFunds ETP LLC, a Miami based investment services company, is the Calculation Agent in respect of the Notes.

As Calculation Agent, FlexFunds ETP LLC is responsible for performing certain calculations in relation to the Notes in accordance with the terms of the Series Agency Agreement and the Conditions of the Notes.

The Issuer may at any time terminate the appointment of the Calculation Agent, subject to giving thirty (30) days' prior written notice subject to and in accordance with the terms of the Series Agency Agreement. The Calculation Agent may at any time resign subject to giving sixty (60) days' prior written notice to the Issuer. In such case the Issuer would appoint a successor in accordance with the terms of the Series Agency Agreement.

The holder of the Notes will have claims against the Issuer only and shall not have any rights directly against the Calculation Agent.

## 12 INFORMATION RELATING TO THE BACK OFFICE AGENT AND CHARGED ASSETS REALISATION AGENT

GWM LTD has been appointed as Back Office Agent pursuant to the terms of the Series Back Office Agency Agreement and as Charged Assets Realisation Agent pursuant to the terms of the Series Agency Agreement.

GWM LTD was incorporated in Bermuda in December 2014 and is licensed to conduct investment business by the Bermuda Monetary Authority. The Bermuda Monetary Authority granted approval to GWM LTD for a license under section 16 of the Investment Business Act 2003.

***Back Office Agent***

GWM LTD as Back Office Agent has an administrative role and its main function is to coordinate subscription and redemption trades between the Issuer and purchasers of the Notes.

GWM LTD will not be able to confirm any subscription or redemption trades on behalf of the Issuer if the Calculation Agent cannot provide a Net Asset Value. In addition, GWM LTD as Back Office Agent will not be permitted to confirm any trades on behalf of the Issuer without the Issuer's approval.

GWM LTD as Back Office Agent has no control over the Net Asset Value calculations and does not verify the Net Asset Value calculations received from the Calculation Agent.

GWM LTD as Back Office Agent has the right to refuse to process orders for any counterparty at its own discretion.

GWM LTD as Back Office Agent will limit its interaction to regulated financial institutions. GWM LTD cannot interact with retail clients.

As Back Office Agent, GWM LTD has agreed to comply with all duties and responsibilities set out in the Conditions of the Notes, and to strictly adhere to the Selling Restrictions.

GWM LTD, as Back Office Agent is not, under any circumstances whatsoever, obliged to make a market for the Notes or to provide liquidity in the secondary market with respect to the Notes.

***Charged Assets Realisation Agent***

As Charged Assets Realisation Agent, GWM LTD is responsible to the Issuer for taking steps in order to realise the Charged Assets as required for the purposes of the Notes. The Charged Assets Realisation Agent acts pursuant to the terms of the Series Agency Agreement and in accordance with the Conditions of the Notes. The Charged Assets Realisation Agent shall, on behalf of and on the instructions of the Issuer, sell or procure the sale or other means of realisation of the Charged Assets and shall be entitled to deduct any costs, expenses, taxes and duties incurred in connection with any disposal, realisation or transfer of such Charged Assets. The Charged Assets Realisation Agent may, at its discretion, enter into agreements with third parties (each such third party a "**Charged Assets Liquidation Agent**") for the purpose of liquidation, realisation, disposal or transfer of Charged Assets, and shall be entitled to deduct any costs, expenses, taxes, duties and / or interest due and incurred in connection with such liquidation, realisation, disposal or transfer by the Charged Assets Liquidation Agent from any Redemption Amount as further described in the Conditions.

The Charged Assets Realisation Agent (or, if applicable, the Charged Assets Liquidation

Agent) may sell or procure the sale or other means of realisation of the Charged Assets in such manner and to and / or involving such person as it thinks fit and shall be entitled to sell and procure the sale or other means of realisation of the Charged Assets at such price as it determines in its sole discretion. The Charged Assets Realisation Agent (including, if applicable, the Charged Assets Liquidation Agent) shall not be responsible or liable for any failure to sell or realise the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of their sale or other means of realisation including any loss attributable to the price or value for which the Charged Assets were sold or realised.

***General***

The Issuer may at any time terminate the appointment of the Back Office Agent or the Charged Assets Realisation Agent, subject to giving 30 days' prior written notice subject to and in accordance with the terms of the Series Back Office Agency Agreement or the Series Agency Agreement, as the case may be. The Back Office Agent and the Charged Assets Realisation Agent may at any time resign subject to giving 60 day's prior written notice to the Issuer. In such case the Issuer would appoint a successor in accordance with the terms of the Series Back Office Agency Agreement or Series Agency Agreement, as the case may be.

GWM LTD has not independently verified the information contained in this Series Memorandum. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no responsibility or liability is accepted by GWM LTD as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the Programme Memorandum, the Private Placement Memorandum any other document in relation to the Programme, or with respect to the legality of investment in the Notes by any prospective investor or purchaser under applicable laws or regulations.

GWM LTD shall not, under any circumstances, be responsible for, or obliged to monitor or verify or investigate the performance or operation of any party appointed in relation to the Programme.

GWM LTD shall not, under any circumstances, be responsible for, or obliged to monitor or verify the performance or operation of the Issuer. Furthermore, GWM LTD shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Noteholder or any other party to the Programme or any person for any loss incurred by such person that arises out of or in connection with the performance by GWM LTD, as Back Office Agent or Charged Assets Realisation Agent, provided that nothing shall relieve GWM LTD, as Back Office Agent or Charged Assets Realisation Agent from any loss arising by reason of acts or omissions constituting gross negligence, wilful default or fraud of the Back Office Agent or Charged Assets Realisation Agent.

GWM LTD does not provide any investment or tax advice in respect of the Programme or the Notes.

GWM LTD's role with respect to the Programme is limited to its functions as Back Office Agent and Charged Assets Realisation Agent.

The holder of the Notes will have claims against the Issuer only and shall not have any rights directly against the Back Office Agent or the Charged Assets Realisation Agent.

## 13 INFORMATION RELATING TO THE ISSUER

### General

The Issuer, CIX Capital International DAC, was incorporated in Ireland as a designated activity company on 22 January 2020, with registration number 664826 under the Companies Acts 2014 as amended.

The registered office of the Issuer is at 1-2 Victoria Buildings, Haddington Road, Dublin 4. The e-mail address of the Issuer is crm-ie@intertrustgroup.com / Ireland.Directors@intertrustgroup.com. The authorised share capital of the Issuer is EUR 1,000 divided into 1,000 Ordinary Shares of EUR 1 (the "**Shares**"). The Issuer has issued 1 Share, which is fully paid. The issued Share is held by Intertrust Nominees (Ireland) Limited (the "**Share Trustee**"). The Share Trustee owns the issued Share under the terms of a declaration of trust dated 16 February 2021, under which the Share Trustee holds the issued Share of the Issuer on trust for charitable purposes.

### Business

The principal objects of the Issuer are, amongst other things, to:

1. carry out the business of a securitisation company including all activities ancillary thereto;

2. invest and deal with the property of the Issuer in such manner as may from time to time be determined by the Issuer's board of directors and to dispose of or vary such investments and dealings;

3. lend and advance money or other property or give credit or financial accommodation to any company or person in any manner either with or without security and whether with or without the payment of interest and upon such terms and conditions as the Issuer's board of directors shall think fit or expedient; and

4. borrow or raise money or capital in any manner and on such terms and subject to such conditions and for such purposes as the Issuer's board of directors shall think fit or expedient, whether alone or jointly and/or severally with any other person or company, including, without prejudice to the generality of the foregoing, whether by the issue of debentures or debenture stock (perpetual or otherwise) or otherwise, and to secure, with or without consideration, the payment or repayment of any money borrowed, raised or owing or any debt, obligation or liability of the Issuer or of any other person or company whatsoever in such manner and on such terms and conditions as the Issuer's board of directors shall think fit or expedient and in particular by mortgage, charge, lien, pledge or debenture or any other security of whatsoever nature or howsoever described, perpetual or otherwise, charged upon all or any of the Issuer's property, both present and future, and to purchase, redeem or pay off any such securities and also to accept capital contributions from any person or company in any manner and on such terms and conditions and for such purposes as the Issuer's board of directors shall think fit or expedient.

The Issuer is a special purpose vehicle.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions, each Series Constituting Instrument and each other Series Document.

The Issuer has, and will have, no assets other than the sum of EUR 1 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Mortgaged Property, any other assets on which the Notes are secured and any Series Settlement Account Entitlement. Save in respect of the fees generated in connection with each issue of Notes, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Notes are obligations of the Issuer alone and not of, or guaranteed in any way by, the Share Trustee or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Programme Coordinator, the Programme Structurer, the Back Office Agent or any Agent or any other person.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of the issue of the Notes but is required to make certain periodic filings to the Central Bank. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

**Directors and Company Secretary of the Issuer**

The Directors of the Issuer as at the date hereof are as follows:

Robert Browne
Date of Birth: 08 May 1974
Nationality: Irish

Gustavo Nicolosi
Date of Birth: 02 May 1970
Nationality: Italian

The company secretary is Intertrust Management Ireland Limited.

**Corporate Services Provider of the Issuer**

Intertrust Management Ireland Limited is the administrator of the Issuer (the "**Corporate Services Provider**"). Its duties include the provision of certain administrative, accounting and related services. The agreement between the Issuer and the Corporate Services Provider can be terminated by either party by giving three months' prior written notice. The agreement may also be terminated with immediate effect by the Issuer in the event of the Corporate Services Provider's serious misconduct that cannot be remedied. The Corporate Services Provider may terminate the agreement or suspend the provision of its services with immediate effect if an event arises that, were the agreement to continue, might unreasonably burden or affect any of the parties, such as reputation damage, not receiving clear and timely instructions from the Issuer, non-compliance with any applicable laws or regulations by the Issuer, the Issuer unreasonably refusing to settle Corporate Services Provider's invoice or insolvency or a continued impairment of the moral, legal or financial integrity of the Issuer.

The business address of the Corporate Services Provider is 1-2 Victoria Buildings, Haddington Road, Dublin 4.

## Auditors of the Issuer

Auditors of the Issuer, being chartered accountants qualified to practice in Ireland shall be appointed by the Issuer. The Issuer intends to appoint an internationally recognised auditing firm such as KPMG, E&Y, PwC, Deloitte or BDO as auditor. The Issuer shall have the discretion to replace the auditor at any time.

## Financial statements

The first audited financial statements of the Issuer will be prepared in respect of the period from December 31st 2020 to June 30th 2022. Thereafter, audited financial statements will be produced for each 12 month period ending June 30th.

## Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed prior to the Issue Date.

## Litigation

The Issuer is a recently established special purpose company and has been established for the sole purpose of issuing multiple Series of secured Notes under the Programme. There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's financial position.

## 14 INFORMATION RELATING TO THE TRUSTEE

Apex Corporate Trustees (UK) Limited of Bastion House, 6th Floor, 140 London Wall, London EC2Y 5DN, has been appointed to act as Trustee pursuant to the terms of the Series Trust Deed.

The Trustee will hold the benefit of the Security on behalf of Noteholders and the other Secured Parties.

The Trustee shall not be responsible for, or be obliged to monitor or verify or investigate:

(A) any calculation in respect of the Portfolio or any element of the calculation thereof but shall be entitled to rely absolutely on any calculation by the Calculation Agent;

(B) the performance, operations or financial condition of the Portfolio or the terms of the Charged Assets or the calculation of amounts payable in respect thereof;

(C) the performance by the Issuer or any other person of any agreement relating to, or in connection with, the Portfolio and shall be entitled to assume that each of them is in compliance with the terms thereof unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent;

(D) whether or not any Mandatory Redemption Event or any Event of Default has occurred and shall be entitled to assume that no such event has occurred unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent; or

(E) save to the extent caused by its own gross negligence, wilful default or fraud the Trustee shall not be responsible or liable for any failure to sell, realise or redeem the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of the Net Proceeds, the Realisable Value or any other proceeds of sale, realisation or redemption of the Charged Assets being insufficient to discharge any Redemption Amount or Early Redemption Amount in full.

## 15 DISTRIBUTION, ISSUANCE PROCESS AND SELLING RESTRICTIONS

### Distribution

The Issuer has, pursuant to a distribution agreement appointed CIX Capital International Ltda. as a distributor pursuant to which CIX Capital International Ltda. may procure subscribers for the Notes or enter into agreements with third parties whereby such third parties will procure subscribers for the Notes. No fees will be payable by the Issuer to CIX Capital International Ltda. or any third party appointed by CIX Capital International Ltda. but such entities may receive distribution fees from the CIX Fund as described in the Private Placement Memorandum under the heading "*Sales of Interests through Distributors; Distribution Fees*" in the section entitled "*Summary of Principal Terms*".

### Issuance Process

On the Issue Date the Notes will initially be transferred to an account of the Issuer with The Bank of New York Mellon, London Branch where they will be held until their acquisition by investors.

Upon the acceptance of a purchase order for the Notes, the Notes will be transferred from the account of the Issuer to the account designated by the purchaser. The receipt and acceptance of purchase orders will be coordinated on behalf of the Issuer by the Back Office Agent. The Back Office Agent will limit its interactions to regulated financial institutions and cannot interact with retail clients.

The Notes may be held in the account of the Issuer for significant periods of time before being acquired by investors. In addition, the Issuer may elect to cancel any Notes which have not been acquired by investors. The Principal Amount of the Notes specified in this Series Memorandum represents the amount of the Notes that will be issued on the Issue Date. There is no minimum limit on the number of Notes that must be acquired by investors. Investors should therefore be aware that some Notes which are issued on the Issue Date may not be acquired by investors and it may be the case that investors only acquire a small portion of the Notes issued on the Issue Date. Investors should further be aware that while any holding of Notes they acquire may represent a particular portion of the Notes issued on the Issue Date, their holding may ultimately represent a larger portion of the Notes actually acquired by investors.

### Selling Restrictions

In addition to the Selling Restrictions set out in the Programme Memorandum the restrictions set out below shall apply.

#### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be directly or indirectly offered or sold in the United States or to or for the benefit of any U.S. person (as defined in Regulation S) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available.

Where:

"**U.S. person**" means a "*US person*", as the term is defined in Regulation S under the Securities Act and more particularly are references to: (i) any natural person that resides in the U.S.; (ii) any entity organised or incorporated under the laws of the U.S.; (iii) any entity organised or incorporated outside the U.S. that was formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Section 501 of

Regulation D promulgated under the Securities Act) who are not natural persons, estates or trusts; (iv) any estate of which any executor or administrator is a US person ; (v) any trust of which any trustee is a U.S. person; (vi) any agency or branch of a foreign entity located in the U.S; or (vii) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; and (viii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or resident in the U.S.. For the purposes hereof, the term "**U.S. person**" shall not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised or incorporated in the U.S. The term "**U.S. person**" includes entities that are subject to the U.S. Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by U.S. persons.

**European Economic Area and the United Kingdom of Great Britain and Northern Ireland**

In relation to each Member State of the European Economic Area ("**EEA**") or the United Kingdom of Great Britain and Northern Ireland (the "**UK**") where the Prospectus Regulation applies (each, a "**Relevant Member State**"), and, in respect of the UK, the UK version of the Prospectus Regulation which took effect at 11.00pm on 31 December 2020 pursuant to the European Union (Withdrawal) Act 2018, an offer of Notes to the public has not and may not be made in that Relevant Member State. Without limiting the foregoing, if Notes are offered in any Relevant Member State, any such offer will only be addressed to investors who acquire Notes for a total consideration of at least €100,000 per investor, for each separate offer (or, if the Notes are denominated in a currency other than Euro, the equivalent of €100,000 in such other currency).

**IMPORTANT – EEA Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor within the EEA. For these purposes, a retail investor means a person who is one (or more) of:

a) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or

b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT - UK Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of:

a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

**Public Offering**

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum, this Series Memorandum or any part thereof or hereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

**NO OFFER, SALE OR DELIVERY OF THE NOTES, OR DISTRIBUTION OR PUBLICATION OF ANY OFFERING MATERIAL RELATING TO THE NOTES, MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. ANY OFFER OR SALE OF THE NOTES SHALL COMPLY WITH THE SELLING RESTRICTIONS AS SET OUT IN THIS SERIES MEMORANDUM AND THE PROGRAMME MEMORANDUM AND ALL APPLICABLE LAWS AND REGULATIONS.**

## 16 GENERAL INFORMATION

For so long as the Notes remain outstanding, the following documents will be available in physical form from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer and the Specified Office of the Principal Paying Agent in London:

(a) the Master Documents which are incorporated by reference by the Series Constituting Instrument so as to constitute the Series Trust Deed, Series Agency Agreement, Series Structuring Agreement, Series Coordination Agreement and the Series Back Office Agency Agreement with respect to the Notes (to the extent not otherwise amended, modified and / or supplemented by the Series Constituting Instrument);

(b) any deed or agreement supplemental to the Master Documents;

(c) the Programme Memorandum;

(d) the Certificate of Incorporation and the Constitution of the Issuer;

(e) the Series Constituting Instrument;

(f) the Programme Accounts Agreements; and

(g) the Series Charging Instrument.

The aforementioned documents may be made available by the Issuer or the Principal Paying Agent in electronic form if the documents are unable for any reason to be made available in hard copy form.

## APPENDIX 1

## PRIVATE PLACEMENT MEMORANDUM

**CIX ESG AFFORDABLE HOUSING FUND, INC.**

Av. Brig. Faria Lima, 2601 - 5º andar,
Jd. Paulistano, São Paulo, SP, 01452-924

Memorandum Nº: 0001

Addressee: CIX Capital International Designated Activity Company

Date: October 11, 2022

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***CONFIDENTIAL PRIVATE OFFERING MEMORANDUM***

**CIX ESG AFFORDABLE HOUSING FUND, INC.**
**a Delaware corporation**
**Offering of Class B Non-Voting Common Stock**
**and Secured Promissory Note**

CIX ESG AFFORDABLE HOUSING FUND, INC., a Delaware corporation (the "Fund") is offering prospective investors an opportunity to purchase shares of Class B Non-Voting Common Stock of the Fund (the "Class B Stock") and to make a Loan (as defined below) to the Fund (the "Offering"). The aggregate Offering amount is twenty million U.S. dollars (**US$ 20,000,000)]** (the "Maximum Offering Amount"). The minimum subscription amount of an investor in the Offering shall be two hundred thousand US dollars (US$ 200,000) however, the Fund, in its discretion, may accept subscriptions for a lesser amount. The Fund intends to offer the Class B Stock and a secured promissory note evidencing the Loan (the "Note", and together with the Class B Stock, collectively, the "Securities") through October 30, 2022, as the same may be extended in the sole discretion of the Fund without further notice or consent of prospective investors (the "Offering Expiration Date"). If the Fund does not raise the full Offering Amount, the Fund may, at its sole discretion, elect to proceed with the closing of this Offering. All amounts delivered to the Fund pursuant to this Offering will be held in a segregated account by the Fund until the Fund accepts the investor's subscription, the expiration of any applicable rescission period and as otherwise provided herein; thereafter, all funds shall be available for use by the Fund. If the undersigned's subscription is rejected for any reason, all documents will be promptly returned by the undersigned to the Fund and the Fund will return the undersigned's funds without interest or deductions.

Twenty percent (20%) of the aggregate subscription price in the Offering will be used to acquire 100% of the Class B Stock issued by the Fund. All of the shares of the Class B Stock issued by the Fund under the Offering are expected to represent approximately 99% of the equity of the Fund. CIX Capital GP, a Cayman company (the "Class A Stockholder"), is the holder of all of the Class A Voting Common Stock of the Fund (the "Class A Stock"). In addition, eighty percent (80%) of the investor's aggregate subscription proceeds in the Offering will be used to make a loan to the Fund as further described in this Agreement (the "Loan") and the Note. All funds received by the Fund, including the proceeds of the Loan, shall be used to fund a loan to the Castellan Fund (as defined below).

The Fund's investment objective is to provide investors with current income and capital appreciation by investing in rights related to the acquisition, rehabilitation and development of affordable rental housing properties (each such property, a "Property") in each case primarily financed or expected to be financed through Low-Income Housing Tax Credits and tax-exempt bonds. The Fund intends to invest in such Properties by making a loan to CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "Castellan Fund"). The Castellan Fund was sponsored by Castellan Holdings LLC, an affiliate of Castellan Real Estate Partners, which is an experienced U.S. property developer, owner and manager based in New York – NY ("Castellan"). Through the Castellan Fund and its direct or indirect subsidiaries, Castellan will own and manage, the Properties. The Fund will rely on the operating and management experience of Castellan to maintain, create or add value to the Properties and eventually sell the Properties to low-income housing tax credit investors.

The Offering is being made without registration of the Securities under the Securities Act of 1933, as amended (the "Securities Act"), or any securities law of any state of the United States or of any other jurisdiction, and is being made only to prospective investors that are not U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act. Each Purchaser (as defined below) will be required to pay the entire subscription price for the Securities subscribed for hereunder pursuant to the terms and conditions of this Agreement to the Fund. The Fund will accept subscriptions only from investors who are not U.S. persons and who have no intention of becoming a U.S. person during the period in which they will own the Securities. Further, the Securities may not be resold within the United States or to U.S. Persons. There is no public market for the Securities, and no public market will develop.

The Securities offered in this Offering are speculative in nature and involve a high degree of risk and are suitable only for persons of substantial means who have no need for liquidity in this investment and who are able to bear the economic risks of this investment. In addition to the other information contained in this Agreement, the investor should carefully consider the risk factors disclosed in this Agreement, including those set forth under "Risk Factors," in evaluating an investment in the Securities. The Fund reserves the right to withdraw or amend for any reason this Offering and reject any subscription for any reason.

## IMPORTANT NOTICES

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. FURTHERMORE, THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OF ANY OTHER JURISDICTION, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. REFERENCES IN THIS PRIVATE PLACEMENT MEMORANDUM TO THE "FUND," "WE," "OUR," AND "US" REFER TO CIX ESG AFFORDABLE HOUSING FUND, INC.**

**THIS AGREEMENT IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY THE FUND FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SECURITIES, AND IT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISORS OF SUCH RECIPIENT).**

**NO ACTION HAS BEEN TAKEN BY THE FUND WHICH WOULD PERMIT AN OFFERING OF OR DISTRIBUTION OF THIS AGREEMENT OR ANY OFFERING MATERIAL IN RELATION TO THE FUND OR THE SECURITIES IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE PROSPECTIVE INVESTOR MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY**

**JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE SECURITIES OR DISTRIBUTES THIS AGREEMENT AND MUST OBTAIN ANY APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE OF SALE BY IT OF THE SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFER OR SALES, AND THE FUND SHALL HAVE NO RESPONSIBILITY THEREFOR.**

**THE FUND RESERVES THE RIGHT TO REJECT ANY COMMITMENT TO SUBSCRIBE FOR THE SECURITIES IN WHOLE OR IN PART AND TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE FULL AMOUNT OF THE SECURITIES SOUGHT BY SUCH INVESTOR.**

**THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE SECURITIES LAWS OF ALL OTHER APPLICABLE JURISDICTIONS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

**THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND NONE OF THE MANAGER OR ITS AFFILIATES WILL BE REGISTERED AS AN INVESTMENT ADVISER UNDER THE INVESTMENT ADVISER ACT OF 1940, AS AMENDED, UNLESS REQUIRED BY LAW.**

**THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.**

**THE INFORMATION CONTAINED IN THIS AGREEMENT WAS PREPARED OR PROVIDED BY THE FUND AND NO OTHER PARTY HAS MADE ANY INDEPENDENT INVESTIGATION OF SUCH INFORMATION AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF SUCH INFORMATION. THE INFORMATION CONTAINED HEREIN IS PRESENTED AS OF THE DATE OF THIS AGREEMENT SET FORTH ABOVE AND IS SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS AGREEMENT AT ANY TIME NOR ANY SALE OF THE SECURITIES OFFERED HEREBY SHALL IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS AGREEMENT SET FORTH ABOVE.**

**PROSPECTIVE INVESTORS ARE URGED TO CAREFULLY READ THIS AGREEMENT AND ALL DOCUMENTS AND EXHIBITS HERETO. THIS AGREEMENT DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE FUND OR EVALUATING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF**

**THE FUND AND THE TERMS OF THE OFFERING, INCLUDING, WITHOUT LIMITATION, THE MERITS AND RISKS INVOLVED.**

**PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS AGREEMENT AS LEGAL, INVESTMENT OR TAX ADVICE. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THIS AGREEMENT AND SHOULD CONSULT THEIR OWN ATTORNEYS, INVESTMENT ADVISORS AND TAX ADVISORS AS TO LEGAL, INVESTMENT AND TAX RELATED MATTERS CONCERNING THIS OFFERING.**

**THIS AGREEMENT WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE, OR LOCAL TAX PENALTIES. THIS AGREEMENT WAS PREPARED TO SUPPORT THE PROMOTION OR MARKETING OF THE SECURITIES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

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## IMPORTANT ADDITIONAL INFORMATION

*The Securities may not be transferred to U.S. citizens or residents. The Securities are also subject to restrictions on transferability under the terms of the Stockholders Agreement of the Fund (the "SHA") and the Subscription Agreement (the "Subscription Agreement"), copies of which are attached as Exhibits to this memorandum. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.*

*The Securities have not been, nor will they be, registered with the Comissão de Valores Mobiliários and may not be offered, sold, issued, distributed or negotiated in Brazil and/or to Brazilian residents or to any entity organized under the laws of Brazil, except in circumstances that do not constitute a public offering, placement, distribution or negotiation under Brazilian laws and regulations.*

*This memorandum is provided on a confidential basis to a limited number of offerees for informational use and has been prepared solely for use in connection with the proposed offering of Securities described in this memorandum. This memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Securities. Distribution of this memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the prospective investor's purchase of Securities is unauthorized, and any disclosure of any of its contents, without the Fund's prior written consent, is prohibited. Each prospective investor, by accepting delivery of this memorandum, agrees to the foregoing and to make no photocopies of this memorandum or any documents referred to in this memorandum.*

*No person is authorized in connection with the offering to give any information or to make any representation not contained in this memorandum, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Fund or any of its representatives.*

*In making an investment decision regarding the Securities, you must rely on your own examination of the Fund, the Castellan Fund, the Properties and the terms of this Offering, including the merits and risks involved. Neither the Fund, the Class A Stockholder nor any of their representatives is making any representation to any offeree or purchaser of the Securities regarding the advisability or legality of an investment therein by such offeree or purchaser under any applicable legal investment or similar laws or regulations. You should not construe the contents of this memorandum as legal, business or tax advice, and you should consult your own counsel, accountants and other advisors as to the legal, business, tax, financial and related aspects of a purchase of Securities.*

*This memorandum is not intended to provide any advice relating to legal, taxation or investment matters and prospective investors should not construe it as containing any such advice. Persons interested in acquiring Securities should inform themselves as to:*

*(i) the legal requirements within the countries of their nationality, residence, or domicile for such acquisition;*

*(ii) any foreign exchange restrictions or exchange control requirements which they might encounter on acquisition or disposal of Securities; and*

*(iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Securities.*

*Therefore, prospective investors should review this memorandum carefully and consult with their legal and financial advisers to determine possible tax or other consequences of purchasing, holding or disposing of Securities.*

**An investment in Securities is subject to significant risks. See "Risk Factors."**

*The distribution of this memorandum and the offering or purchase of the Securities may be restricted in certain jurisdictions. No persons receiving a copy of this memorandum or the accompanying Subscription Agreement in any such jurisdiction may treat this memorandum or such Subscription Agreement as constituting an invitation to them to subscribe for Securities, nor should they in any event use such Subscription Agreement, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Agreement could lawfully be used without compliance with any registration or other legal requirements.*

*This memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to in this memorandum will be made available to prospective investors upon request to the Fund.*

*The Fund will respond to any questions that investors or their advisors may have concerning this offering and will make available for examination by any investor or its advisors such records and files in its possession as may be pertinent to an investor's decision whether to invest in the Securities.* ***Written inquiries should be directed to CIX Capital GP via email at offshore@cix.capital.***

*The terms and conditions of the Offering and the rights and liabilities of the Fund and its stockholders are governed by the Fund's certificate of incorporation, a copy of which is attached as Exhibit A to this memorandum (the "Certificate"), the Fund's Bylaws, a copy of which is attached as Exhibit B to this memorandum (the "Bylaws"); the SHA, a form of which is attached hereto as Exhibit C (the SHA, collectively with the Certificate and the Bylaws, the "Governance Documents"), and the Subscription Agreement for Class B Stock between each Subscriber (as defined in the Subscription Agreement) and the Fund, the form of which is attached as Exhibit D to this memorandum, and the description of any of such matters in the text of this memorandum is subject to and qualified in its entirety by reference to such exhibits. Furthermore, the terms and conditions of the Offering are subject to the Castellan Fund's Private Placement Memorandum, a copy of which is attached as Exhibit E hereto and incorporated herein by reference (the "Castellan Fund PPM").*

*Financial Statements and other information with respect to the Subsidiary Property Owners (as defined below) and the Properties may be obtained by investors upon request to the Fund.*

*This memorandum and all of the exhibits to this memorandum should be reviewed carefully by each prospective investor and each prospective investor's legal, accounting and tax advisers prior to making any decision concerning an investment in the Securities.*

***Neither the Securities and Exchange Commission, any other securities commission nor any other regulatory authority, has approved or disapproved of the Securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this memorandum. Any representation to the contrary is a criminal offense.***

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## FORWARD-LOOKING STATEMENTS

This memorandum contains forward-looking statements. You should not place undue reliance on these statements. Forward-looking statements include information concerning possible or assumed future results of operations, goals and objectives for future operations, including descriptions of the Fund's investment strategies, among other things. These statements are typically identified by words such as "believe," "anticipate," "expect," "plan," "intend," "estimate" and similar expressions. The Fund bases these statements on particular assumptions that the Fund has made in light of its experience, as well as its perception of historical trends, current conditions, expected future developments and other factors that the Fund believes are appropriate under the circumstances. As you read and consider the information in this memorandum, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions.

Although the Fund believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect the Fund's actual financial results and could cause actual results to differ materially from those expressed in the forward-looking statements. These factors include, among other things:

- the Fund's ability to make a loan to or direct the management of the Castellan Fund, the Subsidiary Property Owners and/or the Properties;
- the Fund's ability to consummate transactions;
- the Castellan Fund's ability to obtain financing for transactions;
- the Fund's ability to negotiate favorable terms with its joint venture partners and other counterparties;
- the Fund's ability to cause the Castellan Fund or Subsidiary Property Owners to improve, operate and/or lease the Properties or space therein, as applicable, successfully;
- the Fund's ability to cause the Castellan Fund or Subsidiary Property Owners to sell the Properties at attractive prices;
- the impact of natural disasters such as hurricanes, floods and tornados;
- the demand for low-income housing space in the areas in which the Properties are located or ability of Castellan Fund to sell the Properties to low-income housing tax credit investors; and
- general economic conditions.

In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained in this memorandum will in fact transpire.

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## SUMMARY OF PRINCIPAL TERMS

*This summary highlights key information with respect to an investment in the Securities. This summary is not complete and does not contain all of the information that you should consider before investing in the Securities. You should read this entire memorandum, including the risk factors, before investing in the Securities. Capitalized terms used in this memorandum, and not defined herein, have the meanings given to them in the Governance Documents, Subscription Agreement or the Castellan Fund PPM.*

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| **The Fund** | CIX ESG AFFORDABLE HOUSING FUND, INC. (the "Fund") is a Delaware corporation incorporated on July 25, 2022. The mailing address of the Fund is c/o CIX Capital International Ltda., Av. Brig. Faria Lima, 2601 - 5º andar, Jd. Paulistano, São Paulo, SP, 01452-924. |
| **Term** | The term of the Fund shall be two (2) years following the date of the Initial Closing, unless it is earlier terminated, wound up, liquidated and dissolved in accordance with its Governance Documents. Notwithstanding the foregoing, the Class A Stockholder shall have, in its sole and absolute discretion, the right to extend the term to extent necessary so as to allow the term of the Fund to match the term of the Castellan Fund. |
| **Class A Stockholder** | CIX Capital GP, a Cayman Islands exempted company ("CIX Capital GP"), is the holder of all of the shares of Class A Stock of the Fund. The investor, as a holder of shares of Class B Stock, shall have no right to vote on any matter to be voted on by the stockholders of the Fund. The Class A Stockholder will be the sole holder of all of the shares of Class A Stock and, as a result, will control the management and affairs of the Fund. |
| **Board of Directors** | The Fund will be managed by a Board of Directors elected by the Class A Stockholder, in its sole discretion (the "Board"). The Board initially will be comprised of the following individuals, all of which also will serve as officers of the Fund:<br><br>• Carlos Balthazar Nonato Summ<br>• Eduardo Magalhães Fonseca<br>• Marcelo Nelson Zogbi<br>• Nelson Antonio Zogbi Junior<br><br>See "Background of CIX Capital GP and CIX Capital Key Executives" for further information on the members of the Board. |
| **Fund Manager** | CIX Capital International Ltda., a Brazilian limited liability company ("CIX Capital"), will act as the investment manager of the Fund (the "Investment Manager"), pursuant to an Investment Management Agreement (the "Fund Management Agreement") between the Fund and CIX Capital. A copy of the Fund Management Agreement may be obtained by investors upon request to the Fund. Pursuant to the Fund Management Agreement, the investment |

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| | management services to be provided by CIX Capital to the Fund include financial advisory, investor relations, distributions, and negotiation and servicing of loans. |
| **Fund Administrator** | The Fund will engage a third-party administrator to provide administrative services to the Fund. The administrator of the Fund will initially be Intertrust Group, with offices located at One Nexus Way, Camana Bay, Grand Cayman, Cayman Islands, KY1-9005. See "Management – Fund Administrator." |
| **Fund Auditor** | The Fund will engage a third-party auditor to audit the Fund's financial statements and provide other auditing services to the Fund. The auditor of the Fund will initially be Deloitte & Touché, One Capital Place (OCP), P.O. Box 1787, Grand Cayman, Cayman Islands, KY1-1109 |
| **Counsel** | McLaughlin & Stern LLP (as to United States law) has acted as counsel to the Fund in connection with this offering. Its respective address is as follows:<br><br>*McLaughlin & Stern LLP*<br>*260 Madison Avenue*<br>*New York, NY, USA,10016* |
| **Investment Objectives, Strategies** | The Fund's investment objective is to provide investors with current income and capital appreciation by investing in rights related to the Properties in each case primarily financed or expected to be financed through Low-Income Housing Tax Credits and tax-exempt bonds. Castellan is an experienced U.S. property developer, owner and manager based in New York, New York. The Fund intends to invest indirectly in such Properties by making a loan to the Castellan Fund. Through direct or indirect subsidiaries, Castellan will own and manage, the Properties. The Fund will rely on the operating and management experience of Castellan to maintain, create or add value to the Properties and eventually sell the Properties to low-income housing tax credit investors. A description of the Castellan Fund's investment strategy can be found in the Castellan Fund PPM. |
| **Investment Fund Structure** | Twenty percent (20%) of the aggregate subscription proceeds from the Offering will be used for the acquisition of 100% of the Class B Stock issued by the Fund. All of the shares of the Class B Stock offered in the Offering shall represent approximately 99% of the value of the Fund. The Class A Stockholder will hold all of the Class A Stock. In addition, eighty percent (80%) of the aggregate subscription proceeds from the Offering will be used to make the Loan. The net funds received by the Fund, including the proceeds of the Loan, shall be used to make a loan to the Castellan Fund, which will in turn, through subsidiaries, acquire the Properties, as further described below. |

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| **Investment Return** | The Fund will seek to deliver an annualized return (compounded annually) of 10% to its ultimate investors, although there can be no assurance that such objective will be realized. The such return consists of a combined return on the investor's equity investment in, and the Loan to, the Fund, less any Investment Fees (as defined below) (the "Combined Return"). See, "Equity Investment; Portfolio Note", "Fees Payable to Administrator, and CIX Capital and Affiliates" and "Platform Fee". |
| **Equity Investment; Portfolio Note** | Twenty percent (20%) of the aggregate subscription proceeds from the Offering will be used for the acquisition of 100% of the Class B Stock issued by the Fund. The Fund intends to pay a preferred return on the aggregate amount of capital contributions it receives from the investor at the rate necessary to allow its ultimate investors to receive the Combined Return. There can be no assurance that such objective will be realized.<br><br>Eighty percent (80%) of the aggregate subscription proceeds from the Offering shall be used to make the Loan to the Fund. The Loan shall be evidenced by a two (2) year secured promissory note to be executed by the Fund in favor of the relevant investor (the "Portfolio Note"). The maturity date of the Note may be extended by the Fund, in its sole discretion, by one (1) year or by any other term determined by the Fund to allow the maturity date of the Note to occur on the date of repayment of the Castellan Note (as defined below).<br><br>The principal balance of the Portfolio Note shall accrue interest at the per annum rate of twelve percent (12%). The entire principal balance, together with all interest accrued and unpaid thereon calculated in the manner set forth above and all other sums due under the Portfolio Note, shall be due and payable on the maturity date of the Portfolio Note. Notwithstanding anything herein to the contrary, the Fund may prepay all principal amount outstanding under the Note and any and all interest accrued thereon, without being subject to a prepayment penalty, in the event of a prepayment of the Castellan Note.<br><br>The obligations of the Fund under the Portfolio Note shall be secured by a pledge of 100% of the Fund's rights arising under the (i) Deposit Account and Control Agreement to be entered into by the Fund, the Castellan Fund and Webster Bank, N.A., substantially in the form of Exhibit F attached hereto (the "DACA"); and the (ii) Security Agreement to be entered into by the Fund, the Castellan Fund and the Castellan Manager, substantially in the form of Exhibit G attached hereto (the "Castellan Security Agreement"). The obligations of the Fund under the Portfolio Note will also be secured by a security interest over all of the Fund's rights, title and interest in the Castellan Note.<br><br>The foregoing description of the Loan and the security interest in the collateral is qualified in its entirety to the full text of the form of Secured Promissory Note attached as Exhibit H hereto, the form of |

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| | Security Agreement attached as Exhibit I hereto, the DACA, and the Castellan Security Agreement.<br><br>The Portfolio Note is intended to qualify for the "portfolio interest" exemption under the Code (as defined in the Portfolio Note), thereby enabling the Fund to pay interest on the Portfolio Note to the investor free of the 30% withholding tax imposed by Code Section 1441. There can be no assurance that the Portfolio Note will qualify for this exemption. See "Risk Factors – Risks Related to this Offering." |
| **Castellan Fund Investment Structure; Castellan Fund; Subsidiaries Property Owners of Castellan Fund** | The Fund will not directly acquire any Properties. Instead, the Fund will invest directly in the Castellan Fund by means of a secured loan (*see,* Terms of Castellan Loan). The Castellan Fund will, through one or more directly or indirectly owned entities (each, a "Subsidiary Property Owner") own the Properties, as shown in the Organizational Chart (the "Org Chart") attached hereto as Schedule I. Further information on the Castellan Fund's structure can be found in the Castellan Fund PPM. |
| **Participating Note** | The Fund shall make a loan to the Castellan Fund of up to US$ 20,000,000 (the "Castellan Loan"). The proceeds of the Castellan Loan shall be used by the Castellan Fund, directly or indirectly through its subsidiaries, to fund the acquisition and construction of the Properties (through direct acquisitions, co-investing, making loans and entering into joint ventures, or otherwise) in accordance with the investment strategy further described in the Castellan Fund PPM. The Castellan Loan is evidenced by a two (2) year secured promissory note (as it may be extended by the Castellan Fund pursuant to its terms) executed by the Castellan Fund in favor of the Fund, substantially in the form attached as Exhibit A to the Operating Agreement of the Castellan Fund included as Exhibit II to the Castellan Fund PPM (the "Castellan Note"). Payments of all amounts owing to the Fund under the Castellan Note will be secured under the DACA and the Castellan Security Agreement. |
| **Terms of Castellan Loan** | The principal amount of the Castellan Note together with accrued and unpaid interest shall be due on the second annual anniversary date of the issuance date of the Castellan Note (the "Maturity Date"). The principal balance of the Castellan Note shall accrue interest at a rate per annum equal to fourteen percent (14%) at the Maturity Date. The Castellan Fund shall have the right to extend the Maturity Date for one twelve (12) month period ("Extension Term") as long as: (a) a written request from the Castellan Fund requesting the extension is received by the Fund no later than six (6) months prior to the expiration of the current Maturity Date; (b) no Event of Default (as defined in the Castellan Note) exists at the time of the request or at the time of expiration of the then existing Maturity Date; and (c) any further extensions will be subject to an increased fixed interest rate under the Castellan Note of 18% per annum. |

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| **Veto Rights** | So long as the Fund holds the Castellan Note, it shall have certain veto rights with respect to certain actions of the Castellan Fund or the Castellan Fund's manager (such manager is described in the Castellan Fund PPM) (the "Castellan Manager"). The actions that require consent of the Fund include, but are not limited to: (i) changing the manager of the Castellan Fund; (ii) admitting any person as a member or stockholder of the Castellan Fund or Subsidiary Property Owner, as applicable, or issuing equity interests in any Castellan Fund or Subsidiary Property Owner, (iii) investing in any other projects/structures outside of the investment objective of the Castellan Fund, i.e. affordable housing development projects in California, USA; (iv) selling any Property at a price below a minimum price approved by the Fund; and (v) the incurrence of any indebtedness other than certain permitted indebtedness; and (vi) deciding not to repay any amounts outstanding under the Note. |
| **Collateral; DACA** | One or more Castellan entities will act as the developer of each Property on behalf of the Castellan Fund and other involved parties, including the Parallel Investment Vehicles (the "CRP Developer"). The Castellan entity acting as the CRP Developer will have the right to receive various developer fees that are paid at specific times during the life of the Property that extend from and beyond the period that the Castellan Fund has an ownership interest in a Property (the "Developer Fees").<br><br>The Castellan Manager, in cooperation with its affiliates, will develop and maintain projections of expected Developer Fees on a deal-by-deal basis. The Castellan Manager will provide such projections to the Fund from time to time, but not less frequently than the end of every other month commencing October 30, 2022. The projections will include the commercial rationale for each transaction included in the projections as well as any financial models prepared by the Castellan Manager. The Castellan Manager expects that any projection will reflect the Castellan Fund's allocated share of expected proceeds from the disposition of Properties and developer fees (in the aggregate) will at least equal two times (2x) the outstanding principal amount of the Castellan Note. If the projections fail to reflect the expected two-to-one (2:1) fee coverage ratio, the Castellan Manager will have forty-five (45) days to cure the default by taking any necessary action to increase the expected Developer Fees and/or to prepay the Castellan Note to the extent necessary to restore the two-to-one (2:1) fee coverage ratio.<br><br>The Castellan Manager shall cause all CRP Developers (and their affiliates) to receive any and all Developer Fees in one bank account held in the name of the Castellan Fund with Webster Bank, N.A. (the "Account"). The Castellan Manager will have full authority to operate such Account, *provided, however,* that in the case of an Event of Default, the Fund will have sole rights to access and operate such bank account pursuant to the DACA and the Castellan Security Agreement |

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| | until the Event of Default has been cured or the Fund is fully compensated for damages incurred as a result of the Event of Default.<br><br>Any and all Developer Fees held in the Account and any and all Developer Fees thereafter received by the CRP Developers in the Account will be available to the Fund to the extent that the Castellan Fund is unable to (or is projected to be unable to) make full and timely payments on the Castellan Note.<br><br>If, following the dissolution, winding up and termination of the Castellan Fund and the distribution of all or substantially all of the Castellan Fund's assets, the Fund has not received aggregate distributions from the Fund equal to the sum of:<br><br>(i) the aggregate amount of the Castellan Loan; and<br><br>(ii) the fixed return on the Castellan Note<br><br>(any such deficiency in such amounts actually paid to the Fund, the "Return Shortfall"), then the Castellan Manager shall contribute to the Castellan Fund for payment to the Fund an amount equal to the lesser of (x) the Return Shortfall and (y) the aggregate amount of distributions to the Castellan Manager by the Castellan Fund in respect of the residual interest in the Castellan Fund together with any Developer Fees received by the Castellan Manager, in each case net of the amount of taxes paid.<br><br>The foregoing description of the Castellan Loan and the security interest of the Developer Fees is qualified in its entirety to the full text of the Castellan Fund PPM, the DACA and the Castellan Security Agreement. |
| **Properties** | The Properties are described in the Castellan Fund PPM. |
| **Investment Period** | The Fund believes that it will invest all of the proceeds of the Offering by December 31, 2022. The Fund intends to be repaid on the Castellan Note, and distribute the proceeds to investors, within two (2) years after the Initial Closing. Notwithstanding the foregoing, the Fund shall have, in its sole and absolute discretion, the right to extend the term by one (1) year to the extent necessary to accommodate market cycles and to liquidate the investments of the Fund in an orderly fashion. After the Fund's capital is fully invested, the Fund plans to manage its investments, and sell investments, until it decides to commence a complete liquidation of its investments. The timing for the sale of the Properties will depend on market and economic conditions and other factors, so there can be no assurance that the Fund will be able to liquidate investments at the times projected in this memorandum. See "Risk Factors – General Risks of Investments in Real Estate." |

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| **Sales of Securities through Distributors; Distribution Fees** | The Fund intends to retain one or more distributors, including, but not limited to, CIX Capital (the "Distributors"), to sell the Securities on behalf of the Fund. CIX Capital will also assist the Fund in selling Securities. The Fund will pay each Distributor a distribution fee (the "Distribution Fee") of 1.00% (or such other percentage as may be agreed by the Distributor and the Fund) of the aggregate amount of the capital raised in the Offering (the "Raised Capital") that is procured by the Distributor for the Fund, which Distribution Fee will be paid within five (5) business days following the pertinent closing. Furthermore, the Fund may, in its sole and absolute discretion, pay one or more Distributors a recurring distribution fee (the "Recurring Fee") based on the aggregate amount of the Raised Capital procured by any such Distributor for the Fund, which Recurring Fee will reduce the amount of Asset Management Fees (as defined below) otherwise payable by the Fund. Such compensation will reduce the proceeds of this Offering to be invested in the Properties. CIX Capital will share in the Distribution Fee and Recurring Fee (if applicable) to the extent it assists a Distributor in procuring an investor. Each Distributor and the Fund will enter into a Distribution Agreement (the "Distribution Agreement") setting forth the terms of the services to be provided by the Distributor in connection with its capital raising efforts. A copy of the form of Distribution Agreement will be made available to investors upon request to the Fund. Distribution Fees and Recurring Fees will be paid only to foreign persons which establish (to the satisfaction of the Fund) that their sales activities are performed entirely outside the U.S. No Securities may at any time be offered, sold, resold, traded or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. |
| **Fees Payable to Administrator, and CIX Capital and Affiliates** | In consideration for the services described in this memorandum, the following fees will be paid to the Administrator and CIX Capital and its affiliates, as applicable:<br><br>Administration Fee. The Fund will pay the Fund Administrator an administration fee (the "Administration Fee") in such amounts reasonably negotiated between the Fund and the Fund Administrator.<br><br>Administrative Fee. The Fund will pay CIX Capital GP or its respective designees an administrative fee in the amount of $ 5,000 (five thousand) per annum (the "Administrative Fee").<br><br>Asset Management Fee. The Fund will pay CIX Capital or their respective designees an asset management fee (the "Asset Management Fee") in the amount of one hundred (100) basis points per annum of the Raised Capital; provided, that any such payable |

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| | Asset Management Fees shall be reduced by the amount of Recurring Fees (defined below), if any, payable by the Fund.<br><br>Structuring Fee. The Fund will pay CIX Capital or its designee a structuring fee (the "Structuring Fee"), net of a tax to be paid by the Fund in an amount equal to 11.53% of the Structuring Fee and of other taxes, in the amount of hundred (100) basis points of the Raised Capital. |
| **Platform Fee** | The Fund shall bear any platform fee (the "Platform Fee" and, together with the Administration Fee, Administrative Fee, Asset Management Fee and Structuring Fee, the "Investment Fees") and costs (including without limitation, accounting fees, attorney fees, capital market fees, banking fees, audit fees, credit rating fees and allocable overhead) associated with structuring its investments. |
| **Fund Expenses** | The Fund will bear all of its organizational costs and all expenses related to its operations, including fees and other out-of-pocket expenses related to the investigation of investment opportunities (whether or not consummated), taxes, fees of auditors, accounting fees, legal fees, credit rating fees, and counsel, insurance, litigation expenses, expenses associated with the preparation and distribution of reports to investors and other appropriate expenses. The Fund will reimburse the Class A Stockholder, the members of the Board, CIX Capital, and their affiliates for reasonable out-of-pocket expenses incurred by them in carrying out the activities of the Fund, including legal fees and other costs in the organization of the Fund and the sale of the Securities. The amount of capital available to make the investments described herein will be reduced by the foregoing expenses, which will be paid by the Fund. Except as provided above, the Class A Stockholder and CIX Capital will be responsible for the costs of their operations, including rent, overhead expenses and the compensation and benefits provided to their employees. |
| **Limitation on Fees Paid** | The aggregate sum of the Asset Management Fee (excluding any reduction that results from the payment of the Recurring Fee), Administration Fee, and Platform Fee paid in any calendar year shall not exceed one hundred and twenty-five (125) basis points of the Raised Capital. The Asset Management Fee payable by the Fund shall be reduced, if necessary, so that the aggregate of the above fees does not exceed the foregoing limitation. |
| **Other Activities of CIX Capital GP and CIX Capital** | The Class A Stockholder, CIX Capital and their affiliates will not devote all of their business time to the Fund's business. These companies are permitted to pursue other investment opportunities, including the purchase of properties of the type to be acquired by the Fund, and the ownership and management of other funds that may compete with the Fund. The Class A Stockholder and CIX Capital will be subject to conflicts of interest in the management of the Fund, including conflicts in deciding which investment opportunities will be allocated to the Fund or pursued independently by CIX Capital |

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| | GP and CIX Capital or their affiliates. For additional information, see "Management – Conflicts of Interest" and "Risk Factors – Risks Related to Management," below. |
| **No Voting Rights** | The Securities have no voting rights. The Class A Stockholder has the exclusive right to elect the members of the Board, who will manage and conduct the business and affairs of the Fund. See "Risk Factors – Risks Related to Management." |
| **Transfer of Securities** | Investors generally may not sell, transfer, or pledge their Securities unless they obtain the consent of the Class A Stockholder, and comply with other conditions in the SHA and the Subscription Agreement. |
| **Net Asset Value** | The "Net Asset Value" of the Fund means, at any particular time, the value of the Fund's assets at such time minus the amount of the Fund's liabilities at such time, as determined by the Administrator in accordance with IFRS and approved by the Investment Manager. In determining the Net Asset Value of the Fund, the Administrator will take into account the following:<br><br>a) The liabilities of the Fund shall be deemed to include: (i) all of its bills and accounts payable; (ii) all of its accrued or payable expenses (including without limitation, management expenses, operational expenses, accounting fees, attorney fees, capital market fees, banking fees, audit fees, credit rating fees); and (iii) all of its other liabilities, present or future, including reserves for contingent, unknown or unfixed debts, liabilities or obligations of the Fund established by the Board in accordance with IFRS.<br><br>b) For purposes of determining the Fund's liabilities at a particular time, the Administrator may estimate expenses that are incurred on a regular or recurring basis over yearly or other periods and treat the amount of any such estimate as accruing in equal portions over any such period.<br><br>c) The assets of the Fund shall be deemed to include: (i) all of its cash on hand or on deposit, including any interest accrued thereon; (ii) all of its demand notes and accounts receivable; (iii) all of its financial instruments and securities; (iv) all interest accrued on its interest-bearing financial instruments and securities; and (v) all of its other assets of every kind and nature, including prepaid expenses.<br><br>d) The Administrator shall determine the fair market value of the Fund's assets and liabilities in good faith; provided however, that with respect to any real properties owned by a Subsidiary Property Owner, the fair market value of any such real properties shall be based on the most recently prepared valuation report (the "Valuation Report") for such Subsidiary Property Owner (which report shall include, without |

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| | limitation, a real estate valuation with respect to such Subsidiary Property Owner's real properties), which report will be prepared annually by CBRE, Cushman & Wakefield or another independent real property valuation firm approved by the Fund, as more particularly set forth in the Operating Agreement.<br><br>e) To the extent applicable to any of the foregoing, the Administrator shall follow IFRS, except when it in its discretion deems the same to be inequitable or inappropriate.<br><br>f) Within ten (10) days of the end of each calendar quarter, the Board will cause the Administrator to prepare, and the Board will deliver or cause the Administrator to deliver to the Fund's stockholders at any time during such calendar quarter then ended, a report setting forth the Net Asset Value of the Fund as of the last day of the calendar quarter then ended. |
| **Indemnification** | The Fund has agreed to indemnify the Class A Stockholder, the members of the Board, the Fund's officers, the Investment Manager, and each of their respective affiliates, members, partners, directors, officers, employees, and legal representatives (collectively, the "Indemnified Parties") against any and all claims, liabilities, damages and expenses incurred by any Indemnified Party by reason of its activities on behalf of the Fund; provided, that an Indemnified Party will be entitled to indemnification only to the extent that such Indemnified Party's conduct did not constitute fraud, bad faith, gross negligence or willful misconduct. |
| **Tax Considerations** | Refer to "Risk Factors – Risks Related to this Offering," below and the Risk Factors contained in the Castellan Fund PPM, for a summary of certain U.S. federal income tax risks relating to an investment in the Securities. This summary does not discuss the U.S. federal, state, local or foreign tax consequences of an investment in the Securities. Each investor is advised to consult its own tax advisor as to all federal, state, local and foreign tax consequences of an investment in the Fund. |
| **Compliance Matters** | As a condition to investing in the Fund, investors are required to make detailed representations regarding compliance with various U.S. laws and regulations, including anti-money laundering and anti-terrorist regulations. If at any time an investor fails to meet these standards, the Fund shall have the right to pursue various remedies against the defaulting investor. |
| **Fiscal Year** | The fiscal year-end of the Fund is December 31. |
| **How to Invest** | To invest, an investor must complete and sign the Subscription Agreement, including Schedule 1 to the Subscription Agreement, the Joinder to the SHA attached to the Subscription Agreement, an IRS Form W-8, the entity or individual self-certification form (as applicable) attached to the Subscription Agreement, and the anti- |

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| | money laundering questionnaire attached to the Subscription Agreement and forward such documents to the Fund. The other documents may be obtained from the Fund upon request. |

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## RISK FACTORS

*An investment in the Securities involves certain risks. An investment in the Securities is only suitable for persons of substantial financial means who have no need for liquidity. The following factors, along with others described in this memorandum, should be considered in evaluating an investment in the Securities.*

***ALL OF THE RISK FACTORS CONTAINED IN THE CASTELLAN FUND PPM, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT E, ARE INCORPORATED HEREIN BY REFERENCE. THE INVESTOR SHOULD READ CAREFULLY THROUGH THE CASTELLAN FUND PPM AND THE RISK FACTORS CONTAINED THEREIN.***

### Risks Related to the Fund's Business

***The Fund has no operating history, and the Fund might not be able to implement its investment and operating policies and strategies successfully.***

The Fund was formed as a Delaware corporation in 2022 and has not yet commenced business operations. The Fund is subject to all of the business risks and uncertainties associated with any new business, including the risk that the Fund will not achieve its investment objectives. The results of the Fund's operations will depend on a variety of factors from time to time outside of the control of the Fund, including the ability of the Fund to acquire the Properties, the availability of opportunities for investment, the availability of funding and economic conditions.

***If the Fund is unable to invest in suitable properties, then the Fund may not be able to achieve its investment objectives.***

The Fund's ability to achieve its investment objectives depends upon the ability of the Fund to invest in the Properties by means of the Castellan Loan to the Castellan Fund. There can be no assurance that the Fund will be able to invest in the Castellan Fund or otherwise be successful in identifying suitable investments or that the Fund's objectives will be achieved.

***If the Castellan Fund, its manager, and/or any Subsidiary Property Owner is unable to lease-up and operate the Properties successfully, then the Fund may not be able to achieve its objectives.***

The Fund's ability to achieve its investment objectives depends upon the Castellan Fund's ability, directly or indirectly, to successfully lease-up the Properties, maintain the occupancy of the Properties, achieve projected rental income fromthe Properties, successfully operate the Properties after they are acquired, and successfully sell the Properties to low-income housing tax credit investors. There can be no assurance that the Castellan Fund will be successful in doing so.

***The Fund is indirectly investing only in real estate properties.***

The Fund intends on indirectly investing in and operating the Properties. As a result, the Fund will not diversify its risk across different geographic areas or industries. The Fund, therefore, will be subject to increased exposure (positive or negative) from economic and other competitive factors specific to the region in which it operates. An investment in the

Securities will be subject to greater risk to the extent that the Fund lacks a diversified portfolio of properties or investments.

***A pandemic, epidemic or outbreak of an infectious disease in the United States, or the region in which the Fund operates, such as the recent outbreak of the coronavirus known as COVID-19, could adversely affect the operating results and financial condition of the Fund.***

Pandemic infectious diseases, such as the current COVID-19 strain, and other epidemics or outbreaks of infectious diseases, may adversely impact the business, operations and financial condition of the Fund. The global spread of COVID-19 has created significant volatility and uncertainty and economic disruption. The extent to which COVID-19 or other infectious diseases may impact the business, operations and financial results of the Fund will depend on numerous evolving factors that the Fund is not able to accurately predict, including: the duration and scope of the pandemic; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic, including rent, eviction and construction moratoriums; the impact of the pandemic on economic activity and actions taken in response; and any closures of the Properties' facilities.

***If the Fund does not sell all of the Securities in the offering, it will be limited in the number and type of investments it may make***.

If the Fund sells less than all of the Securities in the Offering, the Fund will make fewer investments (i.e. will invest in less Properties), resulting in less diversification in terms of the number of investments owned, and the geographic regions in which its investments are located. In this event, the likelihood of the Fund's profitability being affected by the performance of any one of its investments will increase. An investment in the Securities will be subject to greater risk to the extent that the Fund lacks a diversified portfolio of investments.

## Risks Related to Management

***The Fund's future success is dependent upon the principals of CIX Capital GP and CIX Capital, and indirectly Castellan, and the loss of any of them could severely and detrimentally affect the Fund's operations.***

The Fund will depend on the diligence, experience, and skill of CIX Capital, CIX Capital GP, the members of the Board, Castellan and their principals. The principals of Castellan will manage, operate and maintain the Castellan Fund and the Properties. The Fund has limited ability to cause a change to the management of the Castellan Fund. The principals of CIX Capital GP and CIX Capital will, among other services, manage the Fund, coordinate the payment of the subscription price from investors and negotiate, fund and administer the Castellan Loan. The Fund's future success will depend on the continued service of the members of the Board and the management team of CIX Capital GP, CIX Capital and Castellan. The departure of any of the principals could have a material adverse effect on the Fund's ability to achieve its investment objectives. The principals of CIX Capital GP and CIX Capital have not entered into employment or non-compete agreements with CIX Capital GP or CIX Capital. Neither CIX Capital GP nor CIX Capital has purchased "key man" life insurance with respect to their principals.

***CIX Capital GP and CIX Capital and their principals may engage in other investment activities, which could reduce the amount of time and effort that they devote to the Fund.***

The Governance Documents and the Investment Management Agreement do not restrict the right of CIX Capital GP or CIX Capital or their principals and affiliates to carry on other business activities, including other investment activities which compete with the Fund's business. In addition, such agreements do not specify a minimum amount of time that the members of the Board, CIX Capital GP or CIX Capital or their principals must devote to managing the Fund. The members of the Board, CIX Capital GP and CIX Capital and their principals will have responsibilities in connection with their roles as principals and officers of other entities. The ability of these parties to engage in these other business activities could reduce the time and effort they spend on the Fund's business, which could negatively impact the Fund's performance.

***The Fund may enter into contracts with Affiliates and other related parties, which raises the potential for conflicts of interest.***

The Fund may enter into relationships and/or agreements, contractual and otherwise, with affiliated or related entities, in which CIX Capital GP or CIX Capital or their affiliates may be interested, through common ownership or otherwise. These arrangements include contracts for property management, rental and brokerage. Such relationships raise the potential for conflicts of interest. See "Management – Conflicts of Interest."

***The members of the Board and of the management teams of CIX Capital GP and CIX Capital are currently engaged in other investment activities and expect to engage in additional investment activities in the future. As a result, they may face conflicts of interest.***

Members of the Board and of the management teams of CIX Capital GP and CIX Capital are currently engaged in a variety of investment activities for their own account and for the account of other investment funds managed by them, and they expect to continue to engage in such activities in the future. As a result of these activities, the members of the management teams will be subject to conflicts of interest. The management teams are not prohibited from engaging in other business ventures and activities, including the management of competing properties, and real estate investments which are competitive with the Properties. See "Management – Conflicts of Interest."

***The liability of CIX Capital GP, CIX Capital and Castellan will be limited under the governing documents and agreements of the Fund and the Castellan Fund and their respective direct and indirect subsidiaries, and the Fund will agree to indemnify CIX Capital GP and CIX Capital against certain liabilities, which may lead them to act in a riskier manner on behalf of the Fund than they would when acting for their own account.***

Pursuant to the governing documents and agreements of the Fund, the members of the Board, CIX Capital GP and CIX Capital and their principals and employees will not be liable to the Fund for their acts, unless they constitute fraud, bad faith, gross negligence or willful misconduct. The Fund has agreed to indemnify, defend and protect the members of the Board, CIX Capital GP and CIX Capital and their principals and employees with respect to all damages, liabilities, costs and expenses resulting from their acts which do not constitute fraud, bad faith, gross negligence or willful misconduct. These protections may

lead the members of the Board, CIX Capital GP and CIX Capital to act in a riskier manner when acting on behalf of the Fund than they would when acting for their own account.

***The Fund will be managed and controlled by CIX Capital GP, and investors will have no control over the Fund's management.***

CIX Capital GP is the Class A Stockholder of the Fund and as the sole holder of voting rights over the Fund. Consequently, CIX Capital GP will have the exclusive right to elect the members of the Board, who will manage and conduct the business and affairs of the Fund. CIX Capital, in its capacity as the Investment Manager, will provide certain management services to the Fund pursuant to the Fund Management Agreement. The Securities which are offered to investors in this offering are non-voting, and do not bestow any right to participate in the management, operation, and/or administration of the Fund.

**Risks Related to this Offering**

***The Fund's ability to invest in the Properties depends upon the ability of its investors to pay the subscription price for their Securities. In the event any investor fails to pay for its Securities, the Fund's ability to invest in the Properties could be adversely affected and the Fund could be exposed to claims from other parties due to the Fund's failure to make proposed investments.***

Investors will be required to pay the subscription price for their Securities in the amounts and at the times determined by the Fund. Proceeds from the issuance of Securities will be used by the Fund for the Loan or to pay expenses of the Fund. In the event that any investor fails to pay for its Securities, the Fund's ability to make the Castellan Loan or pay expenses could be adversely affected. Furthermore, such failure may subject the Fund to breach of contract claims from third parties.

***In the event that an investor fails to pay for its Securities when required, the Fund may take a variety of actions against the investor, including forfeiture of the investor's Securities.***

The failure of an investor to pay for its Securities is an Event of Default under the Subscription Agreement. Upon the occurrence of such Event of Default, the Fund may, in its discretion, exercise one or more remedies against the defaulting investor, including causing the defaulting investor to forfeit all or a portion of its Securities in the Fund.

***An investor's ability to transfer the Securities is restricted under the terms of the Governance Documents.***

The holders of Class B Stock may not sell, transfer, assign or encumber any part of their Securities without the consent of the Class A Stockholder. In no event may Securities be transferred to U.S. citizens or residents. As a result, the rights of a holder of Class B Stock to transfer its Securities is subject to significant limitations.

***An investor's ability to transfer its Securities is restricted under securities laws. Each investor should be aware that it may be required to bear the financial risk of an investment in the Securities for an indefinite period of time.***

The Fund has offered the Securities in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public

offering and that is not made to citizens and residents of the U.S. The Securities have not been registered under the Securities Act or under any securities laws and may not be resold except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws. Securities may not be transferred to U.S. citizens or residents. Each investor should be aware that it may be required to bear the financial risk of an investment in the Securities for an indefinite period of time.

***An investment in the Fund is subject to certain tax risks.***

The income tax aspects of an investment in the Fund are complicated and each investor should have such tax aspects reviewed by professional advisers familiar with the investor's personal tax situation and with the tax laws and regulations applicable to the investor and investments in U.S. real property. The Fund is not intended and should not be expected to provide any tax shelter.

**Certain United States Tax Considerations**

Each investor's investment in the Fund is subject to certain U.S. income tax risks, which include the following:

- IRS classification of the Subsidiary Property Owners as an association taxable as a corporation for federal tax purposes;
- Allocation of taxable income to the Fund and Castellan Fund without cash distributions to such Castellan Fund, and/or IRS challenges to the allocation provisions used by any Subsidiary;
- Limitations on the ability of the Fund, Castellan Fund or any Subsidiary Property Owner to deduct passive losses and/or certain other expenses allocated to such Castellan Fund or any Subsidiary Property Owner;
- Limitations on the ability of the Fund or the Castellan Fund to deduct interest paid on the Note;
- Imposition of withholding tax at the rate of 30% on interest paid on the Portfolio Note;
- Changes in the wording, interpretation, or application of current tax laws, regulations, and rules affecting the Fund, the Castellan Fund and its subsidiaries, and/or the investors; and
- IRS or state audit of the tax or information returns filed by the Castellan Fund and its subsidiaries which could result in a corresponding adjustment affecting the Fund, the investors and their tax liability, including interest and penalties.

The investors will receive interest payments from the Fund. Foreign persons generally are subject to a 30% withholding tax (or lower rates under an applicable income tax treaty between the United States and the beneficial owner's country of residence) on all U.S. sourced passive-type income (including interest) that is not effectively connected to a U.S. trade or business. Non-U.S. investors are expected to earn income from the Fund either by way of dividends, distributions in liquidation of the Fund after the Castellan Loan has been

satisfied in full, interest payments, or by the sale of their Securities. Dividends paid by entities that are taxed as corporations for U.S. federal income tax purposes and that are U.S. persons, such as the Fund, are generally U.S. source income. Thus, dividends paid to the Non-U.S. investors by the Fund would be U.S. source income and would be subject to U.S. withholding tax. The Fund does not believe that the equity investment made in the Fund will cause the investor to have any U.S. tax liability or cause the investor to file any tax returns in the U.S., as it is the Fund's intention to distribute all of its assets only in complete liquidation after the Castellan Loan has been satisfied in full, including any proceeds from distributions by the Castellan relating to a payoff of the after the Castellan Loan Fund. Consequently, the liquidating distribution would be treated as capital gain realized by the Non-U.S. investors on the disposition of shares in a corporation that would not be treated as a so-called U.S. Real Property Holding Company after such payoff, and, as such, would not be subject to U.S. federal income taxation. Any disposition of the Class B Stock prior to the payoff of the Castellan Loan could subject any realized gain to U.S. income tax and the proceeds of such disposition could be subject to withholding tax pursuant to the so-called Foreign Investment In Real Property Tax Act.

The Fund does not believe that a loan made by the holder of shares of Class B Stock to the Fund will rise to the level of a U.S. trade or business (or that it would be attributable to a U.S. trade or business)). However, interest income attributable to a portfolio debt instrument is exempt from U.S. federal income taxation (the "portfolio interest exemption"). The portfolio interest exemption applies to: (1) interest payable outside the U.S. on bearer obligations that are designed to ensure that they are transferable only to non-U.S. persons and that bear a legend indicating there are limitations on any U.S. person holding such obligation, and (2) interest payable on an obligation that is issued in registered form and with respect to which the U.S. withholding agent (generally the issuer of the obligation) receives a prescribed statement that the beneficial owner of the obligation is not a U.S. person. The debt instruments issued by the Fund to the holder of shares of Class B Stock will be registered obligations and therefore eligible for the portfolio interest exemption if all the other requirements are met (as discussed below).

There are two notable exceptions to the portfolio interest exemption, neither of which is applicable to the holders of shares of Class B Stock. First, the portfolio interest exemption does not apply to interest received by any shareholder of the corporate borrower who, directly or indirectly, owns at least 10% of the total combined voting power of all classes of stock of the corporate borrower entitled to vote (a "10% shareholder"). The holders of shares of Class B Stock should be considered 10% shareholders of the Fund, as they will not own any voting rights. Accordingly, the Fund does not expect that any such persons will constructively own (under applicable ownership attribution rules) 10% or more of the voting interests of the Fund.

Second, the portfolio interest exemption is also unavailable for contingent interest. Interest is considered to be contingent if determined with reference to: (1) receipts, sales, or other cash flow of the debtor; (2) income or profits of the debtor; (3) change in value of any property of the debtor; or (4) any dividend or partnership distribution made by the debtor or a related person. Because the interest payments to the holders of shares of Class B Stock will be based on a fixed interest rate, the interest should be viewed as non-contingent interest.

Even if the portfolio interest exemption would otherwise apply, the "debt versus equity" classification rules may result in the re-characterization of interest payments as distributions on equity, which would not qualify for the portfolio interest exemption. The IRS may re-characterize debt instruments as equity (i.e. stock) such re-characterization would be

based on the following general factors: (1) whether there is a written unconditional promise to pay on demand, or at a specified date, a sum certain along with a fixed rate of interest; (2) whether the debt is subordinate to, or has a preference over, any other indebtedness of the corporation; (3) the borrower corporation's ratio of debt to equity; (4) whether the debt is convertible to stock; and (5) whether the debt is held pro rata to equity interests. If debt is re-characterized as equity, purported interest payments made by the debtor (including past interest payments) would be re-characterized as dividends, and as such would be subject to U.S. withholding tax at 30% (reduced by any applicable income tax treaty). Any payments made prior to the time the IRS re-characterizes the purported debt would not just give rise to a tax liability, but could also result in interest and penalties for non-payment of tax.

There are several factors favoring debt treatment with respect to the Loan: (1) the Loan will be made pursuant to a binding written obligation requiring repayment along with a fixed rate of interest, (2) the debt will not be convertible into interests of the borrower, the Fund, and (3) the right to repayment of the holders of shares of Class B Stock will not be subordinate to the rights of any general creditors of the Fund. Considering the totality of the circumstances, the Fund does not believe that the debt investment made in the Fund will cause the investor to have any U.S. tax liability or cause the investor to file any tax returns in the U.S. as the Fund believes that the debt should be treated as debt rather than re-characterized as equity and will treat it as debt for all U.S. federal income tax purposes.

**THESE TREASURY REGULATIONS ARE COMPLEX, AND THE COMPANY URGES PROSPECTIVE INVESTORS TO CONSULT THEIR OWN TAX ADVISORS AS TO THE EFFECT THAT THESE TREASURY REGULATIONS MAY HAVE ON THEIR INVESTMENT IN THE COMPANY.**

### General Risks of Investments in Real Estate

***The Fund's operating results may be affected by economic and regulatory changes that have an adverse impact on the real estate market in general, and the Fund cannot assure investors that it will be profitable or that it will realize growth in the value of its investments.***

The Fund's operating results will be subject to risks generally incident to the ownership of real estate, including:

- changes to the federal low-income housing tax credit program, as well as the overall economic environment and funding of affordable housing programs;
- changes in general economic or local economic 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 which may render the sale of a property difficult or unattractive;
- changes in creditworthiness and other underwriting standards applied by lenders to borrowers seeking mortgage financing;
- physical damage to the Properties, caused by natural disasters or other casualties, which may not be covered by insurance;

- changes in tax, real estate, environmental and zoning laws; and
- periods of high interest rates and tight money supply.

For these and other reasons, the Fund cannot assure investors that it will be profitable or that it will realize growth in the value of the Properties or its other assets.

Furthermore, the military conflict between Russia and Ukraine may increase the likelihood of supply interruptions and further hinder the Castellan Fund's ability to find materials needed to make commence or finalize any construction or renovations in the Properties. Supply disruptions are making it harder for businesses to find favorable pricing and reliable sources for the materials needed for construction, putting upward pressure on business's costs and increasing the risk that the Castellan Fund may be unable to acquire the materials and services needed to commence or continue construction on the Properties.

***Distributions to investors and the market value of the Properties could be adversely affected by the geographic concentration of the Properties.***

Distributions to the investors and the market value of the Properties could be adversely affected by economic conditions in the regions where the Properties are located, conditions in the real estate markets where the Properties are located, changes in governmental rules and fiscal policies, acts of nature, including earthquakes, floods, pandemics and epidemics, and hurricanes (which may result in uninsured losses) and other factors which are beyond the control of the Fund. The economy of any area in which a Property is located may be adversely affected to a greater degree than that of other areas of the United States by certain developments affecting industries concentrated in such state or region. Moreover, in recent periods, several regions have experienced significant downturn in the market value of real estate. A decline in general economic conditions in the regions in which the Properties are located could result in a decrease in residential property, housing or consumer demand in those regions, and the income from and market value of the Properties may be adversely affected.

***The Fund could incur increased risks associated with concentration of investments in particular types of properties.***

A concentration of property types can increase the risk that a decline in the income or value of a particular type of property would have a disproportionately large effect on the Fund's income and its ability to make distributions to its investors. The Fund intends to invest only in multifamily residential properties.

***The Fund will be subject to risks of competition from other properties.***

There could be an oversupply of properties of the same type in the area where the Properties are located. The leasing of real estate is highly competitive in terms of price, location and the nature and condition of the facility to be leased. The Fund will compete with all landlords and developers of comparable types of properties in the areas where the Properties are located. Such landlords or developers may have lower rental rates, lower operating costs, more favorable locations or better facilities. Increased competition could adversely affect the Fund's income from, and the market value of, the Properties. If any of the Properties are located in areas where there is construction of new properties of a similar type, this new construction may have an adverse impact on the current market rents in the area and, as a

result, there is no assurance that any such Properties would meet their projected net operating income.

***The Castellan Fund may be unable to sell a Property or a Tax Credit if or when it decides to do so, which could adversely impact its ability to pay cash distributions to investors.***

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 the Fund's control. The Fund cannot predict whether the Castellan Fund will be able to sell any Property for the price or on the terms agreed upon by the Fund, or whether any price or other terms offered by a prospective purchaser would be acceptable to the Fund. The Fund cannot predict the length of time the Castellan Fund would need to find a willing purchaser and to close the sale of a Property. If the Castellan Fund is unable to sell a Property when the Castellan Fund determines to do so, it could have a significant adverse effect on the Fund's cash flow and results of operation.

***The Fund may not liquidate its investments, and distribute sales proceeds to investors, until two (2) years after the Initial Closing, and this period may be extended for up to one more year. The Securities are an illiquid investment and investors may not receive the proceeds from this investment for several years.***

The Fund expects to own and manage its investments for a period of up to two (2) years after the Initial Closing. The Fund may extend this period for up to one year, if it determines that such extension would result in more favorable returns to the Fund. Therefore, the Securities are an illiquid investment, and investors' capital will be invested in the Fund for an indefinite period of time.

***Uncertain market conditions relating to the future disposition of Properties by the Castellan Fund could adversely affect the Fund's return on its investment.***

The Fund cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of the Properties, the Fund cannot assure investors that the Properties will be sold by the Castellan Fund at a profit in the future. Accordingly, the extent to which an investor will receive cash distributions and realize potential appreciation on the Fund's real estate investments will depend upon fluctuating market conditions.

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## MANAGEMENT

### CIX Capital GP and CIX Capital

The Class A Stockholder of the Fund is CIX Capital GP. CIX Capital GP will have the exclusive right to vote on matters subject to the consent of the stockholders' and appoint the members of the Board of Directors of the Fund. Consequently, the Class A Stockholder will control the rights to appoint the persons that manage and conduct the business and affairs of the Fund.

Pursuant to the Fund Management Agreement, the Fund will engage CIX Capital to provide investment management services to the Fund, including financial advisory, investor relations, distributions, and negotiation and servicing of loans, among others. Further, CIX Capital may also assist the Fund in selling Securities.

CIX Capital GP and CIX Capital are each majority owned indirectly by Carlos Balthazar Nonato Summ, Eduardo Magalhães Fonseca, Marcelo Nelson Zogbi, Nelson Antonio Zogbi Jr. and Renato Zogbi.

### Background of CIX Capital GP and CIX Capital Key Executives

The key executives of CIX Capital GP and CIX Capital are Carlos Balthazar Nonato Summ, Eduardo Magalhães Fonseca, Marcelo Nelson Zogbi, Nelson Antonio Zogbi Jr. and Renato Zogbi. A summary of their background and experience is set forth below.

**Carlos Balthazar Nonato Summ**

- CEO of CIX Capital;
- Director of Compliance and Risk at CIX Capital;
- Member of the Strategic, Compliance & Risk, Commercial and Investment Committees of CIX Capital;
- Member of the Investment Committee of CIX COFE US LLC (USA), CIX AHS Multifamily Income Fund (Cayman) and CIX Flagler Healthcare Fund (Cayman);
- Was Investment Adviser at Vérios Investimentos (currently Nu Invest));
- Was Investment Adviser at Mauá Capital (currently Jive);
- He was Fundraising Coordinator at the Brazil-Germany Chamber of Commerce and Industry, responsible for the commercial area;
- Bachelor in International Relations with emphasis in Economics from PUC-SP
- Specialization in Real Estate Investments by Insper;
- Post-Graduate Specialist in Financial Markets from Saint Paul Escola de Negócios;
- Board Member at the Brazilian Institute of Corporate Governance (IBGC)

**Nelson Antonio Zogbi Jr.**

- President of CIX Capital;
- +30 years of professional experience in Real Estate Market (local and international);
- Member of the Strategic and Investment Committees at CIX;
- Former Member of the Internal Board of FII Caixa Incorporação;
- Member of the Investment Committee of FII Transinc and FIP MZO Logística;
- President of the MAIZ Group (Zogbi Family);
- Former board member of RIPASA; and
- Degree in Civil Engineering from the University of São Paulo (USP) and a postgraduate degree in Finance from Fundação Getúlio Vargas (FGV).

**Renato Zogbi**

- Investor Relations at CIX Capital;
- Member of the strategic and commercial committees of CIX Capital;
- Director at MAIZ Empreendimentos Imobiliários;
- Former Director of Banco Zogbi;
- Bachelor in Mechanical Engineering from Escola de Engenharia da Universidade Mackenzie; and
- Attended the Intensive Business Administration Program (CIA) from Fundação Getúlio Vargas (FGV).

**Eduardo Magalhães Fonseca**

- Investor Relations Director at CIX Capital;
- Member of the strategic, commercial and investment committees of CIX Capital;
- CEO of the MAIZ Group (Zogbi Family);
- He was the CFO and Investor Relations Officer at Pine Bank.
- Was Director of Real Estate Structuring at Mauá Capital (currently Jive);
- Former Associate Vice President at Prosperitas Investimentos;
- Former Corporate Manager at Itaú Unibanco S/A;

- Master in Finance from Birkbeck – University of London;
- Postgraduate Specialist in Business Administration from Fundação Getúlio Vargas;
- Graduated in Production Engineering from FEI.

**Fund Administrator**

The Fund will engage a third-party administrator ("Fund Administrator") to provide certain administrative services to the Fund. Fund Administrator will initially be Intertrust Group, with offices located at One Nexus Way, Camana Bay, Grand Cayman, Cayman Islands, KY1-9005. Fund Administrator provides specialized financial services to investment funds and other clients throughout the world. The services to be provided by Fund Administrator to the Fund include accounting, bookkeeping, calculation of management and incentive fees, and maintaining the register of stockholders for the Fund. Fund Administrator will charge the Fund its customary fees for such services (the "Administration Fee"). Investors may obtain a copy of the administration agreement upon request to the Fund.

Background information on the management structure of Castellan, as well as on its principals can be found in the Castellan Fund PPM.

**Conflicts of Interest**

CIX Capital GP, CIX Capital and their principals and affiliates are engaged in various business activities other than the Fund's business and expect to continue to be so engaged. Any of these persons may continue such activities, or initiate new activities.

Ability to Engage in Competitive Activities. CIX Capital GP and CIX Capital and their principals and affiliates may engage independently or with others in other business ventures and activities of every nature and description, even though such ventures are competitive with the business of the Fund, including, without limitation, purchasing, selling or holding real estate for the account of any other person or enterprise or for its or his own account, regardless of whether those types of properties are also purchased, sold or held for the account of the Fund. Neither the Fund nor any holder of shares of Class B Stock shall have any rights in and to such independent ventures and activities or the income or profits derived therefrom.

Engagement of Other Persons. The Fund may, from time to time, engage any person to render services to them on such terms and for such compensation as they may determine in their sole discretion, including, without limitation, attorneys, investment consultants, brokers or finders, property managers, independent auditors and printers. Such parties may be affiliates of CIX Capital GP or CIX Capital.

**Indemnification of CIX Capital GP** and **CIX Capital their affiliates**

The Fund has agreed to indemnify the Class A Stockholder, the Investment Manager, the members of the Board, and each of their respective affiliates, members, partners, directors, officers, employees, and legal representatives, as applicable (collectively, the "Indemnified Parties") against any and all claims, liabilities, damages and expenses incurred

by any Indemnified Party by reason of its activities on behalf of the Fund; provided, that an Indemnified Party will be entitled to indemnification only to the extent that such Indemnified Party's conduct did not constitute fraud, bad faith, gross negligence or willful misconduct.

**[Remainder of page is intentionally left blank]**

## PRIVACY POLICY

The Fund takes precautions to maintain the privacy of personal information concerning the Fund's current and prospective investors. These precautions include the adoption of certain procedures designed to maintain and secure such investors' nonpublic personal information from inappropriate disclosure to third parties. Federal regulations require the Fund to inform investors of this privacy policy.

The Fund collects nonpublic personal information about its investors from the following sources:

- Information the Fund receives from an investor in these subscription documents, other investment documents or other related documents or forms; and

- Information about an investor's transactions with the Fund, its affiliates, or others.

The Fund does not disclose any nonpublic personal information about its prospective, existing or former investors to anyone, except as permitted by law. The Fund restricts internal access to nonpublic personal information about its investors to those employees and agents of the Fund who need to know that information in order to provide services to its investors. The Fund may also disclose such information to third party lenders in order to service or process your interests in the Fund. The Fund may also disclose such information to service providers and financial institutions with which it has joint marketing arrangements.

## ACCESS TO INFORMATION

Prospective investors and their purchaser representatives are invited to contact the Fund to review any written materials or documents relating to the offering or the Fund, including any financial information available concerning the Fund, the Castellan Fund, its subsidiaries, or the Properties. The Fund will answer all inquiries from prospective investors relative to the offering and will provide additional information (to the extent that the Fund possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representations or information set forth in this memorandum. ***Written inquiries should be directed to CIX Capital GP via email at offshore@cix.capital.***

**[Remainder of page is intentionally left blank]**

## FUND COUNSEL

McLaughlin & Stern LLP have acted as counsel to the Fund in connection with this offering.

**SCHEDULE I**

**ORGANIZATIONAL CHART**

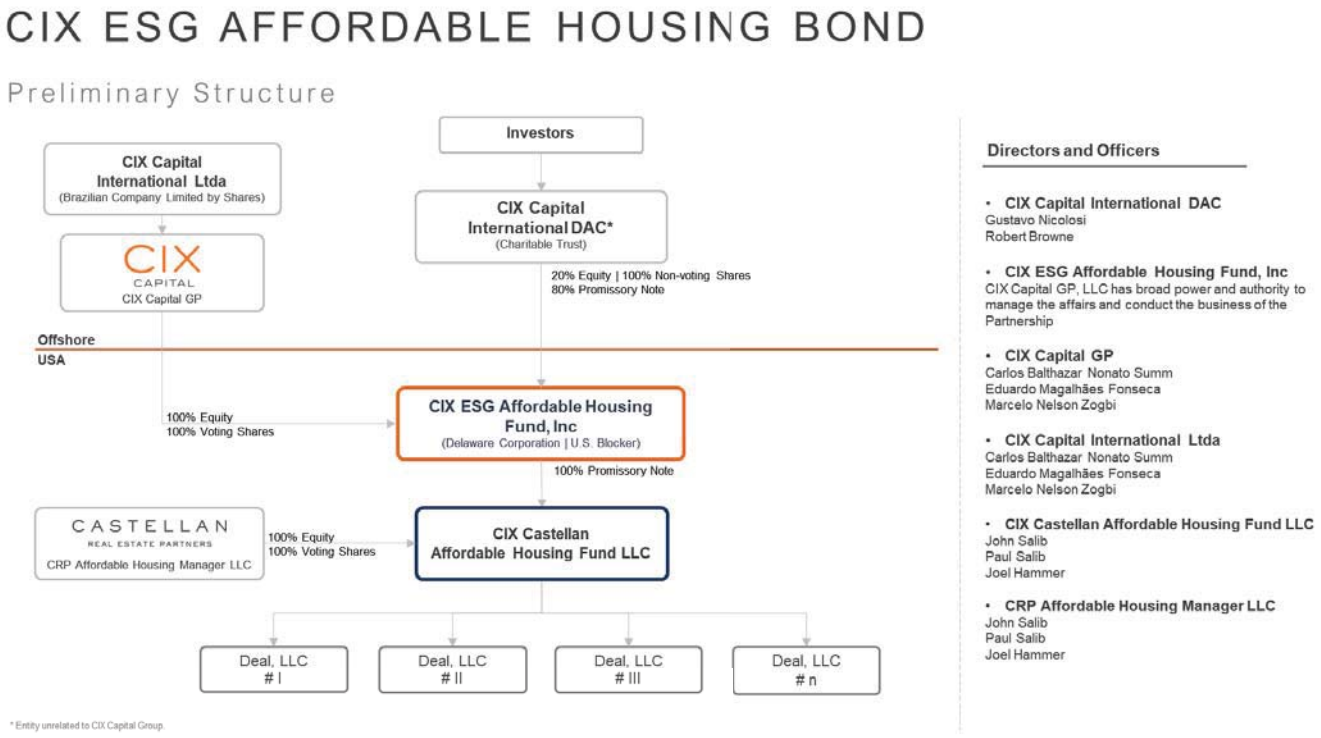

**EXHIBIT A**

**CERTIFICATE OF INCORPORATION**

[See Attached]

# Delaware

The First State



*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "CIX ESG AFFORDABLE HOUSING FUND, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF JULY, A.D. 2022, AT 4:37 O`CLOCK P.M.*

6932501 8100
SR# 20223078611

Authentication: 204018316
Date: 07-27-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:37 PM 07/25/2022
FILED 04:37 PM 07/25/2022
SR 20223078611 - File Number 6932501

# STATE OF DELAWARE
# CERTIFICATE OF INCORPORATION
# A STOCK CORPORATION
## (WITH DIRECTORS LIABILITY)

The undersigned Incorporator hereby certifies as follows:

1. The name of the Corporation is CIX ESG Affordable Housing Fund, Inc.

2. The Registered Office of the corporation in the State of Delaware is located at 300 Creek View Road, Suite 209 in the City of Newark, County of New Castle Zip Code 19711. The name of the Registered Agent at such address upon whom process against this corporation may be service is Universal Registered Agents, Inc.

3. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total amount of stock this corporation is authorized to issue is 15,000 shares of no par value stock, which shall be designated "**Common Shares**." Of the Common Shares, 1,000 shares shall be Class A voting Shares (the "**Class A**") and 14,000 shares shall be Class B Non-Voting Shares (the "**Class B**"). The rights preferences and privileges of the Class A and Class B shall be identical, except that the Class B shall not be entitled to vote on any matter required to be approved by, or submitted for approval of, shareholdings.

5. The name and mailing address of the incorporator are as follows:

Name: Rodrigo Sadi
Mailing Address: c/o McLaughlin & Stern, LLP, 260 Madison Avenue,
New York, NY 10016

6. No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law, (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Sixth shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

By: _____
Incorporator

Name: Rodrigo Sadi
Print or Type

**EXHIBIT B**

**BYLAWS**

[See Attached]

# BYLAWS

# OF

# CIX ESG AFFORDABLE HOUSING FUND, INC.

(a Delaware corporation)

Adopted as of July 25, 2022

## ARTICLE I

## Stockholders

SECTION 1. Annual Meetings. The annual meeting of stockholders for the transaction of such business as may properly come before the meeting shall be held each year at such date and time, within or without the State of Delaware, as the Board of Directors shall determine.

SECTION 2. Special Meetings. Special meetings of stockholders for the transaction of such business as may properly come before the meeting may be called by order of the Board of Directors or by stockholders holding together at least a majority of all the shares of the Corporation entitled to vote at the meeting, except if a different quorum is provided in any stockholders' agreement that may be executed by the stockholders, and shall be held at such date and time, within or without the State of Delaware, as may be specified by such order. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive office of the Corporation.

SECTION 3. Notice of Meetings. Written notice of all meetings of the stockholders, stating the place, date and hour of the meeting and the place within the city or other municipality or community at which the list of stockholders may be examined, shall be mailed or delivered to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days prior to the meeting. Notice of any special meeting shall state in general terms the purpose or purposes for which the meeting is to be held.

SECTION 4. Stockholder Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the number of shares of stock registered in the name of each such stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 5. Quorum. Except as otherwise provided by law, the Corporation's Certificate of Incorporation, or any stockholders' agreement that may be executed by the stockholders, a quorum for the transaction of business at any meeting of stockholders shall consist of the holders of record of a majority of the issued and outstanding shares of the capital stock of the Corporation entitled to vote at the meeting, present in person or by proxy. At all meetings of the stockholders at which a quorum is present, all matters, except as otherwise provided in Section 7(a) of this Article I, by law, in the Certificate of Incorporation, or in any stockholders' agreement that may be executed by the stockholders, shall be decided by the vote of the holders of a majority of the stock entitled to vote in person or by proxy. If there be no such quorum, the holders of a majority of such stock so present or represented may adjourn the meeting from time to time, without further notice, until a quorum shall have been obtained. When a quorum is once present, it is not broken by the subsequent withdrawal of any stockholder.

SECTION 6. Organization. Meetings of stockholders shall be presided over by a chairman to be chosen by the stockholders entitled to vote who are present in person or by proxy at the meeting. The chairman so chosen shall appoint any person present to act as secretary of the meeting.

SECTION 7. Voting; Proxies; Required Vote.

(a) At each meeting of stockholders, every stockholder entitled to vote thereat shall be entitled to vote in person or by proxy appointed by instrument in writing, subscribed by such stockholder or by such stockholder's duly authorized attorney-in-fact, and, unless the Corporation's Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such stockholder on the books of the Corporation on the applicable record date fixed pursuant to these Bylaws. Except as otherwise required by law, the Certificate of Incorporation, or any stockholders' agreement that may be executed by the stockholders, any action of the stockholders shall be authorized by a majority of the votes cast.

(b) Any action required or permitted to be taken at any meeting of stockholders may, except as otherwise required the Certificate of Incorporation, be taken without a meeting, without prior notice and without a vote, by unanimous written consent of the holders of record of the issued and outstanding capital stock of the Corporation setting forth the action so taken, and the writing or writings are filed with the permanent records of the Corporation. Prompt notice of the taking of corporate action without a meeting.

## ARTICLE II

## Board of Directors

SECTION 1. General Powers. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors.

SECTION 2. Qualification; Number; Term; Remuneration.

(a) Each director shall be at least 18 years of age. A director need not be a stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors constituting the entire Board shall be at least one (1), or such larger number as may be

fixed from time to time by the Board of Directors. The use of the phrase "entire Board" herein refers to the total number of directors, which the Corporation would have if there were no vacancies.

(b) Directors, including those directors who are elected in the interim to fill vacancies and newly created directorships, shall hold office until their earlier death, resignation or removal.

(c) Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors. Directors will not be entitled to receive a salary as for serving as a director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

SECTION 3. Quorum and Manner of Voting. Except as otherwise provided by law, a majority of the entire Board of Directors shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 4. Places of Meetings. Meetings of the Board of Directors may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

SECTION 5. Annual Meeting. Following the annual meeting of stockholders, the newly elected Board of Directors shall meet for the purpose of the election of officers and the transaction of such other business as may properly come before the meeting. Such meeting may be held without notice immediately after the annual meeting of stockholders at the same place at which such stockholders' meeting is held.

SECTION 6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time by resolution determine. Notice need not be given of regular meetings of the Board of Directors held at times and places fixed by resolution of the Board of Directors.

SECTION 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by a majority of the directors then in office.

SECTION 8. Notice of Meetings. A notice of the place, date and time and the purpose or purposes of each meeting of the Board of Directors shall be given to each director at least two days before the special meeting by electronic mail or facsimile, delivered via courier or personally not later than the day before the day of the meeting.

SECTION 9. Organization. At all meetings of the Board of Directors, a chairman chosen by the directors, shall preside and the members of the Board of Directors then present may appoint any person to act as secretary of the meeting.

SECTION 10. Resignation. Any director may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by an officer of the Corporation, unless otherwise specified in the resignation. Except as otherwise provided in any stockholders' agreement that may be executed by the stockholders, any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares of stock outstanding and entitled to vote for the election of directors.

SECTION 11. Vacancies. Unless otherwise provided in these Bylaws or in any stockholders' agreement that may be executed by the stockholders, vacancies on the Board of Directors, whether caused by resignation, death, disqualification, removal, an increase in the authorized number of directors or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director.

SECTION 12. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

## ARTICLE III

## Committees

SECTION 1. Appointment. From time to time the Board of Directors by a resolution adopted by a majority of the entire Board may appoint any committee or committees for any purpose or purposes, to the extent lawful, which shall have powers as shall be determined and specified by the Board of Directors in the resolution of appointment.

SECTION 2. Procedures, Quorum and Manner of Acting. Each committee shall fix its own rules of procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a committee shall constitute a quorum for the transaction of business by that committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the committee present shall be the act of the committee. Each committee shall keep minutes of its proceedings, and actions taken by a committee shall be reported to the Board of Directors.

SECTION 3. Action by Written Consent. Any action required or permitted to be taken at any meeting of any committee of the Board of Directors may be taken without a meeting if all the members of the committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the committee.

SECTION 4. Term; Termination. In the event any person shall cease to be a Director of the Corporation, such person shall simultaneously therewith cease to be a member of any committee appointed by the Board of Directors.

## ARTICLE IV

## Officers

SECTION 1. Election and Qualifications. The Board of Directors shall elect the officers of the Corporation. Each officer shall have such powers and duties as may be assigned to them by the Board of Directors.

SECTION 2. Term of Office and Remuneration. The term of office of all officers shall be one year or until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the Corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

SECTION 3. Resignation; Removal. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by another officer or the Board of Directors unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by vote of a majority of the entire Board of Directors.

## ARTICLE V

## Books and Records

SECTION 1. Location. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The Corporation shall maintain a stock ledger, which shall evidence who are the stockholders of the Corporation. The record books containing the names and addresses of all stockholders, the number and class of shares (if applicable) of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Corporation as prescribed in the Bylaws and by such officer or agent as shall be designated by the Board of Directors.

SECTION 2. Addresses of Stockholders. Notices of meetings and all other corporate notices may be delivered personally or mailed to each stockholder at the stockholder's address as it appears on the records of the Corporation.

SECTION 3. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of

stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this State, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by this chapter, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

## ARTICLE VI

### Certificates Representing Stock

SECTION 1. Certificates; Signatures. The shares of the Corporation may, but shall not be required to, be represented by certificates. In the event the Corporation's shares are certificated, every holder of stock represented by certificates shall be entitled to have a certificate, signed by or in the name of the Corporation by any two authorized officers of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the stock represented thereby, with the number of such stock and the date of issue, shall be entered on the books of the Corporation. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates representing stock of the Corporation.

SECTION 2. Transfers of Stock. Upon compliance with provisions restricting the transfer or registration of transfer of stock, if any, shares of capital stock shall be transferable on the books of the Corporation only by the holder of record thereof in person, or by duly authorized

attorney, upon surrender and cancellation of certificates if such surrendered shares are certificated for a like number of shares, properly endorsed, and the payment of all taxes due thereon.

SECTION 3. Fractional Shares. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a stockholder except as therein provided.

SECTION 4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new stock certificate in place of any certificate, theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed stock certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such stock certificate or the issuance of any such new stock certificate.

## ARTICLE VII

## Dividends

Subject always to the provisions of law and the Certificate of Incorporation, and any stockholders agreement that the stockholders may enter into, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

## ARTICLE VIII

## Ratification

Any transaction, questioned in any law suit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or stockholder, non-disclosure, miscomputation, or the application of improper principles or practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the stockholders entitled to vote for the election of directors, and if so ratified shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon

the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

## ARTICLE IX

## Corporate Seal

The corporate seal shall have inscribed thereon the name of the Corporation and the year of its incorporation, and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The corporate seal may be used by printing, engraving, lithographing, stamping or otherwise making, placing or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed, upon any paper or document, by any process whatsoever, an impression, facsimile or other reproduction of said corporate seal.

## ARTICLE X

## Fiscal Year

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors.

## ARTICLE XI

## Waiver of Notice

Whenever notice is required to be given by these Bylaws or by the Certificate of Incorporation or by law, a written waiver thereof, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

## ARTICLE XII

## Contracts, Etc.

SECTION 1. Contracts. The Board of Directors may authorize any person or persons, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 2. Proxies; Powers of Attorney; Other Instruments. The officers of the Corporation shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the rights and powers incident to the ownership of stock by the Corporation. Any officer or any other person authorized by proxy or power of attorney executed and delivered by such officer on behalf of the Corporation may attend and vote at any meeting of stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, or otherwise as specified in the proxy

or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any other person.

## ARTICLE XIII

## Amendments

Subject to any restrictions that may be provided under any stockholders' agreement that may be executed by the stockholders, these Bylaws may be amended, or repealed and new Bylaws made, by the stockholders entitled to vote for the election of directors or by the unanimous vote of the Board of Directors.

**EXHIBIT C**

**SHA**

[See Attached]

# STOCKHOLDERS' AGREEMENT

This STOCKHOLDERS' AGREEMENT (this "Agreement") is made as of _____, 2022, by and among CIX ESG Affordable Housing Fund, Inc., a Delaware corporation (the "Company"), CIX Capital GP, a Cayman company (the "Class A Stockholder"), and CIX Capital International DAC, an Irish designated activity company (the "Class B Stockholder", and together with the Class A Stockholder, the "Stockholders")

## RECITALS

**WHEREAS**, the Company and the Class A Stockholder have entered into a Subscription Agreement, dated as of July 25, 2022 ("Class A Subscription Agreement"), pursuant to which the Company agreed to issue, and the Class A Stockholder agreed to purchase, shares of Class A common stock of the Company ("Class A Common Stock");

**WHEREAS**, the Company and the Class B Stockholder have entered into a Subscription Agreement, dated as of _____, 2022 ("the Class B Subscription Agreement", and together with the Class A Subscription Agreement, the "Subscription Agreements"), pursuant to which the Company agreed to issue, and the Class B Stockholder agreed to purchase, shares of Class B common stock of the Company ("Class B Common Stock", and together with the Class A Common Stock, the "Common Stock") and the Class B Stockholder agreed to make a loan to the Company evidenced by a Secured Promissory Note of even date therewith (the "Note"), as more specifically set forth in the Class B Subscription Agreement;

**WHEREAS**, the Company will directly contribute the net proceeds of the equity and loans it receives pursuant to the Subscription Agreements to fund a debt investment into CIX Castellan Affordable Housing Fund, LLC, a New York limited liability company; and

**WHEREAS**, the Stockholders desire that all of the Common Stock that the Stockholders own as of the date hereof or may hereafter acquire be subject to the restrictions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of the parties as hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**Section 1. Prohibited Transfers.** The Class B Stockholder shall not, directly or indirectly, voluntarily or involuntarily (including pursuant to judicial order, legal process, execution, attachment or enforcement of any pledge, trust or other security interest) sell, assign, transfer, exchange, give, pledge, hypothecate, encumber or otherwise alienate or dispose of ("Transfer") all or any portion of the Class B Common Stock owned by such Stockholder to any Person (as defined below) (a "Transferee"), without the prior written consent of the Class A Stockholder, except that any Transfer of shares of Class B Common Stock by the Class B Stockholder to Apex Corporate Trustees (UK) Limited ("Apex") pursuant to that certain Supplemental Security Agreement of even date herewith, entered into between the Class B

Stockholder and Apex, and hereby acknowledged by the Class A Stockholder, shall not require the prior written consent of the Class A Stockholder.

For purposes of this Agreement, "Person" means any individual, corporation, limited liability company, partnership (whether general or limited), joint venture, cooperative, association, labor union, trust, business trust, estate, nominee, or other entity or organization, including without limitation, a government, a governmental body, a political subdivision or an agency or instrumentality thereof.

**Section 2. Violation of Agreement.** Any purported Transfer not made in full compliance with this Agreement shall be null and void *ab initio*, will not be recorded on the books and records of the Company, will not be recognized or given effect by the Company (which may refuse to recognize any purported Transferee as a stockholder of the Company and may continue to treat the transferor as a stockholder of the Company for all purposes, including for purposes of dividend, liquidation and voting rights) and will have no effect whatsoever.

**Section 3. Stock Legend.** In the event that the board of directors of the Company (the "Board of Directors"), in its sole discretion, determines to cause the Common Stock to be represented by physical certificates, such certificates will bear restrictive legends to the following effect:

> THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER ANY SECURITIES LAWS AND THE TRANSFERABILITY OF SUCH SECURITIES IS RESTRICTED. SUCH SECURITIES MAY NOT BE SOLD, ASSIGNED, OR TRANSFERRED, NOR WILL ANY ASSIGNEE, VENDEE, TRANSFEREE, OR ENDORSEE THEREOF BE RECOGNIZED AS HAVING ACQUIRED ANY SUCH SECURITIES BY THE ISSUER FOR ANY PURPOSES, UNLESS (1) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WITH RESPECT TO SUCH SECURITIES SHALL THEN BE IN EFFECT AND SUCH TRANSFER HAS BEEN QUALIFIED UNDER ALL APPLICABLE STATE SECURITIES LAWS, (2) SUCH TRANSFER IS MADE IN ACCORDANCE WITH THE PROVISIONS OF THE SECURITIES ACT, INCLUDING REGULATION S OR (3) THE AVAILABILITY OF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION SHALL BE ESTABLISHED TO THE SATISFACTION OF COUNSEL TO THE COMPANY.

**Section 4. Election of Directors.** The Class A Stockholder agrees, at all times after the date of this Agreement, to vote all of Class A Common Stock it owns or may own at any meeting of the Company (whether in person, by written consent or otherwise) in whatever manner is necessary to ensure that the Board of Directors of the Company will at all times consist of the individuals nominated in accordance with this Section 4.

(a) The Board of Directors shall consist of five (5) Directors unless and until a majority of the directors then in office votes to change the number of directors on the Board of Directors. The current members of the Board of Directors of the Company are Carlos Balthazar Nonato

Summ, Eduardo Magalhães Fonseca, Nelson Antonio Zogbi Junior; Marcelo Nelson Zogbi and Renato Zogbi.

(b) To the extent permissible under Delaware law and subject to subparagraph (d) below, any member of the Board of Directors shall be subject to removal at any time only by a vote of the Class A Stockholder at any duly called meeting of the Company, whether in person, by written consent or otherwise.

(c) Vacancies on the Board of Directors, whether caused by resignation, death, disqualification, removal, an increase in the authorized number of directors or otherwise, may be filled by the affirmative vote of a majority of the remaining directors in office, even if less than a quorum, or by a sole remaining director.

**Section 5. Exculpation and Indemnification**. The directors and officers of the Company (each an "Indemnified Party") shall not be liable to the Company or any other person or entity who has an interest in the Company for any losses, damages, claims, judgments, fines, or settlements incurred by reason of any act or omission performed or omitted by such Indemnified Party in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnified Party by the Company's Certificate of Incorporation, Bylaws, and this Agreement. To the full extent permitted by applicable law, an Indemnified Party shall be entitled to indemnification from the Company and the Class B Shareholder for any losses, damages, claims, judgments, fines, or settlements incurred by such Indemnified Party, including costs, expenses and reasonable attorneys' fees expended in the settlement of defense of such claims, by reason of any act or omission performed or omitted by such Indemnified Party in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnified Party by the Company's Certificate of Incorporation, Bylaws, and this Agreement, except that no Indemnified Party shall be entitled to be indemnified in respect of any losses, damages, claims, judgments, fines, or settlements incurred by such Indemnified Party by reason of gross negligence or willful misconduct with respect to such acts or omissions.

**Section 6. Distributions.** Upon the terms and conditions set forth herein, the Company shall, as determined by the Board of Directors, make distributions of Net Cash Flow in the following manner and order of priority:

(a) First, 100% of Net Cash Flow proceeds shall be used to pay all the Company's obligations, including any principal balance outstanding on the Note and interest accrued thereon and the return of capital to the Class B Stockholder in respect of the Class B Common Stock;

(b) Second, 100% of remaining Net Cash Flow proceeds shall be used to pay the Preferred Return to the Class B Stockholder; and

(c) Finally, all remaining Net Cash Flow proceeds, if any, shall be distributed to the Class A Stockholder.

For purposes of this Agreement, (i) "Net Cash Flow" means for any period, the cash amounts received by the Company from any source during the period, less all expenses of the

Company paid during such period, less the amount of any reserves established in the sole and discretion of the Board of Directors for purposes of meeting future cash requirements (including capital expenditures) of the Company; (ii) "Preferred Return" means accrued interest in an amount such that the aggregate of the amounts payable to the Class B Stockholder (including in respect of the repayment of capital invested in the Class B Stock and the repayment of principal and other amounts of interest under the Note) in respect of its total investment in the Company (but excluding amounts payable by the Company to the Class B Stockholder in respect of fees and expenses of the Class B Stockholder), is equal to the aggregate amount payable by the Class B Stockholder on the final redemption of the Class B Stockholder Notes in respect of both interest (accruing at a rate of 10% per annum in accordance with the terms and conditions of the Class B Stockholder Notes) and principal on each of the Class B Stockholder Notes; and (iii) "Class B Stockholder Notes" means the CIX ESG Affordable Housing Bond (Series 496) Notes due 2024 which were issued by the Class B Stockholder on _____ 2022 to fund its investment in the Company and which were subscribed for by investors.

**Section 7. Confidentiality.** The Company and each Stockholder agree that it is in the best interests of each of the parties hereto to preserve the confidentiality of the condition of the business of the Company from Persons who are not holders of the Common Stock except as necessary and proper in the conduct of the day-to-day business of the Company, as required by applicable laws or as otherwise authorized by the Board of Directors. Accordingly, each Stockholder agrees that such Stockholder shall not disclose or make use of any confidential information relating to the financial condition, business prospects or corporate affairs of the Company except in its capacity as a Stockholder or as is required by applicable law. Notwithstanding the foregoing, the Stockholder receiving the information (the "Receiving Party") shall have no obligation hereunder with respect to information that is (a) known to the Receiving Party on a non-confidential basis at the time of disclosure from the Company, (b) at the time of that disclosure, or comes thereafter to be in the public domain other than pursuant to a breach of an existing obligation by the Receiving Party, (c) rightfully received from a third party without a restriction on further disclosure and without a breach of this Agreement, (d) independently developed by the Receiving Party or (e) information which is required to be disclosed by law, rule or regulatory authority on request of any governmental body, court of law or regulatory authority; *provided* that the Receiving Party shall give prior notice to the Company of the disclosure.

**Section 8. Representations of the Parties.** Each Stockholder represents and warrants to the Company and each other Stockholder as follows:

(a) Such Stockholder has full power, authority and capacity to enter into and deliver this Agreement and to perform its obligations hereunder and all such actions have been duly authorized and approved by all necessary parties. This Agreement, when duly executed and delivered in accordance with its terms, will constitute the legal, valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws of general application referring to or affecting creditors' rights generally or by general equitable principles.

(b) The execution and delivery of this Agreement and the performance of the obligations contemplated hereby by such Stockholder do not (i) conflict with, violate or result in

a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator, applicable to such Stockholder that could reasonably be expected to materially impair such Stockholder's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Stockholder, (ii) conflict with, violate, result in a breach of or constitute a default under any of the terms, conditions or provisions of the constituent documents of such Stockholder or of any material agreement or instrument to which such Stockholder is a party or by which such Stockholder is or may be bound or to which any of its material properties or assets is subject, (iii) conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization or approval under any indenture, mortgage, lease agreement or instrument to which such Stockholder is a party or by which such Stockholder is or may be bound or (iv) result in the creation or imposition of any lien upon any of the material properties or assets of such Stockholder.

(c) There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Stockholder, threatened against or affecting such Stockholder or any of such Stockholder's properties, assets, or businesses in any court or before or by any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could,) reasonably be expected to materially impair such Stockholder's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Stockholder; and such Stockholder has not received any currently effective notice of any default, and such Stockholder is not in default, under any applicable order, writ, injunction, decree, permit, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Stockholder's ability to perform its obligations under this Agreement or to have a material adverse effect on the consolidated financial condition of such Stockholder.

**Section 9.** **Termination.** The rights of a Stockholder hereunder shall terminate at such time as that Stockholder is no longer the owner of any Common Stock. Unless sooner terminated in accordance with the preceding sentence, this Agreement shall terminate upon the occurrence of any one of the following events:

(a) the liquidation, dissolution or indefinite cessation of the business operations of the Company, which is intended to occur on or about the date on which the Note is repaid in full;

(b) the execution by the Company of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of the property and assets of the Company; and

(c) the vote of all of the Stockholders.

**Section 10.** **Limited Recourse and Non-Petition.** The investment by the Class B

Stockholder in the Company is being made in respect of a particular series of notes issued by the Class B Stockholder under its USD 10 Billion secured note programme (the **"Series**"). Notwithstanding any other provision of this Agreement, any other document or agreement and/or the general law, each of the Company, the Class A Stockholder, any person acting on either of their behalf and any other person with rights arising under or in connection with this Agreement, shall have recourse in respect of any claim against the Class B Stockholder under or in connection with this Agreement, any other document or agreement and/or the general law (whether arising under this Agreement and/or under the general law or otherwise) (a "**Relevant Claim**") only to any proceeds of any assets of the Class B Stockholder on which the Series is secured and which are available to be applied by the Class B Stockholder towards such Relevant Claim in accordance with the terms of any other agreements to which the Class B Stockholder is from time to time a party after discharging in full any amounts payable by the Class B Stockholder in priority to the Relevant Claim and subject always to any security created by the Class B Stockholder (such available proceeds, the "**Available Amounts**") and if such assets of the Class B Stockholder have been realized and the Available Amounts are less than the Relevant Claim and any other claims, whether of the Company, the Class A Stockholder or any other person, ranking pari passu with the Relevant Claim, the Relevant Claim and such other *pari passu* claims shall be reduced *pro rata* so that the total of the Relevant Claim and such pari passu claims does not exceed the Available Amounts. None of the Company, the Class A Stockholder, any person acting on either of their behalf nor any other person with rights arising under or in connection with this Agreement shall be entitled to take any further steps against the Class B Stockholder to recover any sums due to it but still unpaid once the proceeds of the assets of the Class B Stockholder described above have been exhausted for whatever reason (save for lodging any claim in the liquidation or bankruptcy of the Class B Stockholder initiated by another person) and all claims in respect of such sums due but still unpaid shall be extinguished. None of the Company, the Class A Stockholder, any person acting on either of their behalf nor any other person with rights arising under or in connection with this Agreement shall petition or take any other step for the winding up, liquidation, examinership or the bankruptcy of the Class B Stockholder or any other insolvency related proceedings affecting the rights of creditors generally towards the Class B Stockholder. The provisions of this Section 10 (Limited Recourse and Non-Petition) shall survive the termination of this Agreement.

**Section 11. Notices.** Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been delivered, given, and received for all purposes (a) on the first business day following the date when deposited with a standard overnight carrier, (b) on the seventh day following the date when deposited in the mail, if sent either by registered or certified mail, postage and charges prepaid, (c) on the date of service if served personally on the party to whom notice is to be given or (d) upon transmitter's confirmation of receipt of an electronic or facsimile transmission, addressed to the address below, or to such other address as such Stockholder may from time to time specify by notice to the Company.

If to the Company:

CIX ESG Affordable Housing Fund, Inc.
Av. Brg. Faria Lima, 3601, São Paulo, SP, Brazil - 04538-133
Offshore@cix.capital
Attn: Mr. Carlos Balthazar Summ

If to Class A Stockholder:

CIX Capital GP
Av. Brg. Faria Lima, 3601, São Paulo, SP, Brazil - 04538-133
Offshore@cix.capital
Attn: Mr. Carlos Balthazar Summ

If to Class B Stockholder:

CIX Capital International DAC
1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland
crm-ie@intertrustgroup.com
Ireland.Directors@intertrustgroup.com
Attn.: Mr. Andrew Gill

**Section 12. Miscellaneous.**

(a) Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees, and assigns. Each party hereto hereby represents and warrants to the other parties hereto that this Agreement has been duly and validly executed and delivered by such party and constitutes the valid and legally binding obligations of such party enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights and except as enforcement is subject to general equitable principles.

(b) Severability. Every provision of this Agreement is intended to be severable and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

(c) Incorporation by Reference. Every exhibit, schedule and other appendix attached to this Agreement and referred to herein is incorporated in this Agreement by reference unless this Agreement expressly otherwise provides.

(d) Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

(e) Construction. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party.

(f) Rules of Construction. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular shall include the plural, and vice versa, and pronouns in the masculine shall include the feminine and neuter, and vice versa. Additionally, all defined phrases, pronouns and other variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the actual identity of the Person or Persons may require.

(g) Conflict. In the event of any discrepancy, between the terms of this Agreement and the Certificate of Incorporation or the Company Bylaws, in each case, this Agreement shall prevail.

(h) Governing Law; Jurisdiction. The laws of the State of Delaware shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties arising hereunder. Each of the parties irrevocably consents to the non-exclusive jurisdiction of the state and federal courts of the State of Delaware for the purposes of any suit, action, or proceeding relating to or arising out of this Agreement (a "Related Proceeding") and irrevocably waives, to the fullest extent it may effectively do so, (i) any objection it may have to the laying of venue of any Related Proceeding in any such court, and (ii) the defense of any inconvenient forum to the maintenance of any Related Proceeding in any such court.

(i) Waiver of Jury Trial. Each of the parties hereto irrevocably waives to the extent permitted by law, all rights to trial by jury and all rights to immunity by sovereignty or otherwise in any action, proceeding or counterclaim arising out of or relating to this Agreement.

(j) Specific Performance. Each Stockholder agrees with the other Stockholder that the other Stockholder would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the nonbreaching Stockholder may be entitled, at law or in equity, the nonbreaching Stockholder shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and specifically to enforce the terms and provisions hereof in any action instituted in any court of the State of Delaware or any country having subject matter jurisdiction thereof.

(k) Counterpart Execution. This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile or electronic mail, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement and instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have executed and entered into this Agreement as of the day first above set forth.

**COMPANY:**

CIX ESG AFFORDABLE HOUSING FUND, INC.

By: _____
Name:
Title:

**CLASS A STOCKHOLDER:**

CIX CAPITAL GP

By: _____
Name:
Title:

**CLASS B STOCKHOLDER:**

CIX CAPITAL INTERNATIONAL DAC

By: _____
Name:
Title:

**EXHIBIT D**

**FORM OF SUBSCRIPTION AGREEMENT**

[See Attached]

# CIX ESG AFFORDABLE HOUSING FUND, INC.

**Shares of Class B Non-Voting Common Stock**

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## SUBSCRIPTION BOOKLET

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## RESTRICTIVE LEGENDS

THE SECURITIES (AS DEFINED BELOW) HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR FILED WITH OR QUALIFIED BY THE STATE SECURITIES REGULATORY AUTHORITIES OF ANY STATE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF ANY WRITTEN OR OTHER INFORMATION PROVIDED TO THE SUBSCRIBER BY THE FUND. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE CLASS B NON-VOTING COMMON STOCK OF THE FUND AND THE DEBT INSTRUMENT ISSUED BY THE FUND (THE "SECURITIES") ARE BEING OFFERED IN A PRIVATE PLACEMENT TO A LIMITED NUMBER OF QUALIFIED INVESTORS IN THE UNITED STATES THAT ARE U.S. PERSONS UNDER REGULATION S PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE OFFER AND SALE OF THE SECURITIES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS. THE SECURITIES WILL BE OFFERED AND SOLD OFFERED IN PRIVATE PLACEMENTS TO QUALIFIED INVESTORS OUTSIDE OF THE UNITED STATES TO INVESTORS THAT ARE NOT U.S. PERSONS FOR PURPOSES OF REGULATION S PROMULGATED PURSUANT TO THE SECURITIES ACT. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND, CONSEQUENTLY, SUBSCRIBERS WILL NOT BE AFFORDED THE PROTECTIONS OF THAT ACT. THE SECURITIES MAY BE OFFERED AND SOLD UNDER THE EXEMPTION PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT AND REGULATION D PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE.

THE SECURITIES MAY NOT BE SOLD, DISPOSED OF, CONVEYED, EXCHANGED, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED, EXCEPT IN THE

LIMITED CIRCUMSTANCES PERMITTED HEREIN AND BY THE STOCKHOLDERS' AGREEMENT OF THE FUND. THE SECURITIES MAY BE REDEEMED BY THE FUND IN CERTAIN CIRCUMSTANCES SET FORTH HEREIN AND IN THE STOCKHOLDERS' AGREEMENT OF THE FUND. ADDITIONAL TRANSFER RESTRICTIONS MAY BE IMPOSED BY APPLICABLE LAW.

**CIX ESG AFFORDABLE HOUSING FUND, INC.**

## SUBSCRIPTION BOOKLET

This subscription booklet ("**Subscription Booklet**") contains documents that must be executed and returned if the prospective investor (the "**Subscriber**") wishes to invest in CIX ESG Affordable Housing Fund, Inc. (the "**Fund**"). **The Subscriber should consult with an attorney, accountant, investment adviser, or other adviser regarding an investment in the Fund and its suitability for the Subscriber.** The Subscriber should have previously received, or should receive with this Subscription Booklet, the Confidential Private Placement Memorandum of the Fund dated _____, 2022 (the "**Memorandum**") and a copy of the Fund's Certificate of Incorporation, Bylaws and Stockholders' Agreement ("**SHA**"), copies of which are attached as Exhibits to the Memorandum (the "**Governance Documents**") and should read these documents prior to completing this Subscription Booklet. If the Subscriber has not received the Memorandum and/or the any of the Governance Documents, please request them from the investment manager of the Fund, CIX Capital International Ltda., a Brazilian limited liability company ("**Investment Manager**"), at the address set forth below prior to completing this Subscription Booklet. Capitalized terms used but not defined in this Subscription Booklet shall have the meanings set forth in the Memorandum or Governance Documents, as applicable.

This Subscription Booklet contains:

(a) a subscription agreement ("**Subscription Agreement**");

(b) a Subscriber Information Form and Subscriber Accredited Investor Questionnaire ("**Questionnaire**");

(c) a signature page for the Subscription Agreement (the "**Signature Page**");

(d) information regarding certain documentation required by the Internal Revenue Service, as described in Appendix C ("**Tax Forms**");

Please print and return in its entirety each of the applicable documents referenced in Items (a) through (e). Each of the above-mentioned documents must be completed and properly executed by or on behalf of the Subscriber before a subscription will be accepted; provided that the relevant Form W-8 is only required for non-United States persons (a Form W-9 is required for non-United States persons).

## General Instructions

1. Subscription Agreement

Please complete the Subscriber Information Form and the Subscriber Qualification Questionnaire,**Error! Reference source not found.** and sign the Signature Page to the Subscription Agreement. Please also provide the appropriate Tax Forms as described in Appendix C (Matters Relating to Tax Forms).

Please confirm that all information in the Questionnaire is accurate and complete. If you are purchasing an interest with any person other than your spouse, each of you must fill out a separate form. The Subscriber agrees to promptly notify the Investment Manager of any change in the information provided, including, without limitation, the Subscriber's legal address.

2. Signature Page

The Subscriber must sign and return a signed Signature Page to the Subscription Agreement. Signature pages must be delivered along with the Subscription Booklet. The Signature Pages must be completed by a duly authorized officer or agent on behalf of the Subscriber. By executing the Signature Pages, Subscriber is acknowledging that all information in the Questionnaire is accurate and complete.

Subscribers that are corporations should submit certified corporate resolutions authorizing the subscription and identifying the corporate officer(s) empowered to sign the subscription documents. Funds must submit a certified copy of the partnership certificate (in the case of limited partnerships) identifying general partners. Limited liability companies must submit a certified copy of the articles of organization and Operating Agreement (if any) identifying the members of the company. Trusts must submit a copy of the trust agreement or relevant portions thereof showing appointment and authority of trustee(s).

3. Required Tax Forms

The Subscriber must sign and return the applicable Tax Form(s), as described in in Appendix C.

If you have any questions about completing the documents in this Subscription Booklet, written inquiries should be directed to the Investment Manager via email at offshore@cix.capital. If not, please complete and sign the appropriate documents and return completed and originally signed documents to us at the following addresses:

CIX ESG Affordable Housing Fund, Inc.
c/o CIX Capital International Ltda
Av. Brig. Faria Lima, 2601 - 5º andar,
Jd. Paulistano, São Paulo, SP, 01452-924
Email: offshore@cix.capital

The Fund has the right to refuse any offer of a Subscriber to become a shareholder thereof in whole or in part. We will advise you promptly of the Fund's acceptance of any offer to become a shareholder. Your subscription will not be accepted until the Fund has countersigned your Subscription Agreement and returned a fully executed, countersigned copy to you.

## SUBSCRIPTION AGREEMENT

To: CIX ESG Affordable Housing Fund, Inc
c/o CIX Capital International Ltda
Av. Brig. Faria Lima, 2601 - 5º andar,
Jd. Paulistano, São Paulo, SP, 01452-924
Email: offshore@cix.capital

1. Subscription.

(a) The undersigned (the "**Subscriber**") hereby applies to

(i) become a holder of shares of Class B Non-Voting Common Stock (the "**Class B Stock**") of CIX ESG Affordable Housing Fund, Inc., a Delaware corporation (the "**Fund**"); and

(ii) to make a loan to the Fund,

in each case, upon the terms and conditions set forth in this subscription agreement ("**Subscription Agreement**"), the Confidential Private Placement Memorandum of the Fund dated _____, 2022 (as amended or supplemented from time to time, the "**Memorandum**"), the Stockholders' Agreement of the Fund (as amended and restated from time to time, the "**SHA**"), and the Note (as defined in the Memorandum) copies of which documents have been furnished to the Subscriber. The Subscriber has completed the signature page of this Subscription Agreement, which includes a space for the insertion of the dollar amount of the capital commitment the Subscriber wishes to invest in the Fund. The Subscriber hereby irrevocably subscribes to purchase shares of Class B Stock and to make a loan to the Fund (the "**Securities**") that such dollar amount will purchase as of the date this Subscription Agreement is accepted by the Fund, *provided, however,* that the parties hereto acknowledge and agree that the Subscriber's commitment to purchase the Securities is subject to Subscriber's receipt of funds from its own investors and the Fund shall not hold Subscriber liable to make payments under this Subscription Agreement in the event Subscriber is unsuccessful in raising the necessary funds to meet its commitment hereunder.

(b) The Subscriber hereby acknowledges receipt of a copy of the Memorandum and that certain Confidential Private Placement Memorandum of CIX Castellan Affordable Housing Fund, LLC (such memorandum, the "**Castellan Fund PPM**", and such entity, the "**Castellan Fund**"), and understands and acknowledges that the Memorandum and the Castellan Fund PPM supersede and replace in their entirety any prior information Subscriber may have received in connection with the offering of Securities. Subscribers are encouraged to read the Memorandum and the Castellan Fund PPM in their entirety prior to making an investment.

(c) The Subscriber shall deliver this Subscription Agreement to the Fund.

(d) The Subscriber acknowledges and agrees that the Fund reserves the right, in its sole discretion, to reject this subscription for Securities for any reason, in whole or in part.

2. Initial Closing; Subsequent Closings. The initial closing of the sale to the Subscriber, the subscription for and purchase by the Subscriber of the Securities, and the admission of the Subscriber to the Fund as a shareholder shall take place on a date set by the Fund, which currently is anticipated to be on _____, 2022 (the "**Initial Closing**"), or on such subsequent date as the Fund shall designate. The Fund may conduct multiple closings of the Offering (the "**Closings**") at such times and places as the Fund shall determine.

3. Adoption of SHA. The Subscriber hereby ratifies, adopts, accepts, and agrees to be bound by all the terms and provisions of the SHA, receipt of a copy of which is hereby acknowledged, and any amendments thereto, and to perform all obligations therein imposed upon a Class B Stockholder (as defined in the SHA) with respect to the Securities to be purchased. Not in limitation of the foregoing, the Subscriber shall deliver to the Fund a copy of the Signature Page of the Subscription Agreement (the "**Signature Page**") duly executed by the Subscriber. Upon acceptance of the Subscriber's subscription by the Fund (as evidenced by the execution of the Signature Page by the Fund), and the Subscriber's execution of the SHA, the Subscriber shall become a holder of shares of Class B Stock of the Fund for all purposes of the SHA, and any amendments thereto.

4. Investment Manager. The Subscriber acknowledges that the Fund has entered into an Investment Management Agreement with CIX Capital International Ltda., a Brazilian limited liability company (the "**Investment Manager**"), pursuant to which the Investment Manager will primarily be responsible for managing the Fund's assets.

5. Foreign Subscriber Status.

(a) The Subscriber hereby certifies that it is not, and will not be at any time prior to the sale of the Securities, a U.S. Person and that it is not acquiring the Securities for the account or benefit of any U.S. Person. For the purposes of this Agreement, a "U.S. Person" means: (A) any natural person resident of the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any estate of which any executor or administrator is a U.S. Person; (D) any trust of which any trustee is a U.S. Person; (E) any agency or branch of a foreign entity located in the United States; (F) any non-discretionary account or similar account (other than an estate or trust) held by any dealer or other fiduciary for the benefit or account of a U.S. Person; (G) any non-discretionary account or similar account (other than an estate or trust) organized, incorporated, or (if an individual) resident in the United States; and (H) any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by U.S. Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as such term is defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

(b) The Subscriber has no present intention of becoming a U.S. Person, and will not become a U.S. Person during the period of time that the Subscriber owns the Securities.

(c) The Subscriber has been advised and understands that the Fund is relying on, among others, the exemption from Securities Act registration provided in Regulation S promulgated under the Securities Act for offshore transactions ("**Regulation S**") and, because of the Fund's reliance on Regulation S, the Subscriber further agrees that the Securities shall not be offered or sold in the United States or to U.S. Persons unless the Securities are (A) registered under the Securities Act, (B) offered, resold, pledged or otherwise transferred in accordance with the provisions of the Securities Act, including Regulation S, or (C) offered, resold, pledged or otherwise transferred pursuant to another available exemption from the registration requirements of the Securities Act. The Subscriber understands that any offer, sale, pledge or other transfer not made in accordance with this Section shall be null and void and will not be recognized by, or registered on, the transfer books of the Fund.

(d) The Subscriber has completed and prior to the date of the sale of the Securities will deliver to the Fund an "accredited investor certification" in the form attached hereto as Appendix A.

6. Privacy Matters; Verifications. The Subscriber recognizes that non-public information (such as name, address, social security number, assets and income) concerning the Subscriber set forth in

this Subscription Agreement, or otherwise disclosed by the Subscriber to the Fund or other agents of the Fund, may be disclosed (i) to the Fund's attorneys, accountants and auditors in furtherance of the Fund's business, and (ii) to other service providers such as fund administrators or brokers who may have a need for the information in connection with providing services to the Fund. The Subscriber has read and acknowledges the Privacy Policy contained in the Memorandum.

7. Representations and Warranties of the Subscriber. The Subscriber hereby represents and warrants to the Fund, and each person or entity other than the Subscriber who acquires any Securities in the Fund as follows, and the Subscriber acknowledges that the Subscriber has full knowledge that all such persons and entities intend to rely on such representations and warranties:

(a) THE SUBSCRIBER HAS READ CAREFULLY AND UNDERSTANDS THE MEMORANDUM, THE CASTELLAN FUND PPM AND THE SHA AND HAS CONSULTED THE SUBSCRIBER'S OWN ATTORNEY, ACCOUNTANT AND/OR INVESTMENT ADVISOR WITH RESPECT TO THE INVESTMENT CONTEMPLATED THEREBY AND HEREBY AND ITS SUITABILITY FOR THE SUBSCRIBER. ANY SPECIFIC ACKNOWLEDGMENT SET FORTH BELOW WITH RESPECT TO THE FUND, THE SHA, OR THE MEMORANDUM SHALL NOT BE DEEMED TO LIMIT THE GENERALITY OF THIS REPRESENTATION AND WARRANTY. THE SUBSCRIBER FURTHER ACKNOWLEDGES THAT THE MEMORANDUM AND THE CASTELLAN FUND PPM SUPERSEDE AND REPLACE IN THEIR ENTIRETY ANY PRIOR INFORMATION SUBSCRIBER MAY HAVE RECEIVED IN CONNECTION WITH THE OFFERING OF SECURITIES.

(b) The address set forth in the Questionnaire is the Subscriber's true and correct residence (if a natural person) or the Subscriber's chief executive office (if not a natural person), and the Subscriber has no present intention of becoming a resident of, or moving the Subscriber's chief executive office to, any other state or jurisdiction.

(c) The Subscriber understands that, pursuant to various federal and state securities laws, rules, and regulations, the Fund will file various documents with governmental authorities and that such documents may list the names and addresses of each Subscriber in the Fund.

(d) The Subscriber is not a prohibited country, territory, individual or entity listed on the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. All amounts contributed by the Subscriber to the Fund were not directly or indirectly derived from activities that may contravene Federal, state or international laws and regulations, including anti-money laundering and anti-terrorist financing laws and regulations. The Subscriber shall comply with all anti-money laundering/know-your customer (AML/KYC) requirements of the Fund's fund administrator.

(e) The Subscriber or the Subscriber's representatives, during the course of this transaction and prior to the purchase of any Securities, have had the opportunity to ask questions of and receive answers from representatives of the Fund concerning the terms and conditions of the offering of the Securities and the SHA, and to obtain any additional information which relates to the offering of the Securities or which is necessary to verify the accuracy of the information contained in the SHA or the Memorandum or otherwise relative to the financial data and business of the Fund, to the extent that the Fund possess such information or can acquire it without unreasonable effort or expense. The Subscriber has not relied upon any oral representation or any written representation that is in conflict with the representations set forth in the Memorandum.

(f) The Subscriber has received, read and reviewed, and is familiar with, this Subscription Agreement, the SHA, the Note, the Memorandum and the Castellan Fund PPM. The Subscriber hereby confirms that all documents, records and books pertaining to the Subscriber's investment in the Fund and requested by the Subscriber or the Subscriber's representatives have been made available or delivered to them.

(g) The Subscriber has not relied upon the Fund, CIX Capital GP, the Investment Manager, or their respective counsel or accountants, for any securities, tax, or other legal or accounting advice, and the Subscriber has, to the extent the Subscriber deems necessary, consulted with the Subscriber's own advisors as to these matters.

(h) The Subscriber is purchasing the Securities solely for its own account and own risk and not with any present view toward resale or other distribution thereof. The Subscriber agrees not to resell or otherwise dispose of all or any part of the Securities purchased by the Subscriber, except as permitted by all applicable provisions of the SHA and as permitted by law, including, without limitation, any regulations under the Securities Act and any state securities laws or regulations thereunder.

(i) The Subscriber has adequate means of providing for the Subscriber's current needs and possible personal contingencies and has no present need for liquidity in connection with the Subscriber's purchase of the Securities. The Subscriber has examined or has had an opportunity to examine, prior to the date hereof, such other information as it deems necessary to evaluate and understand the merits and risks of an investment in the Securities. The Subscriber understands and acknowledges that: (i) the Fund has recently been organized and therefore has no meaningful financial or operating history; (ii) an investment in the Securities involves significant risks, including without limitation substantial risk of loss of investment, lack of liquidity and substantial restrictions on the transferability of the Securities; (iii) neither the United States Securities and Exchange Commission nor any federal, state or foreign agency has passed upon the Securities or made any finding or determination as to the fairness of an investment in the Securities or the accuracy or adequacy of the disclosures made by the Fund; and (iv) the Subscriber is not entitled to cancel, terminate or revoke this Subscription Agreement or any of the powers conferred herein.

(j) The purchase of the Securities by the Subscriber is consistent with the general investment objectives of the Subscriber, and such purchase by the Subscriber has been duly authorized by all requisite corporate, trust, or other action of the Subscriber. If the Subscriber is other than a natural person (i.e., partnership, trust, corporation or other entity), the Subscriber was not formed for the specific purpose of investing in the Fund, and the purchase of the Securities is permitted under the governing documents of the Subscriber.

(k) The Subscriber understands that, outside of their capacities for the Fund and the Investment Manager, such parties' principals may act as adviser and/or investment manager to various other persons and entities, some of whom have investment objectives and policies similar to those of the Fund.

(l) The Subscriber represents, warrants and agrees that all of the statements, answers and information in the Questionnaire and the Signature Page that the Subscriber has completed (together with all similar and/or related statements and/or agreements required to be completed with respect to the Subscriber's Commitment and each Form W-9, Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8EXP, and/or Form W-8ECI that the Subscriber has delivered to the Fund (collectively, the "**Tax Forms**") are true and correct as of the date hereof, will be true and correct as of the date and/or dates of the acceptance of this subscription and, as of each such date, do not and will not omit to state any material fact necessary in order to make the statements contained therein not misleading.

(m) The Subscriber understands that the information provided herein will be relied upon by the Investment Manager, the Fund, and their affiliates to determine the eligibility of the Subscriber to purchase the Securities. The Subscriber agrees to provide such additional documents and information requested by the Fund or the Investment Manager relevant to a determination of whether (i) the Subscriber's representations in this Section 7 are correct, (ii) the Fund is holding "plan assets" (as defined in the Plan Asset Regulations), or (iii) the Subscriber is or is not a "U.S. Person" for U.S. federal income tax purposes.

(n) The Fund may make reports (including annual and other updates of its consumer privacy policies and procedures), tax forms, and other communications available in electronic form, such as e-mail or by posting on a web site (with notification of the posting by e-mail), in each case without a separate mailing of paper copies to the Subscriber.

(o) The Subscriber acknowledges and agrees that there are substantial risks with respect to the purchase of the Securities, including, but not limited to the risk factors set forth in the Memorandum and the Castellan Fund PPM, which are incorporated by reference herein.

(p) The Subscriber agrees that the Fund may be required to disclose the Subscriber's status as a shareholder of the Fund to third parties. The Subscriber also understands and agrees that although the Fund shall try to keep the information provided in this Subscription Agreement (and the related Questionnaire) strictly confidential, the Fund may provide such information to such parties as it deems advisable (i) if called upon to establish the availability under any U.S. federal or state or other applicable securities laws of an exemption from registration of the private placement, (ii) if the contents hereof are relevant to any issue in any action, suit or proceeding to which the Fund or any of its assets is a party or by which any of them is or may be bound, (iii) in order to satisfy any anti-money laundering or "know-your-client" customer requirements, (iv) in order to satisfy any applicable securities law or other disclosure requirements, (v) in order to satisfy tax compliance obligations to which the Fund may be subject, including any such obligations arising under agreements between the Fund, the Investment Manager or any affiliate thereof with any taxing authority, (vi) in connection with any governmental, court or regulatory inquiry or investigation.

(q) Regarding FATCA and other Tax Information Reporting Regimes,

(i) The Subscriber covenants and agrees to provide promptly, and update periodically, at any times requested by Fund and following any change that may cause information set forth in this Section 7(q) to become untrue or misleading in any material respect, all information, documentation, certifications and forms (including, without limitation, Tax Forms), and verifications thereof that the Fund deems necessary to comply with (A) any requirement imposed by Code §§1471 - 1474, and any U.S. Department of Treasury Regulations, forms, instructions or other guidance issued pursuant thereto (commonly referred to as "**FATCA**"), any similar legislation, regulations or guidance enacted or promulgated by any jurisdiction or international organization which seeks to implement similar tax reporting and/or withholding tax regimes, (B) any intergovernmental agreement between any jurisdictions concerning the collection and sharing of information, and (C) any current or future legislation, regulations or guidance promulgated by or between any jurisdictions or international organizations (including, without limitation, the OECD) giving rise to or effect to any item described in clause (A) or (B) (collectively, all of the authorities described in clauses (A), (B) and (C) are referred to herein as "**Tax Information Reporting Regimes**"), including but not limited to information, documentation, certifications and forms (and verifications thereof) Fund deems necessary:

- to determine the residence, citizenship, country of domicile, incorporation or organization, and any tax status ascribed to the Subscriber and its beneficial owners pursuant to Tax Information Reporting Regimes (including, without limitation, the

most current applicable version of IRS Form W-9 or W-8, and any other "self-certification" documentation the Fund deems necessary),

- to determine whether withholding of tax is required with respect to amounts payable or attributable to the Subscriber pursuant to any Tax Information Reporting Regime (including, without limitation, FATCA),

- to satisfy reporting obligations imposed by any Tax Information Reporting Regime (including, without limitation, FATCA), for the Fund or any Alternative Investment Vehicle (as such term is defined in the SHA) to enter into any agreement required pursuant to any Tax Information Reporting Regime (including, without limitation, FATCA) or

- to comply with the terms of such an agreement on an annual or more frequent basis.

All of the information, documentation, certifications and forms (and verifications thereof) described in this Section 7(q), collectively with the Tax Forms and any other tax-related information collected pursuant to this Subscription Agreement, is referred to herein as "**Tax Information**."

(ii) The Subscriber covenants and agrees to waive any provision of applicable law that would, absent a waiver, prevent the Fund or the Castellan Fund from satisfying any of its reporting or withholding obligations under any Tax Information Reporting Regime.

(iii) The Subscriber acknowledges that if it fails to supply any Tax Information required pursuant hereto on a timely basis, the Subscriber and/or the Fund may be subject to withholding taxes pursuant to Tax Information Reporting Regimes (including FATCA). The Subscriber hereby agrees to indemnify and hold harmless the Fund, the Castellan Fund, and their partners or other owners against any such withholding taxes or any other penalties that may arise as a result of action or inaction by Subscriber in connection with any Tax Information Reporting Regime. The Subscriber further acknowledges that its failure to comply with any requirement pursuant to this Section 7(q) may result in the Fund or any Alternative Investment Vehicle being unable to enter into or comply with an agreement required pursuant to a Tax Information Reporting Regime, or may cause the termination of such an agreement.

(iv) The Subscriber shall promptly notify the Fund in writing if any governmental body terminates any agreement entered into with the Subscriber pursuant to FATCA or any Tax Information Reporting Regime.

(v) The Subscriber acknowledges that any Tax Information requested or compiled by the Fund or its agents pursuant to this Subscription Agreement or any Tax Information Reporting Regime, may be disclosed to (A) the Castellan Fund; (B) the IRS and U.S. Department of Treasury, (C) any other governmental body which collects information pursuant to an applicable Tax Information Reporting Regime, and (D) any withholding agent where the provision of Tax Information is required by such withholding agent to avoid the application of any withholding tax on any payments to the Fund.

(vi) The Subscriber further consents to the disclosure of Tax Information concerning Subscriber and its owners to, and the collection, access, processing and storage of Tax Information concerning Subscriber and its owners by, affiliates and agents of the Fund and other service providers to any of them, in any jurisdiction, including in the United States and in countries outside the

European Economic Area, for the purposes of (A) providing services related to any Tax Information Reporting Regime, and (B) assisting any of them with compliance with any Tax Information Reporting Regime, including the disclosure by such parties of Tax Information to applicable governmental authorities or international organizations.

(vii) The Subscriber acknowledges that Tax Information can become subject to the legal systems and laws in force in each state or country (A) where it is held, received or stored, (B) from where it is accessed in connection with providing services related to any Tax Information Reporting Regime or other services, or (C) through which it passes, and such jurisdictions may not have the same data protection laws as the country in which the Subscriber is domiciled.

(r) The Subscriber represents and warrants that the amounts contributed by the Subscriber to the Fund for the purchase of the Securities were not and are not directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. If the Subscriber is a European person or firm that is subject to local legislation implementing the EC Money Laundering Directives or is established or based in a non-EU jurisdiction (other than the United States) and subject to anti-money laundering legislation (any of the foregoing anti-money laundering legislation, "**AML Regulations**"), and is investing in the Fund on behalf, directly or indirectly, of any of its customer accounts, the Subscriber represents and warrants that it is aware of the obligations imposed on it by AML Regulations and is and shall remain in compliance with its obligations thereunder.

(s) The Subscriber confirms that the Securities were not offered to the Subscriber by any means of general solicitation or general advertising.

The Subscriber acknowledges and understands that the representations, warranties, and covenants contained in this Agreement are being furnished, in part, and will be relied on by the Fund in determining whether this Offering of the Securities is exempt from registration under the Securities Act and the securities laws of all other applicable jurisdictions and, accordingly, confirms that all such statements contained herein are true, complete, and accurate as of the date hereof, and shall be true, accurate, and complete as of the date that this Subscription Agreement is accepted, and shall survive such acceptance. If any events occur or circumstances exist prior to the issuance of the Securities to the Subscriber which would make any of the representations, warranties, agreements, or other information set forth herein untrue or inaccurate, the Subscriber agrees to immediately notify the Fund in writing of such fact specifying which representations, warranties, or covenants are not true, correct, or accurate, and the reasons therefor.

8. Indemnification. The Subscriber acknowledges that the Subscriber understands the meaning and legal consequences of the representations and warranties in this Subscription Agreement and on the signature page hereof and Exhibits hereto, and the Subscriber hereby agrees to indemnify and hold harmless the Fund, the Class A Shareholder, the Investment Manager, and the partners, members, directors, officers, contractors, agents, employees, and delegatees of all of the above (including, without limitation, the current and former members of the Board (as defined in the SHA)) from and against any and all losses, judgments, liabilities, penalties, costs, expenses (including reasonable attorney's fees) and amounts paid in settlement due to or arising out of a breach of any such representations or warranties. Notwithstanding the foregoing, however, no representation, warranty, acknowledgment or agreement made herein by the Subscriber shall in any manner be deemed to constitute a waiver of any rights granted to the Subscriber under federal or state securities laws.

9. Investment Fund Act. The Subscriber understands that the Fund will not register as an "investment company" under the Investment Company Act of 1940, as amended, (the "**Investment Company Act**") by reason of the provisions of Section 3(c)(1) and/or Section 3(c)(7) thereof, which,

respectively, exclude from the definition of an "investment company" any issuer which has not made and does not presently propose to make a public offering of its securities and (i) has fewer than one hundred beneficial owners, or (ii) whose outstanding securities are beneficially owned by qualified purchasers or knowledgeable employees. The Subscriber represents and warrants that, except as expressly set forth in the Questionnaire, the Subscriber constitutes a qualified purchaser or knowledgeable employee for the purpose of Section 3(c)(7) of the Investment Fund Act.[1]

10. Additional Provisions for Entities. The Subscriber further represents, warrants, acknowledges and agrees that, if the Subscriber is a corporation, limited liability company, partnership, trust, or other entity:

(a) The equity owners of the Subscriber share in the profits and losses of all investments of the Subscriber in the same way on the basis of their proportional ownership and do not have non-pro rata interests in specified investments of the Subscriber.

(b) Based on the most recent valuations available, less than twenty-five percent (25%) of the Subscriber's assets are owned by "benefit plan investors" as defined in ERISA and regulations of the United States Department of Labor promulgated under ERISA concerning those categories of assets that constitute assets of an employee benefit plan. The Subscriber hereby agrees to notify the Fund promptly if the percentage of the Subscriber's assets which is owned by benefit plan investors should equal or exceed twenty-five percent (25%) or if the Subscriber's assets are otherwise deemed to be "plan assets" by the United States Department of Labor.

11. Reaffirmation; Notice. The Subscriber agrees to notify the Fund within seven days (or at such time or times as the Fund may request) if any representation or warranty contained in this Subscription Agreement become untrue or misleading at any time.

12. Limited Recourse and Non-Petition. The investment by the Subscriber pursuant to this Subscription Agreement is being made in respect of a particular series of notes issued by the Subscriber under its USD 10 Billion secured note programe (the "Series"). Notwithstanding any other provision of this Subscription Agreement, any other document or agreement and/or the general law, each of the Fund, any person acting on its behalf and any other person with rights arising under or in connection with the Subscription Agreement or the Securities, shall have recourse in respect of any claim against the Subscriber under or in connection with this Subscription Agreement, the Securities, any other document or agreement and/or the general law (whether arising under this Subscription Agreement and/or under the general law or otherwise) (a "Relevant Claim") only to any proceeds of any assets of the Subscriber on which the Series is secured and which are available to be applied by the Subscriber towards such Relevant Claim in accordance with the terms of any other agreements to which the Subscriber is from time to time a party after discharging in full any amounts payable by the Subscriber in priority to the Relevant Claim and subject always to any security created by the Subscriber (such available proceeds, the "Available Amounts") and if such assets of the Subscriber have been realized and the Available Amounts are less than the Relevant Claim and any other claims, whether of the Fund or any other person, ranking pari passu with the Relevant Claim, the Relevant Claim and such other pari passu claims shall be reduced pro rata so that the total of the Relevant Claim and such pari passu claims does not exceed the Available Amounts. None of the Fund, any

[1] "Qualified purchaser" means— (i) any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer with that person's qualified purchaser spouse) who owns not less than $5,000,000 in investments, as defined by the Securities and Exchange Commission; (ii) any company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons; (iii) any trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i), (ii), or (iv); or (iv) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments.

person acting on its behalf nor any other person with rights arising under or in connection with this Subscription Agreement or the Securities shall be entitled to take any further steps against the Subscriber to recover any sums due to it but still unpaid once the proceeds of the assets of the Subscriber described above have been exhausted for whatever reason (save for lodging any claim in the liquidation or bankruptcy of the Subscriber initiated by another person) and all claims in respect of such sums due but still unpaid shall be extinguished. None of the Fund, any person acting on its behalf nor any other person with rights arising under or in connection with this Subscription Agreement or the Securities shall petition or take any other step for the winding up, liquidation, examinership or the bankruptcy of the Subscriber or any other insolvency related proceedings affecting the rights of creditors generally towards the Subscriber. The provisions of this Section 12 (Limited Recourse and Non-Petition) shall survive the termination of this Subscription Agreement.

13. Disclosure of Confidential Information. Notwithstanding anything to the contrary in this Subscription Agreement, the SHA, or in any document relating to the Fund which prohibits the Subscriber from disclosing any confidential information regarding the Fund, the Subscriber (and each employee, representative, or other agent of the Subscriber) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the Subscriber relating to such tax treatment and tax structure.

14. Certain Legends.

IN MAKING AN INVESTMENT DECISION SUBSCRIBERS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY ISSUING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE AMENDED AND RESTATED CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF THE FUND. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. SUBSCRIBERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

15. Power of Attorney. The Subscriber hereby irrevocably constitutes and appoints the Fund (and any of its officers, agents, employees, or representatives) his, her or its true and lawful attorney in the Subscriber's name, place and stead, (a) to receive and pay over to the Fund on the Subscriber's behalf, to the extent set forth in this Agreement, all funds received hereunder, (b) to complete or correct, on the Subscriber's behalf, all documents to be executed by such Subscriber in connection with his, her or its subscription for Securities, including, without limitation, filling in or amending amounts, dates, and other pertinent information, and (c) to execute, acknowledge, swear to and file: (i) any counterparts of the SHA to be entered into pursuant to this Subscription Agreement and any amendments to which the Subscriber is a signatory, (ii) any agreements or other documents relating to the obligations of the Fund, as limited and defined in the Fund's governance documents, (iii) any certificates of shares required by law and all

amendments thereto, (iv) all certificates and other instruments necessary to qualify, or continue the qualification of, the Fund in the states where it may be doing business and to preserve the limited liability status of the Fund in the jurisdictions in which the Fund may acquire investments, (v) any certificates or other instruments which may be required to effectuate any change in the ownership of the Fund, (vi) all assignments, conveyances or other instruments or documents necessary to effect the dissolution of the Fund, and (vii) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Fund considers necessary or desirable to carry out the purposes of this Agreement, the SHA and the business of the Fund. This power of attorney shall be deemed coupled with an interest and shall be irrevocable. This power of attorney shall be in addition to, and not in limitation of, any power of attorney contained in the SHA.

16. Binding Effect. This Subscription Agreement shall be binding upon and inure to the benefit of the parties and their successors, permitted assigns, heirs, estates, executors, administrators and personal representatives. If the Subscriber is more than one person, the obligation of the Subscriber shall be joint and several, and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and its successors, permitted assigns, heirs, estates, executors, administrators and personal representatives. The Fund represents and warrants to Subscriber that this Subscription Agreement has been duly and validly executed and delivered by the Fund and constitutes the valid and legally binding obligations of the Fund enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights and except as enforcement is subject to general equitable principles.

17. Entire Agreement. This Subscription Agreement, the Questionnaire, the SHA and the other agreements or documents referred to herein or in the SHA, contain the entire agreement of the parties, and there are no representations, covenants or other agreements except as stated or referred to herein and in such other agreements or documents.

18. Assignment. This Subscription Agreement is not transferable or assignable by the Subscriber.

19. Electronic Delivery. The Fund, the Investment Manager, and the administrator (if any) will send the Subscriber (or the Subscriber's designated agents) correspondence and documents and otherwise communicate with the Subscriber using a variety of means, including, without limitation, by telephone, email, password protected Internet website (upon prior notice to Subscribers), regular mail, and facsimile. The Fund will send notices and information by email unless the Subscriber has notified the Fund of another method. However, if the method specified by the Subscriber is not available, the Fund will send notices and information by e-mail, or if not possible, by mail. By execution of this document, the Subscriber agrees to receive electronic communications containing information relating to the Offering and the Subscriber's investment in the Securities, including, without limitation, containing information related to the Subscriber's investment and personal information. The Subscriber's consent to electronic communications will take effect immediately and will remain in effect as long as the Subscriber maintains an investment with the Fund or until the Subscriber otherwise notifies the Fund in writing. The Fund, the Investment Manager, and the administrator will take reasonable precautions to ensure the integrity, confidentiality and security of the documents, but will not be liable for any breaches or interceptions of electronic communications. The Fund, the Investment Manager, and the administrator will use the Subscriber's e-mail, mailing address, telephone number and facsimile number provided in the Questionnaire. Accordingly, the Subscriber agrees to notify the Investment Manager, immediately upon any change to the contact information provided in the Questionnaire.

20. Counterparts. This Subscription Agreement may be executed through the use of separate signature pages or in any number of counterparts (including, without limitation by facsimile or pdf.), and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties, notwithstanding that all parties are not signatories to the same counterpart.

21. Governing Law. THIS SUBSCRIPTION AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAW (BOTH SUBSTANTIVE AND PROCEDURAL) OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF.

By executing the signature page to this Subscription Agreement, the Subscriber agrees to be bound by the foregoing.

**Internal Revenue Code Certification**

Under the penalties of perjury, by signing this Subscription Agreement I hereby certify that the Social Security Number or Taxpayer ID Number set forth above is true and correct and agree to notify the Fund within 30 days of any change in the information set forth above.

**Verification of Signature Requirements:**

To verify signatures on the Subscription Agreement and SHA, please provide the Fund with a true copy of a unexpired government-issued form of identification bearing the name, picture and signature of an individual Subscriber (*e.g.*, valid passport or driver's license) or authorized signatory list which includes the names and specimen signatures of the persons authorized to sign on behalf of an entity Subscriber.

**Questionnaire:**

I have attached a completed Questionnaire for Corporations, LLCs, Funds, Trusts and other Entities and hereby certify that it is true and correct.

The trustee, general partner, corporate officer or other representative signing on behalf of the Subscriber entity certifies that he or she has full power and authority from all persons having an ownership interest, directly or indirectly, in the entity (*i.e.*, the "beneficial owners"[2]) of the entity named below to execute this Agreement on behalf of the entity, and that the making and performance of this Agreement is not prohibited by law or the governing documents of such entity.

[2] Beneficial owners would include (i) shareholders of a corporation, (ii) partners of a partnership, (iii) the grantor of a revocable or grantor trust, (iv) the beneficiaries of an irrevocable trust, (v) the individual who established an IRA, (vi) the participant in a self-directed pension plan, or (vii) the sponsor of any other pension plan.

## SUBSCRIPTION AGREEMENT

## SUBSCRIBER SIGNATURE PAGE

This page constitutes the signature page for the Subscription Agreement, and execution of this signature page constitutes execution of such document.

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement this _____ day of _____, 2022.

| | |
|---|---|
| **Subscription Amount** | $ |
| **Number of shares of Class B Stock** | |
| **Amount of Loan** | $ |

_____
Entity Name of Prospective Subscriber (print or type)

By: _____
(Signature)

Name: _____

Title: _____

By: _____
(Signature)

Name: _____

Title: _____

**THE FOLLOWING ACCEPTANCE IS TO BE COMPLETED BY THE FUND**

The foregoing Subscription Agreement is accepted by the undersigned effective as of the _____ day of _____, 2022.

CIX ESG AFFORDABLE HOUSING FUND, INC.,
a Delaware corporation

By: _____
Name:
Title: Authorized Person

## APPENDIX A

## SUBSCRIPTION INFORMATION FORM

_____
Name of Subscriber
(Please Print or Type full legal name)

_____
Social Security or Tax I.D.

_____
Name of person exercising investment discretion for Subscriber (e.g., trustee or fiduciary)

_____
Jurisdiction where Subscriber is organized (if applicable)

Type of Subscriber – Please check one:

_____Individual

_____Limited Partnership

_____Corporation

_____Limited Liability Company

_____Other – Please Specify

**Investor's Principal Place of Business Address:**

_____
Name

_____
Street

_____
City, State, Zip

_____
Attn

_____
Telephone number

_____
Email address

Investor's Mailing Address, if different:

_____
Name

_____
Street

_____
City, State, Zip

_____
Attn

_____
Telephone number

_____
Email address

## APPENDIX B

## ACCREDITED INVESTOR QUESTIONNAIRE

*For Individual Subscribers: Initial all items that are applicable, indicating the basis upon which the Subscriber qualifies as an "accredited investor" under Regulation D of the Securities Act:*

_____ 1. The Subscriber hereby certifies that he/she is an accredited investor because he/she is a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with his/her spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

_____ 2. The Subscriber hereby certifies that he/she is an accredited investor because he/she is a natural person whose individual net worth[3], or joint net worth with his/her spouse or spousal equivalent[4] at the time of the purchase exceeds $1,000,000 (excluding the value of his/her primary residence).

_____ 3. The Subscriber hereby certifies that it is an accredited investor because it is an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act").

_____ 4. The Subscriber hereby certifies that he/she is an accredited investor because he/she is a natural person who is a director, executive officer, or general partner of the issuer of the securities being offered or sold, or a director, executive officer or general partner of a general partner of that issuer.

_____ 5. The Subscriber hereby certifies that he/she is an accredited investor because he/she is a natural person holding in good standing the following licenses: General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65).

_____ 6. The Subscriber hereby certifies that he/she is an accredited investor because he/she is a natural person who is a "knowledgeable employee"[5] of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of the Investment Company Act of 1940, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act.

---

[3] For purposes of calculating net worth: (A) The person's primary residence shall not be included as an asset; (B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); (C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability; and (D) Joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.

[4] The term "spousal equivalent" is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse.

[5] The term "knowledgeable employee" of a private fund means any natural person who is:

(i) An executive officer, director, trustee, general partner, advisory board member, or person serving in a similar capacity, of the private fund or an affiliated management person of such private fund (i.e., an affiliated person that manages the investment activities of the private fund); or

(ii) An employee of the private fund or an affiliated management person of the private fund (other than an employee performing solely clerical, secretarial or administrative functions with regard to such company or its investments) who, in connection with his or her regular functions or duties, participates in the investment activities of such private fund, other private funds, or investment companies the investment activities of which are managed by such affiliated management person of the private fund, provided that such employee has been performing such functions and duties for or on behalf of the private fund or the affiliated management person of the private fund, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

*For Subscribers other than Individuals: Initial all Items that are applicable, indicating the basis upon which the Subscriber qualifies as an "accredited investor" under Regulation D of the Securities Act.*

Please note that where an Subscriber is being asked to represent that it is not formed for the specific purpose of acquiring the Securities, an Subscriber shall be deemed to be formed for the specific purpose of acquiring the Securities if it is operated in a manner that facilitates individual investment decisions such as if (i) the shareholders, partners, members, grantors or executors of the Subscriber, as the case may be, contributed additional capital above amounts previously committed to the Subscriber for the purpose of acquiring the Securities or (ii) the shareholders, partners, beneficiaries or members of the Subscriber are permitted to opt in or out of particular investments made by the Subscriber, or each such person is not required to participate in all investments made by the Subscriber pro rata in accordance with its interest in the Subscriber.

Where the accredited investor status indicated below is based on equity holders in the Subscriber, the Fund, in its sole discretion, may request information regarding the basis on which such individuals or entities are accredited.

_____ 1. The Subscriber hereby certifies that it is an accredited investor because it is a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association, or another institution as defined in Section 3(a)(5)(A) of the Securities Act, in each case whether acting in its individual or fiduciary capacity.

_____ 2. The Subscriber hereby certifies that it is an accredited investor because it is an insurance company as defined in Section 2(13) of the Securities Act.

_____ 3. The Subscriber hereby certifies that it is an accredited investor because it is an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act").

_____ 4. The Subscriber hereby certifies that it is an accredited investor because it is a business development company as defined in Section 2(a)(48) of the 1940 Act.

_____ 5. The Subscriber hereby certifies that it is an accredited investor because it is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.

_____ 6. The Subscriber hereby certifies that it is an accredited investor because it is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended.

_____ 7. The Subscriber hereby certifies that it is an accredited investor because it is a broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.

_____ 8. The Subscriber hereby certifies that it is an accredited investor because it is a trust, insurance company separate account or bank collective trust, not formed for the specific purpose of investing in the Fund, that has total assets in excess of

$5,000,000, whose participation in the Fund is directed by a "sophisticated person" as defined in Securities Exchange Commission ("SEC") Regulation D.

_____ 9. The Subscriber hereby certifies that it is an accredited investor because it is an organization described in Section 501(c)(3) of the Code, a corporation, Massachusetts or similar business trust, or partnership, in each case other than a commodity pool, that was not formed for the specific purpose of acquiring the securities offered and has total assets in excess of $5,000,000.

_____ 10. The Subscriber hereby certifies that it is an accredited investor because it is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, and has total assets in excess of $5,000,000

_____ 11. An entity which all of the unit owners and participants (i.e., all partners (including limited partners) of a partnership, shareholders of a corporation and the grantor of a grantor trust, but not the beneficiaries of a true trust) are accredited investors[1].

_____ 12. The Subscriber hereby certifies that it is an accredited investor because it is an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of any state

_____ 13. The Subscriber hereby certifies that it is an accredited investor because it is an investment adviser relying on the exemption from registering with the Securities and Exchange Commission under section 203(l) or (m) of the Investment Advisers Act of 1940.

_____ 14. The Subscriber hereby certifies that it is an accredited investor because it is a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act.

_____ 15. The Subscriber hereby certifies that it is an accredited investor because it is an entity, of a type not listed in Sections (1) through (14) above, not formed for the specific purpose of acquiring the securities offered, owning "Investments," as such term is defined in Rule 501(a), in excess of $5,000,000.

_____ 16. The Subscriber hereby certifies that it is an accredited investor because it is a "family office," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940: (x) with assets under management in excess of $5,000,000, (y) that is not formed for the specific purpose of acquiring the securities offered, and (z) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

_____ 17. The Subscriber hereby certifies that it is an accredited investor because it is a "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements in Section (16) above and

[1] It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities here. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this side-heading may be available.

whose prospective investment in the issuer is directed by such family office pursuant to Section (16) above.

_____ 18. The Subscriber hereby certifies that it is an accredited investor because it is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), provided that (i) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, that is either a bank, savings and loan association, insurance company or registered investment adviser; (ii) the employee benefit plan has total assets in excess of $5,000,000; or (iii) if the plan is self-directed, investment decisions for the plan are made solely by persons that are accredited investors.

## APPENDIX C

## TAX FORMS

**FORM W-8BEN-E**

**[See Attached]**

**EXHIBIT E**

**CASTELLAN FUND PPM**

[See Attached]

CASTELLAN
REAL ESTATE PARTNERS

# CIX Castellan Affordable Housing Fund LLC

**PRIVATE PLACEMENT MEMORANDUM**

**STRICTLY CONFIDENTIAL**

**October 3, 2022**

## Important Information

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, DATED OCTOBER 3, 2022 (THIS **"MEMORANDUM"),** IS FURNISHED ON A CONFIDENTIAL BASIS FOR THE PURPOSE OF EVALUATING AN INVESTMENT IN CIX CASTELLAN AFFORDABLE HOUSING FUND LLC, A NEW YORK LIMITED LIABILITY COMPANY (THE **"FUND**"**).**

THE FUND IS SPONSORED BY CASTELLAN HOLDINGS LLC (THE "**SPONSOR**"). THE SPONSOR SERVES AS THE INVESTMENT MANAGER OF THE FUND. CASTELLAN AFFORDABLE HOUSING MANAGER LLC (THE "**MANAGER"**) HAS BEEN APPOINTED UNDER THE OPERATING AGREEMENT AS THE MANAGER OF THE FUND AND IS A WHOLLY-OWNED SUBSIDIARY OF THE SPONSOR.

THE FIXED RATE DEBT INSTRUMENTS ISSUED BY THE FUND (THE "**NOTES**") ARE BEING OFFERED IN A PRIVATE PLACEMENT TO A LIMITED NUMBER OF QUALIFIED INVESTORS IN THE UNITED STATES THAT ARE U.S. PERSONS UNDER REGULATION S PROMULGATED PURSUANT TO THE SECURITIES ACT. THE OFFER AND SALE OF THE NOTES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS. THE NOTES WILL BE OFFERED AND SOLD UNDER THE EXEMPTION PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT AND REGULATION D PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND, CONSEQUENTLY, INVESTORS WILL NOT BE AFFORDED THE PROTECTIONS OF THAT ACT. THE NOTES MAY BE OFFERED IN PRIVATE PLACEMENTS TO QUALIFIED INVESTORS OUTSIDE OF THE UNITED STATES TO INVESTORS THAT ARE NOT U.S. PERSONS FOR PURPOSES OF REGULATION S PROMULGATED PURSUANT TO THE SECURITIES ACT.

A NOTE MAY NOT BE SOLD OR TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE LAWS. IN ADDITION, THE TRANSFERABILITY, RESALE AND ASSIGNMENT OF THE NOTES ARE SUBJECT TO THE REQUIREMENTS OF FEDERAL AND STATE SECURITIES LAW AND THE OPERATING AGREEMENT OF THE FUND (AS AMENDED, RESTATED OR OTHERWISE MODIFIED, THE "**OPERATING AGREEMENT**"). THEREFORE, SUCH NOTES MUST BE HELD UNTIL THE FUND IS LIQUIDATED, AND INVESTORS ARE REQUIRED TO BEAR THE ENTIRE FINANCIAL RISK OF AN INVESTMENT IN THE NOTES FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE NOTES, OR ANY SALE THEREOF, UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS.

ALL OF THE STATEMENTS AND INFORMATION CONTAINED HEREIN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE OPERATING AGREEMENT AND THE SUBSCRIPTION DOCUMENTS (COLLECTIVELY, THE "**FUND DOCUMENTS**"). IN THE

EVENT THAT ANY TERMS, CONDITIONS OR OTHER PROVISIONS OF SUCH FUND DOCUMENTS ARE INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTIONS THEREOF SET FORTH IN THIS MEMORANDUM, THE TERMS OF SUCH FUND DOCUMENTS SHALL CONTROL. PRIOR TO THE FINAL TERMINATION OF THE OFFERING, THE MANAGER RESERVES THE RIGHT TO MODIFY THE TERMS OF THE OFFERING AND THE NOTES DESCRIBED HEREIN. THE OFFERING CAN BE WITHDRAWN AT ANY TIME AND IS SPECIFICALLY MADE SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM AND THE FUND DOCUMENTS. OBLIGATIONS REGARDING PRINCIPAL COMMITMENTS (AS DEFINED BELOW) WILL BE EFFECTIVE ONLY UPON ACCEPTANCE BY THE FUND. THE FUND RESERVES THE RIGHT TO REJECT OR ACCEPT ANY PRINCIPAL COMMITMENTS IN WHOLE OR IN PART FOR ANY REASON OR NO REASON.

THE PLACEMENT OR INTRODUCING AGENTS, IF ANY, HAVE NOT INDEPENDENTLY VERIFIED THE REPRESENTATIONS AND FINANCIAL INFORMATION CONTAINED HEREIN. NONE OF THE PLACEMENT OR INTRODUCING AGENTS OR ANY OF THEIR RESPECTIVE AFFILIATES, EMPLOYEES, AGENTS OR REPRESENTATIVES MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED HEREIN OR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS TRANSMITTED OR MADE AVAILABLE TO A PROSPECTIVE INVESTOR OR ITS ADVISORS OR FOR ANY OMISSIONS FROM THIS MEMORANDUM OR ANY OTHER SUPPLEMENTAL INFORMATION, AND THE PLACEMENT OR INTRODUCING AGENTS AND THEIR RESPECTIVE AFFILIATES, EMPLOYEES, AGENTS AND REPRESENTATIVES EXPRESSLY DISCLAIM ANY AND ALL LIABILITY BASED ON OR IN RELATION TO SUCH INFORMATION AND COMMUNICATIONS.

ALL REPRESENTATIONS AND REFERENCES ARE MADE AS OF THE DATE OF THIS MEMORANDUM UNLESS OTHERWISE EXPRESSLY INDICATED. A COPY OF THE MOST RECENT SUPPLEMENT TO THIS MEMORANDUM, IF ANY, SHOULD BE REVIEWED PRIOR TO AN INVESTMENT IN THE FUND. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS MEMORANDUM, AND NO SUCH INFORMATION OR REPRESENTATIONS MAY BE RELIED UPON BY PROSPECTIVE INVESTORS. THIS MEMORANDUM SUPERSEDES ANY AND ALL MARKETING MATERIALS, TERM SHEETS, PRELIMINARY INVESTMENT PROPOSALS OR ANY OTHER OFFERING LITERATURE DELIVERED TO A PROSPECTIVE INVESTOR PRIOR TO THE DATE OF DELIVERY OF THIS MEMORANDUM AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND DOCUMENTS.

THIS MEMORANDUM IS SOLELY FOR THE USE AND INFORMATION OF QUALIFIED INVESTORS HAVING THE ABILITY AND WILLINGNESS TO ACCEPT THE HIGH LEVELS OF RISK AND LACK OF LIQUIDITY INHERENT IN INVESTING IN RESTRICTED SECURITIES. THIS MEMORANDUM IS NOT AN OFFER TO SELL NOTES IN ANY STATE OR JURISDICTION WHERE PROHIBITED BY LAW OR TO ANY FIRM OR INDIVIDUAL TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER. THE NOTES ARE OFFERED SUBJECT

TO PRIOR SALE, AND SUBJECT TO THE RIGHT OF THE MANAGER OF THE FUND TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART.

AN INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE PROSPECTIVE INVESTOR MUST BE PREPARED TO LOSE THE PROSPECTIVE INVESTOR'S ENTIRE INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD RECOGNIZE THAT THE VALUE OF THEIR INVESTMENT MAY FLUCTUATE. THEY ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS MEMORANDUM AND TO REVIEW, IN PARTICULAR, THE SPECIAL CONSIDERATIONS SET FORTH UNDER "**RISK FACTORS**."

PRIOR TO THE CLOSING, THE MANAGER WILL GIVE PROSPECTIVE INVESTORS THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM IT AND ITS REPRESENTATIVES REGARDING THE OFFERING AND OTHER RELEVANT MATTERS; PROVIDED, HOWEVER, THAT ANY SUCH ANSWERS, AS WELL AS THE CONTENTS OF THIS MEMORANDUM, SHOULD NOT, AND MAY NOT, BE CONSTRUED AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. IT IS THE RESPONSIBILITY OF ANY PROSPECTIVE INVESTOR TO SATISFY ITSELF WITH ANY APPLICABLE REQUIREMENTS TO PARTICIPATE IN THE FUND, INCLUDING OBTAINING ANY REQUISITE GOVERNMENTAL OR OTHER CONSENT. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. MANAGEMENT OF THE FUND WILL BE AVAILABLE TO MEET WITH PROSPECTIVE INVESTORS TO ANSWER ANY QUESTIONS CONCERNING THE FUND AND WILL MAKE AVAILABLE SUCH OTHER INFORMATION AS SUCH INVESTORS REASONABLY REQUEST.

THIS MEMORANDUM IS CONFIDENTIAL AND CONTAINS PROPRIETARY INFORMATION AND IS INTENDED FOR USE ONLY BY THE PERSON TO WHOM IT IS GIVEN. BY ACCEPTING THIS MEMORANDUM, THE RECIPIENT EXPRESSLY AGREES (I) THAT IT WILL KEEP CONFIDENTIAL ALL FUND INFORMATION, INCLUDING THAT THE FUND IS CONSIDERING THIS OFFERING, AND WILL USE THIS MEMORANDUM AND THE FUND INFORMATION SOLELY IN CONNECTION WITH THE PROSPECTIVE INVESTOR'S EVALUATION OF AN INVESTMENT IN THE NOTES AND (II) NOT TO REPRODUCE OR REDISTRIBUTE ANY PORTION HEREOF EXCEPT FOR USE BY ITS PROFESSIONAL ADVISORS, AND THE RECIPIENT AGREES TO RETURN THIS MEMORANDUM AND ANY MATERIALS RELATED TO THIS OFFERING TO THE FUND UPON REQUEST. NOTWITHSTANDING THE FOREGOING, THE RECIPIENT (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF SUCH RECIPIENT) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX STRUCTURE AND TAX

TREATMENT OF THE FUND AND ALL RELATED MATERIALS OF ANY KIND; PROVIDED, HOWEVER, THAT SUCH DISCLOSURE SHALL NOT INCLUDE THE NAME (OR OTHER IDENTIFYING INFORMATION NOT RELEVANT TO THE TAX STRUCTURE OR TAX TREATEMENT) OF ANY PERSON. AN OFFEREE MAY NOT SOLICIT, DIRECTLY OR INDIRECTLY (WHETHER THROUGH AN AGENT OR OTHERWISE), THE PARTICIPATION OF ANOTHER INSTITUTION OR PERSON, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE MANAGER OF THE FUND.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM IS BASED ON OR DERIVED FROM INFORMATION PROVIDED BY PUBLISHED OR INDEPENDENT THIRD-PARTY SOURCES. EACH OF THE SPONSOR AND THE MANAGER BELIEVES THAT SUCH INFORMATION IS ACCURATE AND THAT THE SOURCES FROM WHICH IT HAS BEEN OBTAINED ARE RELIABLE. HOWEVER, NONE OF THE SPONSOR, THE MANAGER, ITS RESPECTIVE MEMBERS, MANAGERS OR AFFILIATES, NOR THE FUND MAKES ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, NOR HAVE ANY OF THEM INDEPENDENTLY VERIFIED THE ASSUMPTIONS ON WHICH SUCH INFORMATION IS BASED.

THE STATEMENTS CONTAINED IN THIS MEMORANDUM THAT ARE NOT HISTORICAL FACTS ARE "**FORWARD-LOOKING STATEMENTS**," WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "PROJECT," "ESTIMATE," "INTEND" OR "BELIEVE", OR VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. DUE TO VARIOUS RISKS, ASSUMPTIONS AND UNCERTAINTIES, ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS AND THERE IS NO OBLIGATION TO REVISE OR UPDATE ANY FORWARD-LOOKING STATEMENTS FOR ANY REASON.

IN CONSIDERING ANY PRIOR PERFORMANCE INFORMATION CONTAINED IN THIS MEMORANDUM, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS, IMPLEMENT ITS INVESTMENT STRATEGY, OR THAT ANY TARGET RETURNS WILL BE MET. IN ADDITION, THERE CAN BE NO ASSURANCE THAT UNREALIZED INVESTMENTS WILL BE REALIZED AT THE VALUATIONS USED TO DETERMINE THE PERFORMANCE RETURNS SET FORTH IN THIS MEMORANDUM, AS ACTUAL REALIZED RETURNS WILL DEPEND ON, AMONG OTHER FACTORS, FUTURE OPERATING RESULTS, THE VALUE OF THE ASSETS AND MARKET CONDITIONS AT THE TIME OF AN APPLICABLE OR RELEVANT DISPOSITION, ANY RELATED TRANSACTION COSTS, AND THE TIMING AND MANNER OF SALE (IF ANY), ALL OF WHICH MAY DIFFER FROM THE ASSUMPTIONS ON WHICH THE VALUATIONS THAT WERE USED TO DETERMINE THE PERFORMANCE RETURNS ARE BASED. NOTHING CONTAINED IN THIS MEMORANDUM SHOULD BE DEEMED TO BE A PREDICTION OR PROJECTION OF THE FUTURE PERFORMANCE OF THE FUND.

**NOTICE TO NON-U.S. RESIDENTS**

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA THAT WOULD PERMIT AN OFFERING OF THESE SECURITIES, OR POSSESSION OR DISTRIBUTION OF OFFERING MATERIAL IN CONNECTION WITH THE ISSUE OF THESE SECURITIES, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF ANY PERSON WISHING TO PURCHASE THESE SECURITIES TO SATISFY HIMSELF, HERSELF OR ITSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES OF AMERICA IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

## Instructions for Subscription Documents

**Prospective investors should read this Memorandum of the Fund carefully prior to subscribing for Notes. If after reading this Memorandum of the Fund you are interested in purchasing Notes, please take the followingsteps.**

| | |
|---|---|
| **FIRST** | Complete the Subscription Agreement attached as Exhibit I. |
| **SECOND** | Complete the information requested on the signature page of the Subscription Agreement and provide a signature where indicated. |
| **THIRD** | Complete and attach the Federal Taxpayer Certification forms. We strongly encourage all investors to obtain professional tax advice before doing so. |
| **FOURTH** | Deliver the completed and executed agreements to IR@castellanre.com, or to your financial advisor. |
| **FIFTH** | The Manager will issue a capital call notice after your subscription has been accepted. |

**Please contact IR@castellanre.com with any questions or your regular point of contact for investor relations at Castellan Real Estate Partners at (646) 545-6708**

If you are interested in investing in the Company, we request that you complete and submit all subscription documents and fund your subscription proceeds as directed by the Company.

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## Overview

### *Investment Objective*

CIX Castellan Affordable Housing Fund LLC (the "**Fund**"), a New York limited liability company, is an investment vehicle sponsored by Castellan Holdings LLC (together with its affiliates and principals, the "**Sponsor**" or "**Castellan**"). Castellan is giving select investors (the "**Noteholders**") the opportunity to invest in debt securities (the "**Notes**") of the Fund, on the terms described in this Memorandum. The Fund will seek to target strong risk-adjusted returns by investing in rights for the acquisition, rehabilitation and development of affordable rental housing or contractual or other rights to acquire, rehabilitate or develop such properties in each case primarily financed or expected to be financed through Low-Income Housing Tax Credits ("**LIHTC**") and tax-exempt bonds. As such, the primary investments by the Fund will be in the predevelopment phase of the related real estate, including acquiring rights to purchase properties and related planning and permitting intended to allow for construction or rehabilitation of properties for the ultimate intended use of the real estate. The Fund may also invest a limited amount of capital in businesses (which may be control positions) that provide services to developers (including the Fund) within the LIHTC market (each of the foregoing investments by the Fund is referred to as a "**Property**" and, collectively, the "**Properties**"). The Fund may invest up to 20% of total available capital in debt or equity positions in businesses that provide services to developers, such as construction companies or architectural firms with expertise in the LIHTC markets. The Fund does not intend to operate any of the real estate projects and expects to exit its investment in each Property once the tax credits have been obtained and the LIHTC financing is available to further the development process.

Castellan has sponsored existing funds that have invested in similar assets and is expected to co-invest with the Fund in certain Properties. To date, the existing investments managed by Castellan and its affiliates in the LIHTC market have been in Southern California; however, the Fund will not be restricted only to that geographic area.

The LIHTC is a federal income tax credit that, since 1986, has been the centerpiece of supply side solutions in response to the lack of affordable rental housing for low-income families. The federal income tax credit is typically very attractive to institutional investors since the credit results in a direct reduction in federal income taxes and therefore increases the investor's after-tax earnings.

The Fund is seeking to raise up to $20 million from a limited number of investors. The Fund expects to pay a fixed return on Notes at an annualized rate (non-compounded) of 14%, although there can be no assurance that such objective will be realized. The Manager may increase or decrease the total capital raised in its discretion based upon the Fund's capital needs. Investor capital will be used to acquire the Properties and obtain the necessary state and local approvals before the expected sale of the Properties to one or more investment groups that can utilize the tax credits. The Sponsor believes that an investment in the Fund represents an attractive opportunity for several reasons:

- Unlike traditional real estate investments, each Property investment is generally expected to be relatively short-term in nature, generally not exceeding 24 months. Therefore, the Fund expects to reinvest available capital during the Fund Term (defined below).
- Castellan believes that this segment of the market is underserved due to the deepening affordable housing crisis that exists across the United States. The Sponsor has extensive experience in owning and managing low-income multifamily properties.
- The development of affordable housing financed through LIHTC provides numerous social and economic benefits to individuals and communities.
- The Sponsor or other affiliates will agree to use a portion of developer and acquisition fees that may be earned as compensation for consummating financing by LIHTC investors to enhance the likelihood of the Fund having sufficient funds to pay the preferred return to Members.

***Investment Strategy***

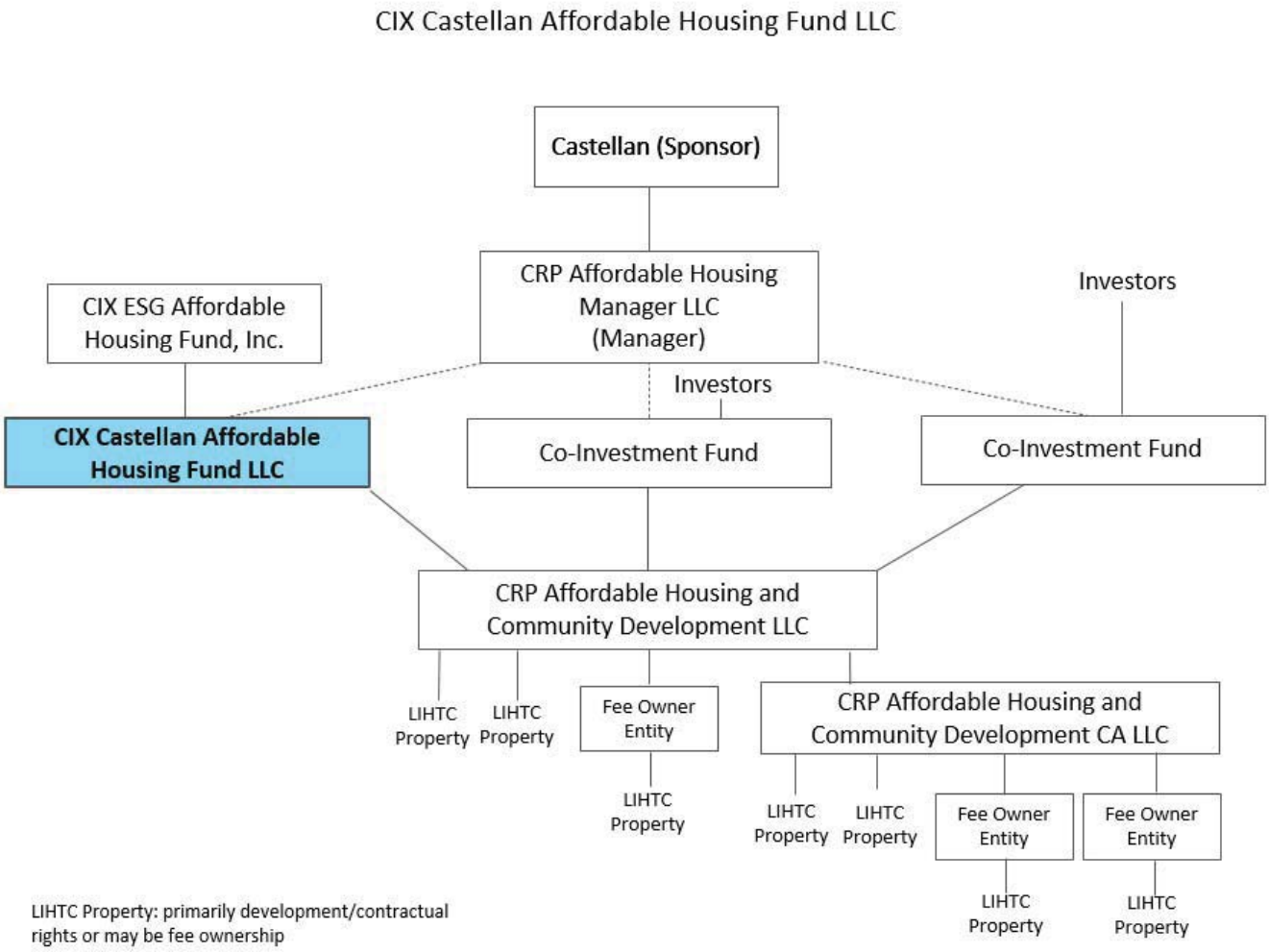
The Fund's primary investment objective is to seek affordable housing opportunities located across the United States. The targeted areas will be focused on areas that have a demonstrated supply and demand imbalance for quality affordable housing. The Sponsor believes that it can deliver compelling returns to the Fund by employing a focused investment strategy and disciplined underwriting standards consistent with the following:

- The Fund will provide the necessary capital to acquire the Properties that can be developed as affordable housing and fund the predevelopment costs necessary to obtain LIHTCs approval. The Properties acquired will initially consist of rights to acquire either vacant land or unoccupied existing structures that require rehabilitation and/or renovation. Typical predevelopment costs may include real estate taxes, insurance, architectural and engineering fees, legal fees, third party appraisal, market studies and environmental reports, and application fees.
- With the assistance of local consultants, the Sponsor intends to secure each Property and related financing, if any, and approvals needed for each proposed acquisition, rehabilitation or development project.
- The Fund is expected to receive the return of its investment for each deal upon the sale of the Property to LIHTC investors. The sale price typically covers all of the predevelopment costs of the Property plus a return on the invested capital.
- The Sponsor also expects that it or an affiliate will be paid developer fees for each deal, as soon as permitted by the respective lenders, for the time and resources spent to develop the project and obtain approval of the tax credits. The fee is expected to range based on the economics of each deal but is typically up to 12% of the total development cost. For further details regarding the developer fees and how those fees may be used to ensure that the fixed return on the Notes is available, see "Summary of Terms—Developer Fees,"

"—Developer Fee Projections" and "—Deposit Account Control Agreement and Security Interest."

- It is estimated that the timeline from the initial acquisition of each Property by the Fund to the ultimate sale of a Property to LIHTC investors will be 12–24 months, although there is no guarantee that such a timeline can ultimately be achieved.
- In order to provide product diversification, the Fund may also seek to be an investor in affordable housing projects.

Following is a structure chart showing the Fund and related entities:



*Key Dates*

| | |
|---|---|
| **Initial Closing:** | On or about October 19, 2022 (the "**Initial Closing**"). The Fund anticipates that there may be additional closings from time to time during the Fund Term. |
| **Draw Down Deadlines:** | The Manager will provide at least five (5) business days' notice before a deadline for making a capital or principal contribution, as the case may be. The Manager expects that there will be a substantial draw of capital and principal contributions on the Initial Closing. |
| **Draw Down Period and Recall of Capital:** | In general, the Manager may draw down on Remaining Commitments (as defined below) or recall previously returned principal as follows:<br>• until the Investor gives notice of withdrawal as described herein; and<br>• until the Manager determines to terminate the Fund Term. |
| **Investment Period:** | Perpetual subject to the obligation to repay the Notes at maturity. |
| **Fund Term:** | The earlier of (i) the final maturity of all of the notes issued by the Fund from time to time or (ii) the date of termination in the sole discretion of the Manager or as otherwise required under the Operating Agreement (as defined below). |

None of the Manager, the Sponsor, or any of their respective affiliates or representatives, including Castellan Real Estate Partners ("we," "our," or "us," unless the context otherwise requires), or the Fund or any of its subsidiaries are authorized to offer you tax, investment or legal advice, and nothing herein constitutes tax, investment or legal advice.

## Market Opportunity

### *The U.S. Housing Crisis*

America is currently facing an affordable housing crisis that worsens every day. For decades, housing costs have risen faster than incomes. According to a 2022 report issued by the National Low-Income Housing Coalition, America faces a nationwide shortage of 7.0 million affordable rental homes available to the most vulnerable, extremely low-income citizens. In the U.S., only 36 rental homes are affordable and available for every 100 extremely low-income renter households.

In 1960 about a quarter of renters spent more than 30 percent of their income on housing; today, that figure is close to half. A report issued by The Department of Housing and Urban Development ("**HUD**") found that in 2015, 8.3 million very low-income, unassisted families paid more than fifty percent of their incomes for rent and/or lived in severely substandard housing, a 66 percent spike since 2001. These statistics cut across all regions of the country and include all racial and ethnic groups, regardless of whether they live in cities, suburbs, or rural areas. High housing costs have eroded renter incomes and exacerbated inequality among renter households. After paying for their housing, the amount of money that the lowest-income renters had left over for all other expenses fell 18% from 2001 to 2016. Given the lack of naturally occurring affordable units, federal housing assistance is more crucial than ever for low-income renters.

HUD's 2019 One Night Count showed that on a single night in 2019, 467,715 people were experiencing homelessness in the United States. Homelessness is increasing in certain parts of the country, particularly along the West Coast. For instance, California's homeless population jumped 16 percent between 2018 and 2019. According to HUD and published statistics, while strides have been made in combating homelessness, certain at-risk population groups continue to be overrepresented in the homeless population at an alarming rate. California is home to over 1.8 million veterans, the largest veteran population in the nation. Veterans are overrepresented in the homeless population, and veteran status is associated with a higher risk of homelessness. Nearly 11,000 California veterans experience homelessness on a given night, representing nearly 28 percent of the nation's homeless veterans.

Demographic trends may be contributing to the growing strain on the rental market and lack of affordable housing. The millennial generation is renting at rates much higher than previous generations and the share of homes purchased by first-time homebuyers recently hit a 27-year low. Burdened with student loans and generally facing higher rents, millennials are increasingly unable to save for a mortgage down payment and are staying in the rental market for longer.

Every month more than a quarter-million Americans turn 65, and approximately 10,000 baby boomers, born between 1946 and 1964, retire each day. The 65 and over population is expected to grow from 48 million to 79 million over the next 20 years and the current supply of housing that is affordable to the nation's lowest-income seniors is woefully inadequate. According to a 2019 report by the Actionable Intelligence for Social Policy, the number of U.S. aged homeless over age 55 could grow to 225,000 by 2026, up from 170,000 in 2017.

Homelessness was projected to experience steep increases even before the current health and economic crises. During the Great Recession, the home building industry lost many workers and is still experiencing a labor shortage. The cost of land has been steadily increasing and the cost of building materials has also risen. COVID-19 exacerbated the need for homes and social inequalities in North America became more apparent as higher-income households competed for limited housing.

America is currently facing an affordable housing crisis that worsens every day. For decades, housing costs have risen faster than incomes. According to a 2022 report issued by the National Low-Income Housing Coalition, America faces a nationwide shortage of 7.0 million affordable rental homes available to the most vulnerable, extremely low-income citizens. In the U.S., only 36 rental homes are affordable and available for every 100 extremely low-income renter households.

## Overview of the LIHTC Program

### *The LIHTC Program*

Established by the Tax Reform Act of 1986, the Low-Income Housing Tax Credit ("**LIHTC**") program (the "**Program**") is the government's primary program for encouraging the investment of private equity in the development of affordable rental housing. Washington lawmakers created this as an incentive for private developers and investors to provide more low-income housing. Without the incentive, affordable rental housing projects do not generate enough profit to justify the investment as rents are typically too low. The LIHTC program provides tax incentives for investors to invest in the development, acquisition and rehabilitation of affordable rental housing. The LIHTC is an indirect federal subsidy that finances low-income housing. This allows investors to claim tax credits on their federal income tax returns. The LIHTC program gives investors a dollar-for-dollar reduction in their federal tax liability because it is a tax credit, not a tax deduction. Once a property is placed in service, it is generally eligible for the tax credit every year for 10 years. The LIHTC program gives State and local LIHTC-allocating agencies the equivalent of nearly $9.5 billion annually that can be used to leverage available capital to fill affordable housing needs. Approximately 50,567 projects and 3.4 million LIHTC-eligible units were placed in service annually between 1987 and 2020.

In response to the growing housing crisis, one of the largest relief packages in modern American History, includes tremendous benefits to the affordable housing community. The package enhances the LIHTC to help increase affordable housing construction and provide greater certainty to new and ongoing affordable housing projects.

Among the achievements was the establishment of a 4 percent minimum LIHTC rate for acquisition LIHTCs and tax-exempt private activity bond-financed developments. The importance of a 4 percent minimum rate is particularly crucial in light of historically low interest rates. The impact of low interest rates has caused the calculation of the tax credit to result in an actual value of less than 4 percent of the qualified basis. The minimum 4 percent rate ensures

LIHTC developments will have sufficient capital and allows for approximately 130,000 additional affordable rental homes.

The legislation also allocates $1.2 billion of disaster LIHTC authority for 11 states and Puerto Rico that experienced non-COVID-19 major disasters in 2020. Additionally, the $5 billion new markets tax credit program (NMTC) was extended five years to 2025. The program permits individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in low-income communities.

***Financing the Project***

The Fund intends to pursue the two kinds of LIHTC financing programs that are available to affordable housing properties: the 9 percent credit program and the 4 percent credit program. LIHTCs provide equity in the form of tax credits equal to the present value of either 30 percent or 70 percent of the eligible costs of a low-income housing project, depending in part on whether tax-exempt bonds are used to finance the project. The 70 percent subsidy, or 9 percent tax credit, supports new construction and substantial rehabilitation of an existing building without any additional federal subsidies. The 30 percent subsidy, also known as the 4 percent tax credit, is used for both new construction with tax-exempt bond financing and for the cost of acquisition of existing buildings.

As a sponsor, the Fund will sell the Property to qualified LIHTC investors together with the tax credits once all development approvals are obtained. The equity investment obtained from the syndication, combined with the tax credits, will serve to reduce the debt burden on the Property, making it financially feasible to offer lower, more affordable rents. Typically, the equity investment is obtained from private investors such as large institutions and financial companies, as they are seeking ways to reduce their income tax burden. The institutional investors use the tax credits and real estate losses to lower their federal tax liabilities. Although the tax benefits are realized over a period of 10 years, investors make their investment at the time the properties are placed into service and the tax credits can start being applied. The investor expects the financial return on a LIHTC investment over 10 years to exceed the price paid for the investment. Because the tax credit benefit is fixed, the investor invests an amount less than the expected benefit from the tax credits and real estate losses. The amount invested, relative to the amount of tax credits, is referred to as the "price" paid for the credit.

LIHTC investors can begin claiming tax credits only after the buildings are placed in service and are occupied by qualified tenants. The rental units must be leased to income-eligible households, and the rents must be within the allowable limits. Although tax credits are claimed annually over 10 years, the investment compliance period continues until the end of the 15th year, and the project must remain affordable for at least 30 years.

***The 9 Percent Credit***

Projects using conventional debt without federal subsidies are eligible for the 9 percent credit program. An allocation of 9 percent credits yields tax credits over a 10-year period equal to the

present value of 70 percent of eligible costs to construct the low-income units. A newly constructed building or the substantial rehabilitation of an existing building is eligible for the 9 percent credit, unless the building is financed with tax-exempt bonds. The pool of 9 percent credits in any given year is limited. For each state, the annual volume cap for 9 percent tax credits is measured as the product of a fixed per capita rate multiplied by the state's population. The credits are allocated by state housing credit agencies ("**HCA**") through a competitive process. Each state is required to have a qualified allocation plan ("**QAP**"), which sets forth the state's priorities and eligibility criteria for awarding the 9 percent credits, and each state has different qualifications. The QAP gives preference to projects that will serve the lowest-income residents and will serve income-eligible residents for the longest amount of time. Project sponsors of proposed low-income housing projects apply through a competitive process for allocations of tax credit from state HCAs. The state agencies award LIHTCs for qualified housing projects based on a point system outlined in their QAP.

***The 4 Percent Credit***

If 50 percent or more of a project's eligible costs are financed with tax-exempt bonds, the project sponsor may claim a 4 percent LIHTC. An allocation of 4 percent credits yields tax credits over a 10-year period equal to the present value of 30 percent of eligible costs to construct the low-income units. The benefit of combining tax-exempt bond financing with 4 percent LIHTCs is that these tax credits are not in direct competition with projects seeking 9 percent tax credit allocations. However, because the 4 percent credit subsidized a lower percentage of the total deal cost than the 9 percent credit, project sponsors/developers of 4 percent tax credit projects often seek additional funding through public and private funding sources in order to close the financing gap.

Additional funding sources often used by sponsors/developers of 4 percent tax credit projects include federal programs such as the HOME Investment Partnership Program (HOME), the Federal Home Loan Bank Affordable Housing Program and the Community Development Block Grant Program. Many city, county and state governments establish housing trust funds, which are distinct funds that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing. There are currently 47 states, as well as the District of Columbia, with housing trust funds and more than 700 city and county housing trust funds in operation. Together, they dedicate more than $1.2 billion annually to help address critical housing needs throughout the country. Further, some states have established housing tax credit programs, and these state credits may be used with LIHTCs to help close the financing gap. Sponsors/developers may also look to private funding sources for grants, loans and/or equity.

***Eligibility Requirements***

A LIHTC property is required to make an irrevocable election that it will satisfy one of three minimum set-aside tests: the 20/50 test, the 40/60 test, or the average income test. Under the 20/50 test, a minimum of 20 percent of the residential units must be both rent-restricted and occupied by tenants with incomes at or below 50% of the area median gross income ("**AMGI**" or "**AMI**"). Under the 40/60 test, a minimum of 40 percent of the residential units must be both rent -restricted

and occupied by tenants with incomes at or below 60% of the AMGI. Under the average income test, at least 40 percent (at least 25 percent in the case of a project located in a high-cost housing area such as New York City) of the residential units must be both rent-restricted and occupied by tenants whose income does not exceed the imputed income limitation designated by the taxpayer. If an LIHTC property falls out of compliance, such as by renting vacant units at market rate so that the applicable set aside test is no longer met, and such non-compliance is not corrected within a reasonable amount of time, the owner of the LIHTC property is subject to tax credit recapture in addition to an associated interest charge. As an incentive to maximize the number of units available, the amount of tax credits is calculated based on the percentage rented to low-income families at restricted rents. As a result, the majority of LIHTC developments rent 100% of their units to low-income families at restricted rents.

***Our Typical Deal Structure***

**Investment capital raised by the Fund will be used to perform due diligence on proposed sites,** acquire or invest in sites or existing Properties, secure necessary state and local approvals and pay for necessary pre-development costs. Once all approvals are in place, the Fund will seek to syndicate (sell) the Property to qualified LIHTC investors. The Fund will receive fees from the syndication, including development and acquisition fees. Those proceeds will be used to provide investors with a return on their invested capital in accordance with the distribution waterfall outlined under "Distributions" below.

***Beyond Affordable Housing***

Fundamentally, the LIHTC program promotes the development of affordable housing thereby increasing the supply that is available to low-income households and special needs populations. State agencies are able to address their state's unique housing needs by encouraging project sponsors to target specific special needs populations and provide accommodations, amenities, facilities, and services that align with their needs. Common special needs populations include seniors, homeless persons, persons with disabilities or severe mental illness, veterans, victims of domestic violence, at-risk youth, and persons with HIV or AIDS. Common supportive services include those that assist with or address case management, mental health, substance abuse, basic house retention skills, educational and employment service, and legal assistance, among others.

By way of encouraging private investment in affordable rental housing, the LIHTC program indirectly provides numerous ancillary economic and social benefits as well. According to the National Association of Home Builders, annual LIHTC development supports approximately 95,700 jobs and $9.1 billion in wages and business income. Since its creation, the credit has generated $122 billion in tax revenues for federal, state and local governments. Further, according to a study published by Stanford University, LIHTC development revitalizes low-income neighborhoods, increasing house prices by 6.5%, lowering crime rates, and attracting racially and income diverse populations. At the same time, unused or abandoned land, as well as other distressed real estate, can be repurposed and put to productive use.

The LIHTC program has also eased government's burden to provide housing by enabling private investors to support community renewal projects by investing in equity funds that buy LIHTC. In addition to lower federal tax liabilities, an important incentive for banks investing in LIHTCs is the Community Reinvestment Act ("**CRA**") consideration they may receive for making these investments. The purpose of the CRA is to encourage banks and other depository institutions to provide credit to the communities in which they operate, including low-income and moderate-income neighborhoods. Examples of activities that may be eligible for CRA consideration include direct investments in LIHTC projects, predevelopment financing or construction/permanent financing to LIHTC projects, investments in funds that specialize in funding and managing LIHTC projects, and technical assistance to nonprofit organizations that help identify and counsel potential low- or moderate-income residents. Moreover, the LIHTC program has permitted lenders and investors to use proceeds from LIHTC-type investments to lend money for community development activities and required public welfare service programs.

## Investment Process

The Sponsor will enter into an Investment Management Agreement with the Fund (the "**Investment Management Agreement**") pursuant to which the Sponsor will provide certain investment advisory services to the Fund and its subsidiaries. The Sponsor plays a similar role with respect to the Co-Investment Funds (as defined below).

*Sourcing*

**The Sponsor will source potential properties and transactions through its broad network of** relationships in the real estate industry. The Sponsor will also actively seek to invest in specific underserved markets where the local political landscape fosters favorable conditions for successful LIHTC projects. The Sponsor will pursue opportunities to both acquire and partner with owners of potential LIHTC sites.

*Review*

The Sponsor will review due diligence materials and will perform preliminary financial, asset and market analyses for each opportunity, and if the proposed transaction meets initial underwriting criteria, the Sponsor will work with third parties to determine the feasibility of the proposed transaction.

*Due Diligence*

Upon agreeing to terms, whether through a partnership or sale, the Sponsor will then perform a full underwriting and due diligence review of the proposed project, which typically includes**:**

- a site visit by member(s) of the investment team;
- a full financial, asset and market analysis;
- obtaining third party reports from subject matter experts to evaluate issues such as the property's estimated valuation, zoning regulations, structural integrity and environmental condition and other areas considered pertinent to the due diligence process;
- a legal assessment performed by external legal counsel to identify and mitigate potential risks; and
- the in-depth formation of a preliminary business plan, budget and timeline.

*Investment Committee Approval*

If the due diligence process is completed to the Sponsor's satisfaction, the proposed transaction is submitted to the Sponsor's investment committee for approval and then to the Manager for its approval and implementation.

*Site Control Closing*

The ability to control the target site while continued due diligence, negotiations and financing is arranged is critical to the investment process. The Sponsor will establish site control in one of three ways: (1) through the outright purchase of the potential LIHTC site (2) by signing a purchase agreement where the closing is contingent on obtaining all of the necessary approvals for the proposed LIHTC development or (3) by signing a joint-venture agreement with the existing owner of the site granting the Sponsor the exclusive right to pursue a LIHTC-financed project on the site. The Sponsor will work with external legal counsel to negotiate the necessary agreements in order to establish site control.

*Project Approval*

With the assistance of local subject matter experts, the Sponsor will determine and finalize the building plan, business plan and budget. The building plan will be specific to needs of the site and may consist of either a rehabilitation of the existing structure or a ground up development. The Sponsor will concurrently go through the process of securing the financing, permitting, construction and other approvals needed for the proposed project described under "**Executive Summary**" below.

*Closing and Exit*

Upon successfully securing the necessary financing and obtaining all necessary approvals for the project, the Sponsor will schedule a closing date with the various funding sources. At the closing, it is anticipated that the Fund's equity investment will be paid back through the sale of the Property to LIHTC investors. Further, the developer and other fees will be paid to the Fund as they are earned by the Sponsor, which will be distributed as outlined under "**Distributions**" below.

## Summary of Principal Terms

*The following information is presented as a summary of the key terms of an investment in the Fund and the Amended and Restated Limited Liability Company Operating Agreement of the Fund, dated on or about the date of the Initial Closing (as amended, restated or otherwise modified, the "**Operating Agreement**"), and, to the extent relevant, the Notes. As a summary, the following is inherently limited, and this Memorandum is qualified in its entirety by reference to the detailed provisions of the Operating Agreement, which is attached hereto, as well as to each Noteholder's Subscription Agreement, each of which should be carefully reviewed prior to making an investment decision.*

| | |
|---|---|
| **The Fund** | CIX Castellan Affordable Housing Fund LLC, a New York limited liability company ("**CIX Castellan Affordable Housing Fund LLC**" or the "**Fund**"). |
| **Subsidiary Property Owner** | CRP Affordable Housing and Community Development LLC, a New York limited liability company. The Subsidiary Property Owner is an affiliate of the Fund and co-owned by the Fund and other affiliated funds of the Manager on a pro rata basis to the extent of the capital investments in the Subsidiary Property Owner. The Fund and/or the Subsidiary Property Owner may form one or more additional or substitute, direct or indirect, subsidiary entities, and the reference to the "**Subsidiary Property Owner**" in this Memorandum shall be deemed to refer, collectively, to all such subsidiaries in existence from time to time. The Fund, collectively with the Subsidiary Property Owner (including any other subsidiaries or affiliates, in each case to the extent of the Fund's interests therein) are referred to collectively as the "**Company**." The Company has adopted the foregoing structure with the intention of achieving greater economic efficiency. The Fund expects all Properties to be owned and held, directly or indirectly, by or through one or more subsidiary entities, including the Subsidiary Property Owner. |
| **The Sponsor** | Castellan Holdings LLC (together with certain affiliates and principals, the "**Sponsor**" or "**Castellan**") has sponsored the formation of the Fund. The Sponsor will serve as the Fund's investment manager and will provide investment advice, portfolio management and other management and administrative services to the Fund, including the identification, investigation, structuring and negotiation of potential investments, monitoring the performance of the Properties and advising the Fund as to disposition opportunities. |
| **The Manager** | The Manager of the Fund and the Subsidiary Property Owner is CRP Affordable Housing Manager LLC (the "**Manager**"), a New York |

limited liability company. The Manager will hold all of the issued Membership Interests in the Fund.

The Manager is a wholly-owned subsidiary of the Sponsor. Paul A. Salib and John B. Salib are the principals of the Manager. The Manager acts in the same capacity to a parallel fund to the Fund. Investors will generally have no right, power or authority to remove or replace the Manager at any time or under any circumstance, but will have rights to consent to any replacement manager that is not an affiliate of Castellan.

**CIX Investor**

CIX ESG Affordable Housing Fund, Inc., a Delaware corporation, the expected sole investor in the Fund. The Fund has been advised that the CIX Investor intends to offer interests in the CIX Investor to non-US persons (for purposes of Regulation S under the Securities Act). The Fund has been advised that investors in the CIX Investor are required at all times to be non-US persons. The Fund has not reviewed, and takes no responsibility for, any disclosures or other information provided to any investor investing in the CIX Investor. The Fund has no responsibility for the compliance by the CIX Investor with any applicable securities or other laws of any jurisdiction, including compliance with the Securities Act of the Investment Company Act.

**Use of Proceeds**

The Fund will use the capital raised in the offering for purposes of paying Fund Expenses (as defined below) and to acquire interests in the Properties. The Fund anticipates that it may acquire interests in Properties by acquiring some or all of such interests held by or on behalf of CRP Affordable Housing and Community Development Fund, LLC, a Co-Investment Fund (as defined below).

**Overview and Investment Guidelines**

The Fund is seeking commitments of investors to subscribe for, commit to and contribute investment principal ("**Principal Commitments**") in CIX Castellan Affordable Housing Fund LLC. Certain investors (the "**Noteholders**" or the "**Investors**"), will be given the opportunity to make Principal Commitments to acquire and fund fixed interest debt securities (the "**Notes**") of the Company on the terms described herein.

The Company will seek to target strong risk-adjusted returns by investing in the acquisition, rehabilitation and development of affordable rental housing or contractual or other rights to acquire, rehabilitate or develop such properties in each case primarily financed or expected to be financed through LIHTC and tax-exempt bonds as well as a limited amount of investments in businesses (which may be

control positions) that are provide services to developers (including the Fund) within the LIHTC market (each such investment, a "**Property**" and, collectively, the "**Properties**"). The Fund may invest up to 20% of total available capital in debt or equity positions in businesses that provide services to developers, such as constructions companies or architectural firms with expertise in the LIHTC markets. Investments in those businesses will be intended to diversify the potential sources of revenue within the LIHTC markets while maintaining the Fund's overall focus on those markets.

Castellan has sponsored two existing funds that have invested in similar assets and are expected to co-invest with the Fund in Properties through the Subsidiary Property Owner and through other vehicles from time to time. To date, the existing investments in the LIHTC market have been predominantly located in California; however, the Fund will not be restricted only to that geographic area. See "Parallel Investment Vehicles" regarding the existing funds.

The LIHTC is a federal income tax credit that, since 1986, has been the centerpiece of supply side solutions in response to the lack of affordable rental housing for low-income families. This benefit is typically very attractive to institutional investors. We believe that an investment in the Fund represents an attractive opportunity for several reasons:

- The Fund will seek to deliver an annualized return (non-compounded) of 14% to Investors, although there can be no assurance that such objective will be realized.
- Investor capital will be used to acquire the Properties and obtain the necessary state and local approvals before selling the Properties to an investment group that can best utilize the tax credits. Developer and acquisition fees are earned as compensation for putting a LIHTC deal together and is the main source of profit from which the Fund will seek to achieve its returns.
- In order to provide diversification, the Fund may also seek opportunities where it can be an investor, directly or indirectly, in affordable housing projects.
- Unlike traditional real estate investments, each Property investment is generally expected to be relatively short-term in nature and not exceed 24 months. Therefore, the

Fund expects to reinvest available capital during the Fund Term.

- The Program permits sponsors/developers to earn developer, construction and other fees as compensation for putting a LIHTC deal together. These fees are the primary source of profit in LIHTC affordable housing projects. These fees will be paid to one or more affiliates of Castellan, but will not be received directly by the Fund.
- In exchange for providing the upfront capital, investors in the Fund will share in the amounts earned upon the successful sale of the Property to LIHTC investors.

- The LIHTC is a federal income tax credit that, since 1986, has been the centerpiece of supply side solutions in response to the lack of affordable rental housing for low-income families.
  - The LIHTC program gives state and local LIHTC-allocating agencies the equivalent of nearly $8 billion annually that can be used to leverage capital to fill affordable housing needs.
  - An average of almost 1,400 projects and 106,400 units were placed in service annually between 1995 and 2018.
- Castellan believes that this low-income housing segment of the market is underserved as reflected by the perceived deepening affordable housing crisis across the United States.
  - The reported percentage of income that Americans are spending on rent is growing at an increasingly rapid rate. Further, demographic trends have contributed to the growing strain on the rental market and lack of affordable housing.
  - Given the lack of naturally occurring affordable units, federal housing assistance is more crucial than ever for low-income renters. The Sponsor believes that it is an opportune time to enter the

affordable housing market as the affordable housing crisis continues to gain political attention.

  - Further, LIHTC transactions are complicated in nature and require strong liquidity from the financing sponsor, which naturally limits the number of LIHTC developers.

- The Sponsor has extensive experience in owning, rehabilitating and managing low-income multifamily properties.

- The development of affordable housing financed through LIHTC provides numerous social and economic benefits to individuals and communities.

  - In addition to fostering the development of affordable rental housing, the LIHTC program indirectly provides numerous ancillary economic and social benefits as well.

  - The LIHTC program creates jobs, revitalizes low-income neighborhoods and generates billions of dollars annually in tax revenues for federal, state and local governments.

**Leverage**

The Manager has the authority to cause the Company to issue debt or to otherwise obtain leverage for purposes of acquiring or maintaining interests in the Properties. Any debt incurred by the Company may be secured by one or more Properties and other assets of the Company. The Company expects that any indebtedness of the Company will be senior in priority to payment rights of the Noteholders, in whole or in part.

**Capitalization of the Company**

The Fund seeks to raise total debt capital of up to $20 million. The Manager may increase or decrease the total capital raised in its discretion based upon the Company's capital needs.

**Membership Interests**

The Manager will hold all of the issued Membership Interests in the Company.

The payment priority of the Membership Interests will be subordinate to payments of principal on the Notes. Upon a liquidation of the Company, all amounts payable on the Notes will be paid in full before any payments on the Membership Interests.

**Notes**

The Fund will issue up to $20 million of 14% fixed rate notes due two years after original issuance.

The Notes issued at the Initial Closing will have a stated maturity date on or about October 19, 2024 (two (2) years from the Initial Closing). The Manager may extend the stated maturity date by up to an additional one (1) year. Any Notes issued in subsequent closings will have a stated maturity two (2) years from the relevant closing date and subject to a one (1) year extension at the discretion of the Manager; provided, that such extension is conditioned on (a) the Manager delivering to the relevant Noteholders a written notice of the extension no later than six (6) months prior to the expiration of the current Investment Period of the relevant Notes; and (b) there being no default of the Fund or the Manager at the time the notice of extension is delivered or at the time of expiration of the then existing Investment Period.

From and after the earlier of (i) an Event of Default under the Notes or (ii) eighteen (18) months after the date of issuance, the Notes may be prepaid in whole or in part at any time at the discretion of the Fund or the Manager without prepayment premium or penalty so long as the Fund has paid all accrued interest in full on the Notes to be prepaid.

The payment of fixed interest on, and any payments or prepayments of principal of, the Notes will generally be senior in priority of payment to payment in respect of the Membership Interests based on distributions of disposition proceeds on a deal-by-deal basis. Upon a liquidation of the Fund, all amounts payable on the Notes will be paid in full before any payments on the Membership Interests.

The Fund may issue additional series or tranches of notes from time to time that may have different terms than the terms of the Notes offered in this offering.

**Fixed Return**

The Fund will pay interest on the Notes at an annualized rate (non-compounded) of 14% on the invested Principal Commitments (the "**Fixed Return**"). There can be no assurance that such objective will be realized.

**Principal Commitments**

The minimum Principal Commitment by a Noteholder will be $200,000, subject to reduction at the discretion of the Manager, which also has discretion to reject the offer of any Principal Commitments, in part or in whole for any reason.

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| **Closings** | The initial closing (the "**Initial Closing**") is expected to occur on or about October 19, 2022. The Manager is entitled, in its sole discretion, to continue to accept Principal Commitments and to hold one or more subsequent closing of sales of the Notes from time to time. |
| **Investment Period** | Perpetual subject to the obligation to repay the Notes at maturity. |
| **Investment and Reinvestment; Recall** | The Manager has the right in its sole discretion to invest and re-invest the funded Principal Commitments of the Investors to the Fund in Properties and to draw down unfunded Principal Commitments from Noteholders for such purpose. If the Manager returns capital to Noteholders, such amounts will be added to the unfunded Principal Commitment of those Noteholders and again become available for drawdowns upon notice. After an Investor delivers a liquidity notice, the unfunded Principal Commitment of that Investor may be called or recalled again only to the extent and in the limited circumstances otherwise permitted by the Notes. |
| **Contributions** | Noteholders will be required to make payments of principal to the Fund (collectively, the "**Contributions**") to fund their share of the aggregate Principal Commitments, as the case may be, to be used to acquire and develop Properties and to fund operating expenses or reserves.<br><br>Noteholders will not be required to make Contributions at any time that exceed any amount of such Investor's Remaining Commitment (as defined below). |
| **Drawdowns on Commitments** | To the extent not required to be funded in full upon issuance of any Notes, Principal Commitments may be drawn down as necessary to fund investments in Properties, to meet Fund Expenses (as defined below) and to establish reserves. The Manager will provide a minimum of ten (10) business days' advance notice before the funding deadline.<br><br>The initial draw on the Principal Commitments will be in an aggregate amount equal to the lesser of (i) the aggregate Principal Commitments; and (ii) $15 million. Any subsequent draws will be in an amount determined by the Manager with the consent of the Noteholders. All draws will be in proportion to the total Principal Commitments. |

All draws will be proportional among the Noteholders based on the aggregate Remaining Commitments (as defined below) of the Investors.

With respect to any Noteholder, such Noteholder's Principal Commitment in excess of the aggregate amount of all funded Contributions made by such Noteholder (and that remain outstanding and unreturned), as adjusted in accordance with the Operating Agreement or the Notes, is referred to as the "**Remaining Commitment**." Principal returned or deemed returned to the Investor will increase the Remaining Commitment, but not to an amount greater than the agreed Principal Commitment for that Investor.

**Fund Term**

The Fund may be terminated in the sole discretion of the Manager or as otherwise required by the Operating Agreement, at which time the Fund shall enter a winding up period.

**Liquidity**

Investors periodically have the option to terminate additional investments in the Fund subject to certain obligations to fund existing obligations or to further fund Properties acquired by the Fund prior to a notice of withdrawal.

*Lock Up*

Each Investor will be subject to a lock up period during which time such Investor may not submit a Withdrawal Election (as defined below). The Lock Up period shall be twelve (12) months from the initial date that the Investor first funded any Principal Commitment to the Fund in accordance with the related Subscription Agreement.

*Withdrawing Investors*

After the Lock Up has expired with respect to any Investor, that Investor may elect to withdraw in full (a "**Withdrawal Election**") effective as of June 30 or December 31 of any year; provided that the Investor must give written notice of its Withdrawal Election (a "**Notice of Withdrawal**") at least sixty (60) days in advance of the proposed date of withdrawal, subject to waiver by the Manager in its sole discretion. Any Notice of Withdrawal shall be irrevocable when given unless the Manager shall expressly agree otherwise from time to time.

*Effect of Withdrawal Election*

Any withdrawing Investor shall be entitled to receive a return of invested capital solely from the portfolio of Properties underlying the Fund's investments as of the effective date of the Withdrawal Election. Any payment following a Withdrawal Election will be made only following receipt of payments on the underlying Properties, which is not expected to be immediate and may require a substantial period of time to fully liquidate. A withdrawing Investor will not receive any

return from any new Property acquired after the effective date of such Investor's Withdrawal Election. In certain circumstances, a withdrawing Investor may suffer losses as a result of Properties acquired after the effective date of its Withdrawal Election. There can be no assurance that any liquidity election will result in the withdrawing Investor receiving a full return of invested capital or that the return of capital will occur over any particular period of time. **Any Investor should carefully consider the impact of submitting a Notice of Withdrawal in conjunction with the risks relating to cross collateralization of the Fund's Properties as set forth in greater detail below.**

*Rights and Obligations Pending Withdrawal*

Any withdrawing Noteholder shall remain a Noteholder subject to the terms of the Note until such time as the withdrawing Noteholder's funded Contributions have been repaid or otherwise discharged in full. As such, any withdrawing Investor shall retain all of the rights, including any voting rights, and remain subject to all of the obligations of an existing and ongoing Noteholder (other than any obligation to fund additional Principal Commitments in respect of newly acquired Properties). The Manager does not generally anticipate that the Fund will have substantial follow-on investments in Properties; however, to the extent that the Manager determines to fund any follow-on investment involving a Property acquired prior to an Investor's Notice of Withdrawal, the withdrawing Investor may be obligated to participate in such follow-on investment notwithstanding the Notice of Withdrawal.

*Fees During Pendency of Withdrawal*

During any period in which a withdrawing Investor has not yet received a full return of its funded Contributions, that Investor will remain subject to all fees and costs associated with its investment in the Fund on the same basis as any other Investor.

*Potential Impact of Cross Collateralization on Withdrawing Investors*

The Fund and its subsidiaries may obtain various forms of financing as the Manager determines from time to time and such financing may include debt that is secured by some or all of the Properties. Because any financing facility may be secured by those Properties, the potentially smaller pool of Properties that will provide liquidity to repay any withdrawing Investor may remain at risk to the extent that such pool of Properties remains subject to the lien (and hence cross collateralization) of the party providing the financing.

A withdrawing Investor could suffer losses to the extent that any financing institution forecloses on one or more Properties forming part (or all) of the smaller pool of assets that comprise the sole source

of available funds to satisfy the Withdrawal Election of that withdrawing Investor. The Fund intends to mitigate this risk to the extent practicable by having only the Property owned by a subsidiary used as security for financing related to that Property, but the Manager is not required to limit the security in such a manner. Nonetheless, any such efforts to mitigate this risk may be ineffectual or limited to the extent that any subsidiary, the Fund or any other entities within the structure of the Fund provides a guarantee, whether limited or unlimited, or otherwise exposes the Fund to potential loss as a result of any default or loss on a credit facility even though such credit facility is secured by other Properties.

*No Redemption*

Notwithstanding any right to make a Withdrawal Election, no Investor has any right, and the Fund has no obligation, to redeem or repurchase any interest that such Investor holds other than at the maturity of the Notes and otherwise in the limited circumstances and subject to the terms set forth in this Memorandum, the Operating Agreement and the Notes, as the case may be.

Except as expressly set forth in this Memorandum, Investors will not be entitled to redeem their investment in the Fund or otherwise obtain liquidity from the Fund prior to the final maturity of the Notes. Accordingly, and even though the Fund has provided for certain rights to request redemption, Investors must be prepared and able to hold and maintain their investments for the entire term of the Notes and must consider the investment in the Fund to be illiquid for the duration of the investment.

**Parallel Investment Vehicles**

For structuring, administrative and related considerations, the Company (or the Subsidiary Property Owner) may own a Property jointly with one or more Parallel Investment Vehicles sponsored by Castellan, as described under "**Capitalization of the Fund—Equity and Debt Financing**" below. Together, with any Parallel Investment Vehicles, the Company will own each Property through a commonly-owned entity (each such common ownership entity, a "**Fee Owner Entity**").

In order to provide for greater investment diversification to the Investors, the Manager may seek to raise a portion of the equity needed for one or more Properties from third parties and other investment vehicles managed, controlled and/or sponsored by Castellan (collectively, "**Parallel Investment Vehicles**"). The Fund and any Parallel Investment Vehicles are expected to invest in any relevant Property on the same overall investment terms, except that

the Parallel Investment Vehicles may be subject to certain transaction fees that are attributable specifically to their investment structure, whereas the Fund is subject to the fees and expenses described in this Memorandum, including those set forth under "**Compensation; Expenses**" below and as otherwise provided in the Operating Agreement. Any Parallel Investment Vehicle may also have other investments in which the Fund does not participate.

The Manager intends for the Fund to co-invest with one or more existing Parallel Investment Vehicles (the "**Co-Investment Funds**") managed by the Manager that has substantially the same investment guidelines as the Fund. The two existing Co-Investment Funds commenced investment activities in March 2019 and February 2021 and each have acquired properties or interests that are consistent with investments anticipated to be made by the Fund. The Fund may participate in the existing investments held by one or both of the Co-Investment Funds to the extent that the Manager determines that the existing investment is an eligible and viable investment for the Fund and that there are no material valuation issues that, in the Manager's judgment, create potential conflicts of interest among the involved Castellan-affiliated parties related to the appropriate valuation of the investment at the time of the Fund's proposed acquisition of the investment. It is expected that the Fund and the Co-Investment Funds will invest in some of the same Properties, but it is also possible that the Fund and one or more Co-Investment Funds will invest in different investments in the future or that the Fund will otherwise acquire assets in which the Co-Investment Funds have no investment. The Manager will endeavor to ensure that any allocation of investment opportunities between the Fund and the Co-Investment Funds (or any other Parallel Investment Vehicle within the Manager's control) is achieved in a fair and equitable manner, but Investors should anticipate that the return profile for the Fund will differ from that of the Co-Investment Funds or any other Parallel Investment Vehicle.

**Alternative Investment Vehicles**

If the Manager determines that it is necessary or desirable in order to address certain legal, tax, regulatory or other considerations, the Manager may structure all or a portion of an investment as an investment outside the Fund, and to require the applicable Noteholder(s) to participate in the investment directly or through an alternative investment vehicle (an "**Alternative Investment Vehicle**"). Any Alternative Investment Vehicle is expected to be structured on terms and conditions substantially similar to those of the Fund and will be managed by the Sponsor or an affiliate thereof.

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| | Investments made through an Alternative Investment Vehicle are expected to be made generally on a substantially equivalent pre-tax economic basis as if made through the Fund. |
| **Management Fees; Manager Compensation** | Neither the Manager nor the Sponsor shall be entitled to a separate management fee. The Manager will receive the Membership Interests which will be equivalent to a carried interest that will give the Manager an interest in the profits of the Fund after the payment of all liabilities of the Fund, including all payments to the Investors. The Manager shall also be entitled to placement fees as set forth under "**Syndication Expense**" and reimbursement for the payment of any organizational expenses of the Fund and the Subsidiary Property Owner advanced by the Manager. |
| **Commission** | The Fund may engage one or more placement agents that introduce prospective investors to the offering. The placement agents may receive, to the extent permitted by applicable law, a placement fee commission of up to 1.0% per annum of the average outstanding Contributions invested in the Company from Investors introduced by the placement agent. This fee will be paid solely by the Manager. |
| **Risk Factors** | See "Appendix C: Risk Factors" for important risk factors, including conflicts of interest, associated with an investment in the Fund. |
| **Transfer of Notes** | Noteholders will be unable to sell, assign or transfer all or a portion of their Notes or permit the transfer of direct or indirect beneficial ownership in itself, without the prior written consent of the Manager, which consent shall be in the sole and absolute discretion of the Manager. |
| **Income Tax Considerations** | The Fund intends to treat the Notes as equity for U.S. federal income tax purposes and to prepare any and all reports to the IRS on a basis that is consistent with such treatment. The Fund will allocate its income (if any) to the Noteholders to the extent of accrued interest on the Notes. To the extent any interest is paid on the Notes in excess of the Fund's income, such amounts will be treated as guaranteed payments within the meaning of Section 707(c) of the Code and will be reported as income to the Noteholder in the year paid.<br><br>Recharacterization of the Notes as debt for U.S. federal income tax purposes would be expected to affect the timing and character (but not the overall amount) of a Noteholder's income from the Notes. |

Each Noteholder should consult its own tax advisor concerning the tax consequences arising from an investment in the Fund.

**State and Local Withholding**

The Fund intends to invest in Properties located in various states and municipalities, primarily in the State of California. Certain of those localities require withholding for nonresident investors. Therefore, Noteholders may be subject to tax withholding on state and local sourced income received by them from the Fund. Prospective Investors should consult with their own professional tax advisors regarding the potential tax consequences of investing in the Notes and in the Fund.

**Distributions**

As more fully described in the Operating Agreement and the Notes, the Fund expects that it will make distributions and substantial returns of capital upon realization events, specifically upon the sale or disposition of a Property, to the extent that the Manager has not determined in its sole discretion to reinvest the realized proceeds. See "—Investment and Reinvestment; Recall." Upon the sale or other disposition on any Properties, the Manager will promptly determine the amounts received or expected to be received by the Fund, the amounts necessary to pay Fund Expenses and reserves for any working capital needs of the Fund.

The Manager, on behalf of the Fund, will apply available amounts, including any income or proceeds from dispositions, to make the following payments in the following order of priority to the extent of the funds available for such payment:

- the Fixed Return to the Noteholder calculated on the principal investment in the Property sold or disposed and calculated for the relevant period that such interest has remained accruing and unpaid; and then

- the Fixed Return, if any, to the Noteholder calculated on the principal amount of any unpaid Other Amounts (as defined below) in respect of the Note and calculated for the relevant period that such interest has remained accruing and unpaid; and then

- the payment to the Noteholder of principal of the Note as and when the same becomes due and payable in accordance with the terms thereof; and then

- the prepayment, if any, to the Noteholder of principal of the Note at the determination of the Manager (including in

conjunction with any determination not to reinvest such principal) to the extent permitted in accordance with the terms of the Note; and then

- the payment or prepayment, if any, to the Noteholder of principal of the Note in respect of any Other Amounts that have not been previously paid to the Noteholder, but in any event will not include any principal amount that is (i) not subject to prepayment in accordance with the terms of the Notes or (ii) being held by or on behalf of the Fund for investment or reinvestment in one or more Properties, in each case so long as otherwise consistent with the Notes, the Deposit Account Control Agreement and the Security Agreement.

For these purposes the "**Other Amounts**" means any amount of Funded Principal that (i) has not been invested in respect of a LIHTC Property, including any amounts used to pay Company Expenses, and (ii) that was previously invested in respect of a LIHTC Property but was subsequently abandoned or otherwise discontinued for any reason other than as a result of a sale of such LIHTC Property.

To the extent that the available funds are insufficient to make any required payment on the Notes, any deficiency may be paid from the Deposit Account pursuant to and in accordance with the terms of the Deposit Account Control Agreement and/or the Security Agreement, as the case may be. See "Developer Fees" below. If the Notes have not become due and payable or if the terms of the Notes do not permit prepayment, the Manager may determine to reinvest all or any portion of the available proceeds of a sale or disposition to the extent otherwise consistent with the Operating Agreement, the Notes, the Deposit Account Control Agreement and the Security Agreement.

After the foregoing payments on and in respect of the Notes have been paid in full, any remaining balance shall be paid to the Members. In the event of the liquidation and dissolution of the Fund, all amounts accrued on and owing to the Noteholders, including the outstanding principal balance of the Notes, will be paid in full prior to any payments to the Members.

Because investments are expected to be held indirectly through the Subsidiary Property Owner and other investment vehicles, the amounts available for distribution will be reduced by the relevant

costs and expenses attributable to the Subsidiary Property Owner, as well as any other subsidiaries of the Fund.

**Developer Fees**

While the Fund anticipates that it will receive substantially all of its expected returns of capital and profit from the sale or disposition of the Properties, other fees are expected to be paid in respect of those Properties during the period of development and operation. One or more Castellan entities will act as the developer of each Property on behalf of the Fund and other involved parties, including any Parallel Investment Funds. Because the developer accepts certain contingent liabilities, including bonding requirements, and directly faces other parties involved in executing the development and operation of the Property, the named developer must be an operating entity with economic substance and continuing operation. As a result, the Castellan entity acting as the developer will have the right to receive various developer fees that are paid at specific times during the life of the Property that extend from and beyond the period that the Fund is expected to have an ownership interest in the Property. Each Castellan entity acting as developer of each Property will enter into an agreement for the benefit of the CIX Investor so that the relevant Castellan developer entity will pay to the Deposit Account (as defined below) certain amounts that are thereafter received by that Castellan entity as developer fees in respect of the related Property. These contractual rights are intended to insulate Investors from possible shortfalls on the return realized on any Property which may be expected to arise (i) at the time that the Fund sells the Property to the initial LIHTC investors and (ii) to the extent that any proposed development project is abandoned before sale to the initial LIHTC investors.

**Developer Fee Projections**

The Manager, in cooperation with its affiliates, will develop and maintain projections of anticipated proceeds from the disposition of Properties and aggregate anticipated developer fees, calculated on a deal-by-deal basis together with any amounts held in the Deposit Account (as defined below). The Manager has provided initial Developer Fee Projections to the CIX Investor and will provide updated projections to Noteholders from time to time, but not less frequently than the end of every other month commencing December 31, 2022. The projections will include the commercial rationale for each transaction included in the projections as well as any financial models prepared by the Manager. If at any time the Developer Fee Projections provided to Investors fail to reflect anticipated receipts at least equal two times (2x) the outstanding principal amount of the Notes together with accrued and unpaid interest (a "**Developer Fee**

**Projection Shortfall**"), the Manager will have forty-five (45) days to take any reasonably necessary action to increase the anticipated proceeds and developer fees and/or to prepay the Notes to the extent necessary to restore the two-to-one (2:1) coverage ratio. Neither the Fund nor the Manager can provide any assurance as to the timing of receipt of any developer fees that the Fund may have any interest in.

**Deposit Account Control Agreement and Security Agreement**

The Fund has established a separate segregated account (the "**Deposit Account**") held in the name of the Fund with Webster Bank, National Association ("**Webster Bank**"). The Castellan affiliate that is expected to be responsible for development of the Properties will enter into an agreement (the "**Developer Fee Agreement**") with the Fund to cause a pro rata portion of developer fees received by it in respect of any Properties owned, directly or indirectly, by the Fund or by a specified Co-Investment Fund to be deposited in the Deposit Account when those developer fees are received. As such, the developer fees to be deposited in the Deposit Account will include relevant developer fees received for Properties currently owned as well as any interests in Properties that have been sold or otherwise disposed of by the Fund of the Co-Investment Fund, as applicable.

CIX ESG Affordable Housing Fund, Inc. (the "**CIX Investor**"), on behalf of all Noteholders, will be a secured party under (i) a deposit account control agreement, to be dated on or about the date of the Initial Closing (the "**Deposit Account Control Agreement**"), among the Fund, the CIX Investor and Webster Bank and (ii) a security agreement, to be dated on or about the date of the Initial Closing (the "**Security Agreement**"), among the CIX Investor, the Fund and the Manager. The CIX Investor will have a security interest in the Deposit Account and a security interest in rights of the Fund to receive amounts owed to it under the Developer Fee Agreement. To the extent that the CIX Investor exercises remedies available to it pursuant to the Deposit Account Control Agreement or the Security Agreement, the CIX Investor will have obligations to distribute or direct the distribution of amounts under its control in satisfaction of the Fund's obligations under the Notes. None of the Fund, the Manager or any of their affiliates assume any responsibility for the proper allocation and distribution of funds by the CIX Investor following any exercise of remedies.

The CIX Investor will only have rights to exercise control pursuant to the Deposit Account Control Agreement following delivery of written notice by the CIX Investor to Webster Bank. The CIX Investor has agreed with the Fund and the Manager that it will only take action to

exercise any remedies under the Deposit Account Control Agreement or the Security Agreement following an Event of Default under the Security Agreement (which also incorporates an Event of Default under the Notes) which has occurred and is continuing following any relevant grace period. The following will be "**Events of Default**" under the Security Agreement:

- the assignment, voluntary or involuntary conveyance of legal or beneficial interest, mortgage, pledge or grant of a security interest in any of the Collateral (as defined below);

- the filing or issuance of a notice of any lien, warrant for distraint or notice of levy for taxes or assessment against the Collateral (except for those that are being contested in good faith and for which adequate reserves have been created);

- the entry of an order for relief as to the Fund or the Manager under the bankruptcy code, whether arising in connection with voluntary or involuntary bankruptcy proceedings; or

- a default of the Fund's or the Manager's obligations under the Security Agreement, the Notes or the Deposit Account Control Agreement to the extent that any such default shall be continuing and uncured after any applicable period for cure as set forth in any such agreement or document.

The "**Collateral**" is comprised of the Fund's right, title and interest in, to and under (a) the Deposit Account, (b) each other item of property whatsoever held in the Deposit Account; and (c) all proceeds of each of the foregoing together with all monies and other properties from time to time on deposit in the Deposit Account; and all of the Fund's right, title and interest in, to and under the contract rights to receive the Developer Fees and related proceeds.

So long as no Event of Default has occurred and is continuing under the Security Agreement, at any time that the Fund transfers or authorizes any transfer of any amount then held in the Deposit Account in accordance with the terms of the Deposit Account Control Agreement, the CIX Investor will immediately release any and all security interest in respect of any such amounts without any further act or consent of any person, and any such amounts shall thereafter cease to constitute any part of the Collateral for any reason.

The following will be additional "**Events of Default**" under the Notes:

- any failure of the Fund to make a payment of the Fixed Return or repayment of principal in respect of this Note when due and payable remains uncured for a period of not less than five (5) Business Days;

- certain insolvency or bankruptcy actions as detailed in the Notes; and

- the Fund fails to obtain any Noteholder Consents as required below.

The CIX Investor will also agree not to issue any notice of control of the Deposit Account or exercise remedies under the Security Agreement unless and until the Fund or the Manager has failed to comply with the relevant agreement or has remained in breach of one of the foregoing provisions for a continuous period of not less than forty-five (45) days. In the absence of an Event of Default under the Security Agreement, the security interest of the CIX Investor will be released upon a transfer of funds from the Deposit Account, and the Fund will continue to have full dominion and control over the amounts deposited in the Deposit Account from time to time.

Noteholders will not have any other security interests or other rights in any other assets, including the Properties.

**Return Shortfall Clawback**

If, following the dissolution, winding up and termination of the Fund and the distribution of all or substantially all of the Fund's assets, an Investor has not received aggregate distributions from the Fund equal to the sum of:

(i) the aggregate amount of funded Contributions of such Investor's Note and

(ii) the Fixed Return on such Note

(any such deficiency in such amounts actually paid to the Investors, the "**Return Shortfall**"), then the Manager shall contribute to the Fund for payment to such Noteholder an amount equal to the lesser of (x) the Return Shortfall and (y) the aggregate amount of distributions to the Manager by the Fund in respect of the residual interest in the Fund together with any developer fees received by the Manager, in each case net of the amount of taxes paid.

**Fund Expenses**

The Manager will be responsible for and will pay all of its own normal and recurring routine operating expenses. Those costs include its

office space, equipment, utilities and other normal overhead. Legal, accounting or other specialized consulting or professional services, including those services provided by the Manager that it would not normally render with its professional staff, shall not be considered routine operating expenses of the Manager and will be paid by the Fund.

All other expenses of the Fund, which shall include the expenses of the Subsidiary Property Owner and any other subsidiaries of the Fund, are expected to include:

- all out-of-pocket fees or expenses associated with the Company;
- legal and compliance expenses (including expenses relating to legal, compliance or regulatory filings of the Company and the Manager, including the salary expense of the compliance personnel or consultants of the Manager or affiliates);
- other expenses incurred by the Company or employees or officers of the Manager relating to the investments, taxes, preparation of tax returns, administrator, valuation, audit and accounting fees and expenses (including third- party accounting services incurred in connection with the preparation of financial statements of the Company) and other professional fees and expenses (including fees incurred in negotiating agreements and arrangements in connection with the investments and due diligence fees on prospective investments, whether or not an investment is completed);
- investment expenses such as site surveys, development plans, architectural drawings and plans, permits, construction plans related to Properties; commissions, research fees and expenses (including travel expense in connection with researching, evaluating and monitoring investments and investment opportunities);
- borrowing costs including interest expense incurred under any credit facilities related to the investment or other financing arrangements, including the Fixed Return with respect to the Notes;
- costs of marketing and advertising the Fund and attending trade shows and similar events; sales and brokerage commissions and fees, commitment fees and costs and expenses incurred in the origination, purchase, syndication and sale of Properties, including fees of mortgage brokers and other intermediaries;
- software, data and data licenses; bank service fees;

- the cost of any litigation, other than litigation commenced by the CIX Investor against the Manager or the Fund to the extent that such litigation is finally concluded in favor of the CIX Investor;
- insurance costs (including D&O and E&O insurance for the Manager and its affiliates and other covered persons);
- indemnification and extraordinary expenses or other liability relating to the affairs of the Company;
- the cost of annual or other meetings with members or Noteholders (including travel expenses incurred by the Manager to attend such meetings), meetings of any committees formed by the Manager on behalf of the Company and fees and costs of service providers retained by such committees; and
- any other expenses related to the purchase, sale, transmittal, liquidation or preservation of the Company or any of their respective assets or the administration of the affairs of Company

(all of the foregoing, collectively, the "**Fund Expenses**").

Fund Expenses will be paid in priority to the Fixed Return or any other payment on the Notes; provided, that if (i) the Fund is unable, or the Developer Fee Projections reflect that it will be unable, to pay the Fixed Return or (ii) the Manager fails to rectify any Developer Fee Projection Shortfall within the forty-five (45) day cure period, then all Fund Expenses relating to direct compensation of Fund personnel, consultants, or employees or officers of the Manager will be paid only after the payment of the Fixed Return that is due and payable.

Initial organizational expenses of the Fund and the Subsidiary Property Owner (or any related affiliate) may be advanced by the Manager. The Fund will reimburse the Manager for the payment of such costs and expenses, and these expenses may be amortized in equal monthly amounts over the Fund Term or accelerated in the Manager's discretion.

**Affiliate Transactions**

The Manager shall have the full power and authority, without the consent of any Investor, to cause the Fund to enter into transactions with the Manager or any of its affiliates to provide services, including acquisition and asset management, property and construction management, development, leasing, mortgage financing or other similar services; provided that, the terms of such transactions are fair and reasonable to the Fund and are not in the aggregate less favorable

than could be obtained in arm's-length negotiations with unrelated third parties for similar quality services.

**Noteholder Consents**

Noteholders will generally not have rights to vote on or consent to any actions or determinations by or on behalf of the Fund. The terms of the Notes include provisions that the Fund and the Manager will not take certain actions without notice to and consent (which may be deemed consent) of a majority of the Noteholders. Actions requiring the consent of a majority of the Noteholders include:

- any determination not to repay principal of the Notes with available funds or proceeds (other than a determination to reinvest proceeds in the absence of a withdrawal request and where the Manager determines that any investment of proceeds is not inconsistent with the obligation to repay the Notes at maturity);
- any determination to sell or dispose of assets of or reorganize or liquidate the Fund without repaying the Notes, in whole or in part, to the extent of the proceeds of any sale, disposition or liquidation;
- agree to sell or dispose of any asset, including an interest in any of the Properties, if the expected return on the remaining portfolio together with all Developer Fee Projections would be expected to result in a return on the Notes of less than 14% per annum;
- commence, dismiss or settle litigation or other similar proceedings involving or on behalf of the Fund where the amount in controversy exceeds $250,000 (after giving effect to any expected insurance coverage);
- reorganize or merge the Fund or any Subsidiary Property Owner or any similar corporate action that would be expected to impair the ownership interests of the Fund or the interests of the Investors (which in any event shall not be deemed to constrain the Manager or the Fund from establishing any Parallel Investment Vehicle or Alternative Investment Vehicle);
- assign the responsibilities of the Manager with respect to the Fund to any person that is not an entity that, directly or indirectly, controls, is controlled by or is under common control with Castellan;
- file any proceeding seeking relief under any relevant bankruptcy or other insolvency law; or

- invest in any Properties outside of the State of California if doing so would cause more than 10% of the committed capital of the Fund to be invested outside of the State of California.

To the extent that the Fund has not received objections in writing from at least a majority of the Noteholders within ten (10) business days after the Fund or the Manager sends written notice of the proposed action or determination to the Noteholders, the consent of the Noteholders shall be deemed to have been received by the Fund.

In the event that any default in obtaining any required consent is uncured for forty-five (45) days after the Fund receives written notice of default, the Fixed Rate shall increase to eighteen percent (18%) per annum (non-compounded) so long as any such default is continuing.

**Subscriptions**

Persons interested in becoming Investors must complete and return to the Manager, a Subscription Agreement and certain other subscription documents. Full details concerning subscriptions are contained in the Subscription Agreement and described under "**Subscription Procedures; Use of Placement Agents; Notice to Investors; Restrictions on Transfer**."

**Transfers and Pledges; Required Withdrawals**

The Notes may not be transferred, pledged or otherwise encumbered other than in accordance with applicable law and the terms and limitations of the Operating Agreement and the Notes, as applicable. Investors will not have any right to transfer or assign any interests in the Fund or any Notes unless the Manager consents and any such consent may be conditioned or withheld at the Manager's sole discretion.

From and after eighteen (18) months after the date of issuance of a Note, the Manager may require a Noteholder to withdraw from the Fund at any time at the Manager's discretion and for any or no reason.

**Exculpation and Indemnification**

In carrying out its duties as manager of the Fund, the Manager is required to act in good faith and with a degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. The Fund will indemnify and hold harmless the Manager against any loss, damage or expense incurred by it in connection with the Fund's business, except to the extent such loss, damage or expense arises from the Manager's failure to perform its duties in accordance with the standard set forth in the Operating Agreement.

**Reporting**

The Fund will prepare financial statements in accordance with U.S. generally accepted accounting principles and will assist and cooperate with the preparation of financial statements by any institutional Investor in the Fund in accordance with international financial reporting standards (IFRS), as and to the extent that the Manager may do so without unreasonable cost or effort. Financial statements of the Fund will be open to inspection by Investors or their agents. Tax reporting information for the Fund is generally expected to be provided to Investors annually within 120 days after the end of each fiscal year.

**Legal**

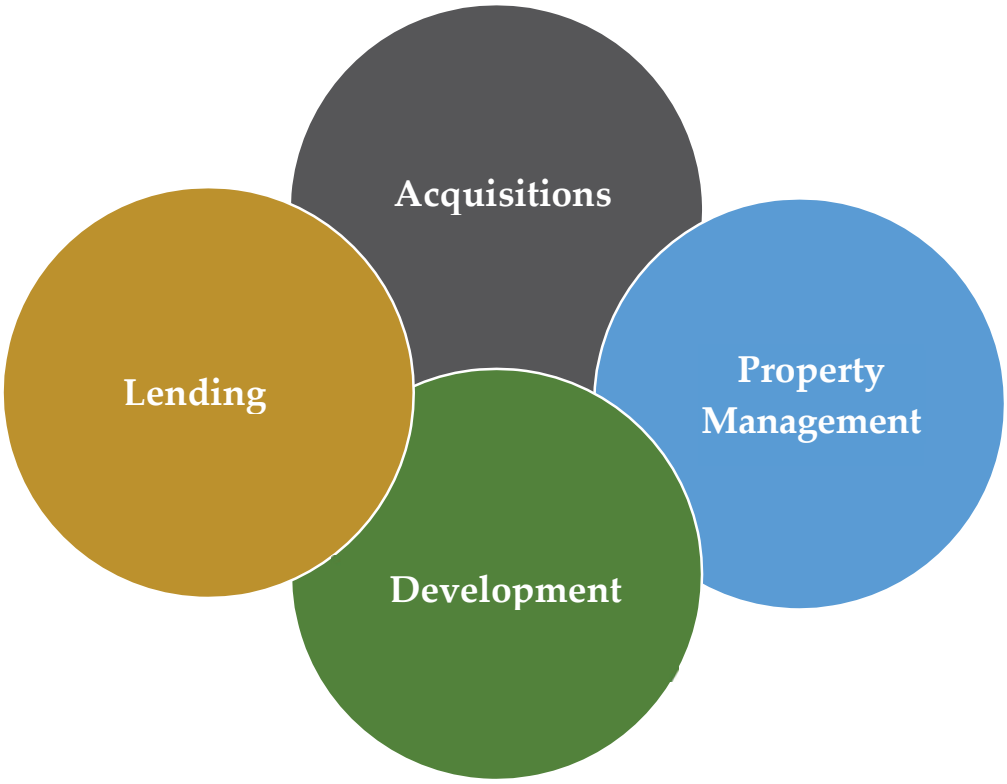
DLA Piper LLP (US) has been engaged to represent the Manager and the Sponsor in connection with the organization of the Fund. Neither DLA Piper LLP (US) nor any other counsel has been retained as counsel to represent the interests of the Investors. Accordingly, each prospective investor should consult with its own independent counsel in respect of all legal matters relating to its contemplated investment in the Fund.

**Auditors**

The Manager has engaged MHM (Mayer Hoffman McCann P.C.) as the Fund's initial auditor. The Manager reserves the right to replace or appoint additional auditors.

## Sponsor Overview

Castellan is a fully integrated real estate investment firm with business lines devoted to real estate investments, development, lending, and property management businesses. In 2009, Castellan initiated its acquisition platform to take advantage of the significant dispositions in the market caused by the financial crisis. As of December 2020, Castellan has acquired 75 properties combined in New York, New Jersey, Pennsylvania, and California totaling 2,351 units and approximately 2.4 million square feet. Castellan has been invested in equity and debt real estate transactions with a market value in excess of $1.4 billion. With a team of highly skilled professionals, Castellan strives to combine unique vision, market knowledge, and a keen ability to execute.



**Senior Management**

**Paul Salib**

Mr. Salib is a principal of the Manager. As a co-founder and Managing Principal of Castellan Real Estate Partners, Mr. Salib directs the acquisition and asset management of Castellan's investment holdings.

Previously, Mr. Salib was a Senior Vice President at Red Stone Partners, where he was involved in the acquisition and financing of over $1 billion in commercial real estate transactions. Mr. Salib was primarily responsible for performing valuation analysis, due diligence and transaction execution.

Mr. Salib received a Bachelor of Science in Finance from Syracuse University and received his Master's degree in Real Estate Finance and Investment from New York University. Mr. Salib is also an Adjunct Professor at NYU's Schack Real Estate Institute and on the Board of Directors of New York State Association for Affordable Housing (NYSAFAH).

**John Salib**

Mr. Salib is a principal of the Manager. As a co-founder and Managing Principal of Castellan Real Estate Partners, Mr. Salib is responsible for overseeing all aspects of the firm's investments and operations.

Mr. Salib began his career at Salomon Smith Barney in New York, where he focused on fixed income finance, real estate acquisition finance and mortgage securitization. Mr. Salib was a member of transaction teams that originated and / or securitized approximately $3 billion of debt financing for a variety of commercial and residential real estate clients.

Mr. Salib was subsequently a member of the Salomon Smith Barney team in Tokyo, focusing on debt origination / securitization and distressed debt acquisitions from Japanese financial institutions. Mr. Salib was primarily responsible for performing valuation analysis and due diligence on potential acquisition / financing candidates. Mr. Salib is also a founder of Landmark Advisors LLC, a value oriented alternative investment management firm.

Mr. Salib received a Bachelor of Arts from Colgate University and a Master of Business Administration from Columbia Business School.

**Rick Serrapica**

Mr. Serrapica is Castellan's Chief Operating Officer and brings more than 30 years of experience managing various asset classes including commercial, residential, retail and industrial properties.

Prior to joining Castellan, Mr. Serrapica was a Partner at Broadway Partners, a real estate owner/operator with overall responsibility of managing a national portfolio comprised of twenty-eight assets. Prior to Broadway, Mr. Serrapica was Regional Director of Construction and Property Management at Shorenstein Realty Services, one of the country's largest real estate owner/operators. Prior thereto, he was Senior Vice President as well as Director of Construction

and Property Management for SL Green Realty Corp. He has held similar positions at the Swig, Weiler and Arnow Management Co., Cross and Brown and Chase Manhattan Bank.

Rick received a Bachelor of Science and a Master of Business Administration from Long Island University. He is a Registered Property Administrator and a Certified EPA Project Designer.

**Joel Hammer**

As Chief Financial Officer of Castellan Real Estate Partners, Mr. Hammer is responsible for leading and directing the Finance and Accounting functions.

Mr. Hammer has more than 25 years of experience in leading the financial, accounting, operational and administrative aspects of real estate investment companies. In addition, he has significant involvement in IPOs, and merger, acquisition and disposition transactions.

Mr. Hammer spent the early part of his career at KPMG, specializing in private and publicly registered companies in a broad range of industries, including real estate and emerging businesses. Subsequently, Mr. Hammer spent 17 years as the Chief Financial Officer at AIG's Global Real Estate group, playing a significant role in the group's expansion from startup to a company whose global portfolio had more than $25 billion of assets under management, with upward of 53 million square feet in more than 50 countries.

Mr. Hammer is also an adjunct professor at Baruch College. Mr. Hammer, a CPA, graduated *magna cum laude* from the State University of New York with a Bachelor of Science in Accounting.

**Seth Sterneck**

Mr. Sterneck is the Vice President of Development. He is responsible for the financial modeling, due diligence, evaluation and acquisition of potential LIHTC-financed development sites. Further, Mr. Sterneck works directly with local subject matter experts to determine, finalize and carry out the financing, business, and building plans for each project.

Mr. Sterneck graduated with a Bachelor's degree from Northwestern University..

**Brian Chiusano**

Mr. Chiusano is a Managing Director of Affordable Housing Development and has been with Castellan and its affiliated entities since 2009. Currently, Mr. Chiusano works with municipalities, brokers and property owners, evaluating opportunities to provide and preserve affordable homes for communities in need.

Over nearly two decades in the real estate industry, Mr. Chiusano has spearheaded start up, implementation and operations for business units including property management, construction and leasing. Mr. Chiusano has deep experience in dealing with stabilized and affordable properties from concept to construction/rehabilitation, on to lease up and continued compliance.

Mr. Chiusano received a Bachelor of Arts from Syracuse University and a Juris Doctor from Fordham University School of Law

**Investment Philosophy and Objectives**

Castellan initiated its acquisition platform in 2009 to take advantage of the significant dislocations in the market caused by the financial crisis. Castellan believes that the market currently offers the opportunity to buy high quality assets from distressed sellers at compelling prices. The firm utilizes a "value added" investment philosophy that focuses on seeking properties which: (i) were poorly managed by previous ownership and have below market rents; (ii) can be acquired at significant discounts to replacement costs, providing a margin of safety; and (iii) can deliver significantly increased value through property enhancement and proactive asset management.

The following summarizes the investment objectives that we seek in evaluating investment opportunities:

- Asymmetric risk/return profile
- Stable current income and capital appreciation
- Prudent use of leverage
- Value creation through property enhancement and proactive asset management
- Inflation hedge
- Low correlation to other investment classes

## Our Strengths and Investment Highlights

### *Fully Integrated Real Estate Platform*

Castellan's fully integrated operating platform encompasses acquisition, construction, leasing and property management capabilities. Castellan has extensive experience in all real estate disciplines including construction, budgeting, forecasting, engineering, and property and asset management.

### *Deal Sourcing*

Castellan, through its relationships and reputation, has a significant competitive advantage in securing deals from sellers that value certainty of execution. Its ability to close transactions quickly is particularly important in sourcing assets at favorable valuations given today's difficult capital markets environment. Castellan's broad network of industry contacts enables the sponsor to source private market transactions, promoting a strong pipeline of deal flow.

### *Banking Relationships*

Castellan maintains long standing relationships with many of the leading regional banking institutions. These relationships facilitate quick loan response and a high certainty of execution. Additionally, Castellan has sourced transactions through these relationships as banks have sold defaulted loans and properties acquired through foreclosure.

### *Middle Market Niche*

Castellan targets mid-sized properties generally between $3 million and $30 million and will avoid highly competitive auctions. Castellan focuses on transactions either through off market private negotiated deals or other situations with limited competition. Properties in this size range are generally too large for individual investors, eliminating aggressive speculation, and too small for institutional investors, eliminating increased competition.

### *Substantial Experience*

Castellan's principals have over 30 years of combined experience sourcing, structuring, and executing complex real estate transactions and are supported by a team of seasoned professionals covering investments, finance, operations and investor relations.

## Appendix A: Select Examples[1]

The property descriptions and analyses set forth in this Appendix A are intended only to be indicative of the types of investments that the Fund may acquire an interest in in accordance with the investment guidelines and other terms governing the Fund. The Manager believes that these properties are consistent with the investment guidelines for the Fund and are generally of the type expected to be acquired by the Fund. There can be no assurance that any Property acquired by the Fund will be similar to or perform in a manner consistent with, or the process or timeline will be similar to, those described in this Appendix A. The past performance and related investment data related to the properties set forth below is not necessarily indicative or reflective of the expected performance of the Fund. Past performance is no assurance of future returns.

### *8490 & 8500 Old Redwood Highway, Windsor, CA 95492*

The Co-Investment Funds acquired the development site located at 8490 & 8500 Old Redwood Highway, in Windsor, California in June 2020. Preliminary plans call for a 52-unit, 49,995 square foot affordable housing development.

The project , Redwood Views, is a 100% affordable, garden style housing project located in Sonoma County, CA that will be financed primarily with federal fire recovery tax credits. The community will serve large families, agricultural households, and disabled individuals whose communities were devastated by wild fires.

In September 2021, the Co-Investment Funds successfully closed on financing with Citi Community Capital and CREA.

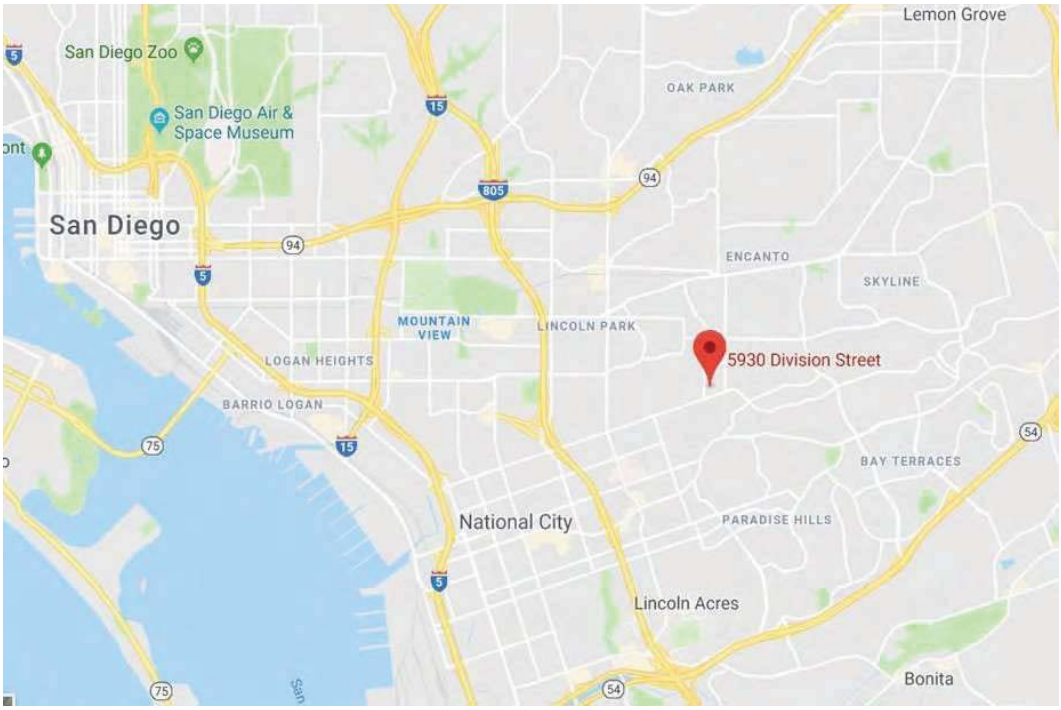
The total development cost for Redwood Views is $29.2 million. CREA facilitated the federal disaster relief tax credits. Citibank, N.A. provided a $7.8 million construction loan. The California Department of Housing and Community Development provided $5.1 million through the Joe Serna, Jr. Farmworker Housing Grant Program. The County of Sonoma provided a $400,000 housing loan.

The development team broke ground on Redwood Views in October 2021, and is expected to be completed in May 2023. The apartments will offer 10 one-bedroom, 24 two-bedroom and 18 three-bedroom units as well as a three-bedroom employee unit. The site is located within close proximity to various retail, entertainment, schools, recreation, highways, and public transportation. The Central Valley Coalition for Affordable Housing will provide supportive services free of charge to residents that may include after school programs, tax preparation assistance, instructor-led skill building classes, and health programs. While offering comprehensive social services to its residents, the project will incorporate the most recent resource-efficient, sustainable and Green

[1] Although any estimated timeline contained herein reflects reasonable expectations, many elements of the timeline are beyond the control of the Manager or Sponsor and those estimates may prove inaccurate or overly optimistic.

technologies exceeding minimum requirements by offering LEED Platinum standards. Finally, the project incorporates a multitude of features, including Healthy Homes Planning components, that will support resident's Whole-Person Wellness.

***8490 & 8500 Old Redwood Highway***




***Transaction Timeline:***

- Q2 2020: The Co-Investment Funds put a $50,000 refundable security deposit on the development site.
- The Co-Investment Funds provided the necessary capital to fund the predevelopment costs to obtain the necessary approvals and apply for the various financing sources. Typical predevelopment costs include taxes and insurance, architectural and engineering fees, legal fees, third party reports, and application fees.
- Q2 & Q3 2020: With the assistance of local subject matter experts, the Sponsor determined and finalized the building plan, business plan and budget.
- Q3 2020: The Sponsor applied for the necessary financing for the proposed project.
- Q4 2020: The Co-Investment Funds were awarded the 9 percent LIHTCs and the additional funding from various federal, state, local and nonprofit organizations.
- Q4 2021: The Co-Investment Funds closed on the various financing sources and the sale of the property to LIHTC investors, and site demolition promptly began following the closing.
- Q4 2021 – Q2 2023: The Co-Investment Funds anticipate being paid the developer fee, as permitted by the lenders, which may be shared with Noteholders as described under

"**Summary of Principal Terms—Developer Fees**." The developer fee will serve as the primary source of profit from which Members will paid the Preferred Return.

The Manager expects that the Fund will acquire an interest in this Property in the future from one or both of the Co-Investment Funds.

### *603 West Worthington Road, Imperial, California*

In February 2019, the Co-Investment Funds acquired a development site located at 605 West Worthington Road in Imperial, California.

Worthington Del Sol Family Apartments ("**Project**") will be the second phase of a two-phase, new large-family farmworker housing development located in the City of Imperial. Once construction is complete, Worthington Del Sol will provide an additional 48 homes (for a total of 114-units) for households earning between 30% and 60% of Area Median Income (AMI). The Worthington Del Sol Family Apartments will provide desperately needed housing stability to these families as quickly as possible.

Worthington Del Sol Family Apartments is designed in accordance with CTCAC requirements, design and sustainability guidelines. The development will be designed in accordance with Greenpoint Certification requirements and energy modeling exceeding 15% of Title 24 requirements. This element of the design work is overseen by our energy consultant, Partner Energy, a superior consultant in sustainable design field. The project design and development teams will endeavor to incorporate a suite of strategies and features to reduce energy consumption and increase energy efficiency. Additionally, the project design will incorporate a suite of features aligned with the Healthy Homes model.

In February 2022, the Co-Investment Funds successfully closed on financing with Citi Community Capital, Candeur Group, Monarch Private Capital, and the Affordable Housing Sustainable Communities Program (AHSC). Construction is now underway on the 2nd 48-unit phase of the 114-unit development. Metropolitan Area Advisory Committee on Anti-Poverty of San Diego Inc ("**MAAC**") will provide wrap around services to the general population. MAAC has a mission of "Maximizing self-sufficiency with families and individuals through high-quality programs and advocacy in our communities." Through the social and wrap around services it will provide the tenants, MAAC will create pathways of service and a direct path to self-sufficiency through, advocacy & leadership development, economic development, education, health, and well-being.

*603 West Worthington Road – Location Map and Rendering*

***Transaction Timeline:***

- Q1 2019: the Co-Investment Funds acquired the development site for $367,000.
- The Co-Investment Funds provided the necessary capital to fund the predevelopment costs to obtain the necessary approvals and to apply for the various financing sources. Typical predevelopment costs include taxes and insurance, architectural and engineering fees, legal fees, third party reports, and application fees.
- Q1 2019 – Q1 2021: With the assistance of local subject matter experts, the Sponsor determined and finalized the building plan, business plan and budget
- Q1 & Q2 2021: the Sponsor applied for the 9 percent LIHTCs and the additional financing needed for the proposed project.
- Q3 2021: the Co-Investment Funds was awarded the 9 percent LIHTCs.
- Q1 2022: the Co-Investment Funds closed on the various financing and the sale of the property to LIHTC investors, and site demolition promptly began following the closing.
- Q1 2022 – Q2 2023: the Co-Investment Funds anticipate being paid the first portion of the developer fee, as permitted by the lenders, as described under "**Summary of Principal Terms—Developer Fees**."

The Manager expects that the Fund will acquire an interest in this Property in the future from one or both of the Co-Investment Funds.

## Appendix B: Schedule of Sponsor's Currently and Previously Owned and Managed Properties

| | Address | Property Type | Location | Square Footage | Units |
|---|---|---|---|---|---|
| 1 | 2372–2374–2376 Amsterdam Avenue | Residential and Retail | Manhattan, NY | 41,853 | 65 |
| 2 | 295 West 150th Street | Residential and Retail | Manhattan, NY | 30,624 | 36 |
| 3 | 2108 Amsterdam Avenue | Residential and Retail | Manhattan, NY | 11,355 | 14 |
| 4 | 120–124–128 Sherman Avenue | Residential | Manhattan, NY | 55,920 | 93 |
| 5 | 2655–2657 Frederick Douglass Boulevard | Residential and Retail | Manhattan, NY | 21,508 | 33 |
| 6 | 29–31–33 Arden Street | Residential | Manhattan, NY | 31,095 | 63 |
| 7 | 111 West 141st Street | Residential | Manhattan, NY | 26,165 | 60 |
| 8 | 148 West 141st Street | Residential | Manhattan, NY | 10,753 | 30 |
| 9 | 511 West 151st Street | Residential | Manhattan, NY | 26,630 | 32 |
| 10 | 502 West 167th Street | Residential and Retail | Manhattan, NY | 8,700 | 13 |
| 11 | 117–137 West 141st Street | Residential | Manhattan, NY | 156,870 | 144 |
| 12 | 2304 Amsterdam Avenue | Residential and Retail | Manhattan, NY | 15,656 | 23 |
| 13 | 402-404 Riverdale Avenue | Residential | Yonkers, NY | 11,488 | 21 |
| 14 | 85 Fairview Avenue | Residential | Manhattan, NY | 15,141 | 24 |
| 15 | 325 Wadsworth Avenue | Residential | Manhattan, NY | 21,675 | 26 |
| 16 | 516–520 West 156th Street | Residential | Manhattan, NY | 35,560 | 44 |
| 17 | 649 West 184th Street | Residential | Manhattan, NY | 17,965 | 22 |
| 18 | 1315 St. Nicholas Avenue | Residential and Retail | Manhattan, NY | 22,285 | 27 |
| 19 | 1819 Beverly Road | Residential | Brooklyn, NY | 16,000 | 19 |
| 20 | 48 Post Avenue | Residential | Manhattan, NY | 22,320 | 29 |
| 21 | 518 West 136th Street | Residential | Manhattan, NY | 15,048 | 25 |
| 22 | 133 West 145th Street | Residential | Manhattan, NY | 18,024 | 30 |
| 23 | 11 Lawrence Street | Residential | Yonkers, NY | 13,900 | 12 |
| 24 | 304 West 147th Street | Residential | Manhattan, NY | 14,646 | 33 |
| 25 | 515 West 168th Street | Residential | Manhattan, NY | 40,224 | 84 |
| 26 | 482 Riverdale Avenue | Residential and Retail | Brooklyn, NY | 36,000 | 46 |
| 27 | 316–326 East 117th Street | Residential and Retail | Manhattan, NY | 42,216 | 77 |
| 28 | 3506 Newkirk Avenue | Residential | Brooklyn, NY | 26,126 | 30 |
| 29 | 4441 Broadway | Residential and Retail | Manhattan, NY | 20,888 | 26 |
| 30 | 945 St. Nicholas Avenue | Residential | Manhattan, NY | 20,610 | 26 |
| 31 | 1084 New York Avenue | Residential and Retail | Brooklyn, NY | 47,680 | 63 |
| 32 | 1222 Rogers Avenue | Residential and Retail | Brooklyn, NY | 6,921 | 9 |
| 33 | 452 West 164th Street | Residential | Manhattan, NY | 19,500 | 20 |
| 34 | 2617 Newkirk Avenue | Residential | Brooklyn, NY | 8,008 | 8 |
| 35 | 2156 Cortelyou Road | Residential | Brooklyn, NY | 10,260 | 13 |
| 36 | 3231 Greenpoint Avenue | Residential and Retail | Queens, NY | 6,213 | 7 |
| 37 | 3556 Broadway Avenue | Retail | Manhattan, NY | 12,000 | 2 |
| 38 | 3602 Clarendon Road | Residential and Retail | Brooklyn, NY | 3,775 | 5 |
| 39 | 1081 Teller Avenue | Residential | Bronx, NY | 7,360 | 8 |

| | | | | | |
|---|---|---|---|---|---|
| 40 | 507 West 134th Street | Residential | Manhattan, NY | 13,040 | 20 |
| 41 | 545 West 148th Street | Residential | Manhattan, NY | 39,845 | 37 |
| 42 | 1469 Fifth Avenue | Residential and Retail | Manhattan, NY | 23,315 | 31 |
| 43 | 265-273 West 146th Street | Residential | Manhattan, NY | 47,500 | 100 |
| 44 | 1661-1663 Park Avenue | Residential and Retail | Manhattan, NY | 22,436 | 35 |
| 45 | 524 East 119th Street | Residential | Manhattan, NY | 21,100 | 35 |
| 46 | 88 East 111th Street | Residential and Retail | Manhattan, NY | 19,884 | 30 |
| 47 | 602 Hidden Forest Court | Residential | Fairless Hills, PA | 181,028 | 238 |
| 48 | 445 West School House Lane | Residential | Philadelphia, PA | 39,575 | 52 |
| 49 | 362 Route 9 North | Residential | Marlboro, NJ | 77,200 | 90 |
| 50 | 701 West 135th Street | Retail | Manhattan, NY | 19,186 | 3 |
| 51 | 64-64 Wetherole Street | Residential | Queens, NY | 10,465 | 8 |
| 52 | 365 East 28th Street | Residential | Brooklyn, NY | 9,360 | 9 |
| 53 | 125 Rivington Street | Residential and Retail | Manhattan, NY | 14,325 | 5 |
| 54 | 309 West 111th Street | Residential | Manhattan, NY | 12,310 | 16 |
| 55 | 90 Chambers Street | Residential and Retail | Manhattan, NY | 8,885 | 6 |
| 56 | 3025 Sunrise Highway | Residential | Islip Terrace, NY | 29,000 | 26 |
| 57 | 515 West 111th Street | Residential | Manhattan, NY | 26,210 | 36 |
| 58 | 84 Hoyt Street | Residential and Retail | Brooklyn, NY | 2,800 | 4 |
| 59 | 4 St. Marks Place | Residential and Retail | Manhattan, NY | 10,036 | 7 |
| 60 | 282 St. Ann's Avenue | Residential | Manhattan, NY | 11,575 | 14 |
| 61 | 225 St. Ann's Avenue | Residential and Retail | Manhattan, NY | 11,568 | 10 |
| 62 | 278 St. Ann's Avenue | Residential and Retail | Manhattan, NY | 10,370 | 10 |
| 63 | 510 East 139th Street | Residential | Manhattan, NY | 15,408 | 16 |
| 64 | 605 East 138th Street | Residential and Retail | Manhattan, NY | 16,020 | 18 |
| 65 | 518 East 139th Street | Residential | Manhattan, NY | 15,408 | 16 |
| 66 | 227 St. Ann's Avenue | Land | Manhattan, NY | 2,525 | 0 |
| 67 | 7-9 East 30th Street | Land | Manhattan, NY | 42,110 | 0 |
| 68 | 68 Foster Ave | Residential | Hampton Bays, NY | 34,084 | 21 |
| 69 | 845 United Nations Plaza, 51A | Residential | Manhattan, NY | 2,016 | 1 |
| 70 | 845 United Nations Plaza, 51E | Residential | Manhattan, NY | 1,478 | 1 |
| 71 | 100 Evergreen Place | Residential | East Orange, NJ | 36,000 | 28 |
| 72 | 2 Osborne Terrace | Residential and Retail | Newark, NJ | 57,000 | 60 |
| 73 | 6601 Imperial Avenue | Land | San Diego, CA | 104,007 | 0 |
| 74 | 5930 Division Street | Land | San Diego, CA | 104,544 | 0 |
| 75 | 605 West Worthington Road | Land | Imperial, CA | 42,735 | 0 |
| 76 | 603 West Worthington Road | Land | Imperial, CA | 59,229 | 0 |
| 77 | 8668 Poppy Ridge Road | Land | Elk Grove, CA | 213,872 | 0 |
| 78 | 194 Desert Sunrise Ave | Land | Heber, CA | 21,362 | N/A |
| 79 | 195 Desert Sunrise Ave | Land | Heber, CA | 21,362 | N/A |
| 80 | 1303 S Gramercy Place | Residential | Los Angeles, CA | 64,485 | 49 |
| 81 | 5625 Imperial Avenue | Land | San Diego, CA | 31,165 | 60 |
| 82 | 8490 Old Redwood Highway | Land | Windsor, CA | 24,998 | 52 |
| 83 | 8500 Old Redwood Highway | Land | Windsor, CA | 24,998 | N/A |

| | | | | | |
|---|---|---|---|---|---|
| 84 | 1 Oak Valley Dev | Land | Chico, CA | 31,165 | 162 |
| 85 | 3930 Old Highway 53 | Land | Clearlake, CA | 89,459 | 102 |
| 86 | 6035-6050 Old Redwood Highway | Land | Windsor, CA | 170,620 | 134 |
| 87 | 8310 Poppy Ridge Road | Land | Elk Grove, CA | TBD | 228 |
| 88 | 41868 Osgood Road | Land | Fremont, CA | TBD | 67 |
| 89 | 3805 Broadway | Land | American Canyon, CA | 151,589 | 66 |
| | **Total*** | | | **2,443,516** | **2,351** |

* Note that the total square footage and number of units above excludes properties in which the Sponsor was not the property manager. These include properties that are currently under construction or were sold prior to development. In addition, properties noted as "**Land**" may have associated square footage and units based on relevant building approvals even though the construction has not commenced.

## Appendix C: Risk Factors

Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Notes. As a result of these factors, as well as other risks inherent in any investment, or set forth in this Memorandum, there can be no assurance that the Fund will meet its investment objectives with respect to any Property. The Fund's returns may be unpredictable and, accordingly, an investment in the Fund is not suitable as the sole investment vehicle for an investor and may not be suitable even as a part of a larger portfolio of investments held by such investor. A prospective investor should only invest in the Fund as part of an overall investment strategy and only if the investor is able to withstand a total loss of its investment. Investors should not construe the prior performance of Castellan Real Estate Partners and its affiliates (including any Co-Investment Fund) as providing any indication or assurance regarding the future performance of the Fund.

The following discussion does not purport to be an exhaustive explanation of all of the risks and significant considerations involved in an investment in the Notes, and prospective investors must rely on their own examination of, and their own ability to evaluate, the nature of such investment, including all of the risks involved in making such an investment. Prospective investors are urged to read this entire Memorandum and the applicable Fund Documents, and each prospective investor should consult with such prospective investor's own advisors and legal counsel before making an investment in the Fund.

Statements contained in this Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Manager and its managers, members and affiliates as of the date of this Memorandum. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed on them. No assurance can be given that the Fund will achieve the returns from its investments that it is targeting.

### Economic and Business Risks

#### *Tax credit risks*

The principal risk of LIHTC investing is the inability to obtain or loss of the tax credit itself. Owners of LIHTC properties must meet specific requirements during the planning, construction, and operation of the property to claim the credits. Failure to meet any of the requirements for LIHTC status could make it more difficult to exit any Property; could expose the Fund to potential liability (to the extent that the Fund can be held responsible for the structuring of the property for tax credit purposes prior to LIHTC investors acquisition or operation). For example, a LIHTC property could lose its tax credits through failure to maintain the necessary minimum number of low-income units or failure to maintain its low-income status for the full 15-year compliance period.

*LIHTC Property syndication risks*

Changes in circumstances such as income tax law, negative economic outlook, reduction, modification or discontinuance of applicable state programs, or loss of general desire to invest in real estate could also result in a diminution of the pool of potential LIHTC investors. This could result in the Fund having to own the Properties for a longer time, decrease or eliminate the potential gain on sale of the Properties to appropriate investors and could reduce or eliminate the investor returns. Even if a Property achieves LIHTC status, it may be more difficult to sell than anticipated; it may be difficult to obtain LIHTC investors.

Properties may be located in areas that make disposition outside of the LIHTC market more challenging. In the event that a Property cannot meet LIHTC requirements, the disposition of that Property may require more investment and time than anticipated, resulting in delays in realizing investments and reducing or eliminating gains on the Property and would mean that the Fund does not receive developer fees which are intended to be a material portion of the overall returns.

*Lack of available financing for affordable housing programs*

The Fund has no control over the amount or manner in which allocated low-income housing funds are made available—including state, local and federal funding for low-income housing initiatives. Changes in allocations could have a material adverse impact on the Fund and some or all of its Properties. Changes to the financing program, including the 9 percent credit, the 4 percent credit and the lack of availability of tax-exempt bonds intended to be used to finance the Properties could impact the investment required and the resulting investor returns upon ultimate sale.

Anticipated financing for the development phase may not be sufficiently available or may be available at a cost that diminishes the returns on investment in the Properties by the Fund.

*Insurance will not be obtained to cover all losses*

The Fund intends to maintain comprehensive insurance on each Property, including liability and fire and extended coverage, in amounts sufficient to permit the replacement of the assets in the event of a total loss, subject to applicable deductibles. The Fund expects to obtain coverage of the types and in the amounts customarily obtained by owners of similar property. There are certain types of losses, however, generally of a catastrophic nature, including, without limitation, terrorist strikes, earthquakes, floods and hurricanes, which may be uninsurable or not economically insurable. Inflation, changes in building or zoning codes and ordinances, environmental considerations, and other factors may also make it unfeasible to use insurance proceeds to replace or repair any Property if damaged or destroyed. If an uninsured property loss or a property loss in excess of insured limits were to occur, the Fund could lose its capital invested in the affected Property, as well as the anticipated future revenues from the Property. The Fund would also continue to be obligated to repay any mortgage indebtedness or other obligations related to that Property.

If an uninsured liability to a third party were to occur, the Fund would incur the cost of defense and settlement with, or court ordered damages to, that third party. With respect to terrorism risks, the Terrorism Risk Insurance Act of 2002 ("**TRIA**"), which originally established a three-year

federal program under which the federal government and the insurance industry share in the risk of loss associated with certain terrorist attacks, has been extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("**TRIPRA**") and TRIPRA is now scheduled to expire on December 31, 2027. There is no assurance that subsequent terrorism legislation will be passed, and TRIPRA insurance coverage is limited to specific acts of foreign terrorism that are certified by the U.S. Department of Treasury (such coverage is known as TRIPRA "certified terrorism" insurance). Acts of domestic terrorists, and domestic or foreign nuclear, biological and chemical acts of terrorism, are not covered by TRIPRA insurance. Insurance for acts outside of TRIPRA, known as "non-certified acts," must be obtained elsewhere and might not always be available or economically insurable, and insurance for nuclear, biological and chemical acts for certified and non-certified acts of terrorism are routinely not available.

***Changes in and compliance with applicable laws, rules, regulations and policies***

Compliance with changes in laws, including any increase in potential liability for environmental conditions existing on the Properties or the restrictions on discharges or other similar conditions, or other governmental rules and regulations or enforcement policies affecting the use and operation of the Properties, including changes to building codes and fire and life safety codes, may result in significant unanticipated expenditures. Under the Americans with Disabilities Act of 1990 (the "**ADA**"), certain properties located in the United States are required to meet certain federal requirements related to access and use by disabled persons. One or more Properties may not be in compliance with the ADA. If a Property is not, but is required to be, in compliance with the ADA, the Fund may be required to make modifications to the Property to bring it into compliance or face the possibility of an imposition of fines or an award of damages to private litigants.

***Adverse effect on results of operations due to possible environmental liabilities***

The Fund's operating costs may be negatively affected by the obligation to pay for the cost of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future legislation with respect to assets, or loans secured by assets, with environmental problems that materially impair the value of the assets. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under, or in such property. Such 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 or toxic substances, or the failure to remediate properly such property, may adversely affect the owner's ability to borrow by using such real property as collateral and may create a lien on the contaminated site in favor of the government for damages and costs it incurs as a result of the contamination. Persons who arrange for the transportation, disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, whether or not such facility is or ever was owned or operated by such person. Certain environmental laws and common law principles could be used to impose liability for releases of hazardous materials, including asbestos-containing materials ("**ACMs**"), into the environment, and third parties may seek recovery from owners or operators of real Property for personal injury associated with

exposure to released ACMs or other hazardous materials. Environmental laws may also impose restrictions on the manner in which a property may be used or transferred or in which businesses may be operated, and these restrictions may require expenditures. In connection with the ownership and operation of the Property, the Fund may be potentially liable for any such costs and may be limited in its operation of the Property by such restrictions. The cost of defending against claims of liability or remediating contaminated property and the cost of complying with such environmental laws could materially adversely affect the Fund's results of operations and financial condition. It is possible, however, that any environmental studies did not reveal all environmental liabilities or that such real estate may be subject to material environmental liabilities of which the Fund is unaware.

***Potential costs of addressing air quality issues***

Complaints about poor indoor air quality at any Property could necessitate costly investigation and remediation activities. Indoor air quality issues can stem from inadequate ventilation, chemical contaminants from indoor or outdoor sources, and biological contaminants such as bacteria, molds, pollen and viruses. Chemical contaminants, including volatile organic compounds, may emanate from common indoor sources such as adhesives, carpeting, upholstery, manufactured wood products, copy machines, pesticides and cleaning agents. Outdoor contaminants such as pollutants from motor vehicle exhaust, plumbing exhaust and building exhausts can also enter buildings through air intake vents, windows and other openings. In addition, bacteria, molds, pollen and viruses may grow in moisture that accumulates in buildings or on building materials, particularly if the moisture problem remains undiscovered. Indoor exposure to chemical or biological contaminants above certain levels can cause a variety of health effects and symptoms in susceptible individuals, which the popular press sometimes dubs "sick building syndrome" or "building related illnesses." If these conditions were to occur at a Property, the Fund may need to undertake a targeted remediation program, including steps to increase indoor ventilation rates and the installation of high-performance air filters and/or absorbent beds. Such remediation programs could be costly, necessitate the temporary relocation of some or all of a Property's tenants or in extreme cases require extensive rehabilitation of a Property.

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

The Manager believes the risks associated with the business of the Fund may be more significant during periods of economic slowdown or recession, because these periods generally are accompanied by declining real estate values. Declining real estate values may reduce the Fund's ability to recognize the level of profitability necessary to pay the Fixed Return. Any sustained period of increased interest rates, which may precipitate economic slowdown and recession, may limit the ability of LIHTC investors to obtain financing necessary to make investment in the Properties attractive which in turn may impede the Fund's ability to sell the Properties at attractive prices or in a timely manner.

**Investment Activity Risks**

***Real estate is generally illiquid and revenue and value may be dependent on conditions beyond the Fund's control***

Real estate investments, including the anticipated Property investments, are relatively illiquid and some or all of the Properties are expected to be substantially illiquid until the LIHTC are received at or near closing of the financing transactions. Consequently, the ability of the Fund to respond to changes in economic and other conditions affecting the performance of the Properties will be limited. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of one or more Properties. The underlying value of any Property and the Fund's income are dependent upon the ability of the Fund to develop and ultimately operate the Property in a manner sufficient to generate, maintain or increase revenues in excess of operating expenses and debt service and on the ability of the lessees of the Property to make rent payments.

If the Property does not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, the Fund's cash flow will be adversely affected. Revenues may be adversely affected by several factors beyond the control of the Fund, including: (i) adverse changes in national or local economic conditions; (ii) competition from other property offering the same or similar services; (iii) changes in interest rates and in the availability, cost and terms of financing; (iv) the impact of present or future environmental legislation and compliance with environmental laws or of environmental remediation; (v) the ongoing need for capital improvements; (vi) changes in real estate tax rates and other operating expenses; (vii) adverse changes in governmental rules and fiscal policies; (viii) civil unrest; (ix) acts of God, including earthquakes, hurricanes and other natural disasters (which may result in uninsured losses); (x) acts of war or terrorism (which may result in uninsured losses); (xi) adverse changes in zoning laws; and (xii) other factors beyond the control of the Fund in whole or in part.

***One or more Properties may fail to meet performance expectations; Investors should carefully consider inherent uncertainty of financial projections***

A number of factors could prevent any Property from performing as expected. The Fund's investments in Properties are primarily expected to be primarily in the predevelopment phase where the costs are heavily concentrated on planning and permitting and less on construction and operation. Estimates of future income, expenses and the costs of improvements necessary for the Fund to operate any Property as originally intended may prove to be inaccurate. In addition, it is expected that the cash flow from such Property will be minimal or non-existent during the period prior to the concluding financing transaction with the ultimate LIHTC investors at the time when the Fund is expected to exit its investment in the Property. As such, we cannot provide any assurance that cash flow or profits will be generated by each Property and may result in the inability to pay anticipated distributions to Investors with respect to such Property.

Management of the Fund has determined, and may continue to refine, the appropriate capital structure for each Property based upon financial projections for each Property. Projected operating results will normally be based primarily on management's judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. There can be no assurance that the Fund will achieve its investment objectives or targeted returns, and there can be no guarantee that capital contributed by Investors will be returned. There can be no assurance that the targeted internal rate of return to Investors will be achieved. However, the internal rate of return may vary depending on the timing and duration of Investor funding of Principal Commitments.

***Competition for suitable Properties***

Competition for prospective Properties may increase the cost of acquiring those Properties, may result in the inability to acquire certain prospective Properties or may result in an inability to achieve the expected investment program of the Fund.

***Development costs for abandoned Properties***

The primary investments by the Fund in Properties will be in the predevelopment phase, including acquiring rights to purchase properties and planning and permitting designed to lead to construction or rehabilitation of properties for the ultimate intended use of the real estate. To the extent that the Manager determines that any Property cannot obtain LIHTC investors or otherwise attract relevant financing to allow the Fund to exit its investment in the Property, the predevelopment costs invested in that Property may be written off as a loss for the Fund.

***Tenor of the Notes may not align with sale of Properties***

The Notes will have a maturity of two (2) years with an optional one (1) year extension. The Notes also have a non-call feature which means that the Notes cannot be repaid prior to eighteen (18) months from issuance. Given the expected holding period of each Property, it may not be practicable for the Manager to time the return of capital (through the sale of the Properties) to coincide with the permitted or expected period for repayment of the Notes. As a result, the Manager may seek to repay Notes after the non-call period, but before the maturity of the Notes. Alternatively, the Manager may determine to reinvest available capital as permitted which may mean that final liquidity to Investors is not available until after the Notes have matured. While the Manager intends to manage the potential timing issues efficiently, there is no guarantee that the Manager will succeed in managing these issues in a way that is beneficial, from a timing or return perspective, for Investors.

***Conflict of interest arising from Manager holding Membership Interests***

Because the Manager will hold an economic residual interest in the Fund, the Manager will have an incentive to seek returns on the Properties in excess of the Fixed Rate payable on the Notes. As a result, the Manager may be more aggressive in investing the capital of the Fund than it would

be if it had no economic incentive to maximize the returns of the Fund. As a result, if the Fund takes on greater risk, there is an increased probability of the Fund suffering losses that could impact the timing or total returns on the Notes.

***Characterization of the Notes for U.S. Federal Income Tax Purposes***

In general, the characterization of an instrument for U.S. federal income tax purposes as debt or equity by its issuer as of the time of issuance is binding on a holder. An issuer's characterization, however, is not binding on the IRS. Thus, there can be no assurance that the IRS would not contend, and that a court would not ultimately hold, that the Notes constitute indebtedness for U.S. federal income tax purposes. The determination of whether a Note is equity or indebtedness for U.S. federal income tax purposes depends on the facts and circumstances at the time that the Note is issued, including whether the issuer is undercapitalized. Recharacterization of the Notes as debt for U.S. federal income tax purposes would be expected to affect the timing and character (but not the overall amount) of a Noteholder's income from the Notes. Investors should consult their tax advisors regarding the tax rules that would apply if Notes held by them were recharacterized as debt by the IRS.

***Phantom Income***

If the Notes are recharacterized for tax purposes as debt, each Noteholder will be subject to tax on accrued stated interest and any other amount constituting original issue discount ("**OID**"), regardless of whether any cash payments have been made on the Notes.

***Distributions in excess of net operating income***

The amount of the net cash flow generated by any Property (which is expected to be primarily the sale proceeds of such Property) may be more than or less than the amounts necessary to distribute to Noteholders from time to time. The Manager expects to determine the amount of the distribution considering the amount of funds on hand for reasonable working capital needs of the Company, including reserves for future Company obligations. While the Manager attempts to maximize the amount of such distributions, there can be no assurance that distributions will be made in any amounts or that once made future distributions of the same percentage return on capital will be made.

***Developer Fee Projections are subject to various considerations beyond the control of the Fund or the Manager***

The Manager has developed and will maintain the Developer Fee Projections that are intended to provide an indication of the total sources of proceeds and funds to repay the Notes and the Fixed Return. Those projections are based on forward-looking assumptions and circumstances that are beyond the control of the Fund, the Manager or any of their affiliates. For a variety of reasons, the projected amounts may not be received or may be received over a longer time period than expected. Accordingly, the projections may ultimately not provide the protection contemplated

by investors or may be realized over a time period which results in the Fund failing to make payments or payments that are made after the stated maturity of the Notes.

**Legal and Other Considerations**

***The Fund is newly formed***

The Fund is newly formed and has a limited history of operations. There can be no assurance that the Fund will achieve its investment objective. The past investment performance of the management team may not be indicative of the future results of an investment in the Fund

***Investment returns on Notes is limited to the Fixed Return***

Because the nature of the investments held by each of the Noteholders and the Members are different, the returns to those Investors are likely to differ. The terms of the fixed-rate debt component of the Notes, and in particular the rate of interest, have been set at a reasonable market rate that the Manager believes is likely to achieve an investment return to Noteholders that is similar to the investment return realized by Members. The exact returns will be determined by the performance of the investments in the Properties.

To the extent that the overall return of the Fund is insufficient to achieve a roughly equal return to both the Noteholders and the Members, investors should expect that the return to the Noteholders will be greater than the return to the Members. The *Notes* will be repaid in full before payments on the Membership Interests as the Notes will rank senior in priority to the Membership Interests. Returns on the portfolio of Properties that fall short of return expectations may negatively impact the Noteholders.

***Past performance is not necessarily indicative of future results***

In considering the investment performance of the Manager and its affiliates and the investment opportunity set forth in this Memorandum, prospective Investors should bear in mind that past performance and projected future performance are not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable or projected results or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

***Conflicts of interest***

*General*. Prospective investors should be aware that there will be situations where the Manager, the Sponsor and their respective affiliates may encounter actual or potential conflicts of interest in connection with the Fund. On any issue involving conflicts of interest, each of the Manager and the Sponsor will be guided by its good faith judgment in determining what courses of action are in the best interests of the Fund, in addition to any relevant law or applicable regulation. In the event that any matter arises that the Manager determines in its good faith judgment constitutes an actual conflict of interest, the Manager may take those actions that may be necessary or appropriate, in accordance with applicable laws and regulations and the Fund Documents, to

ameliorate the conflict of interest, and in taking such actions the Manager will be relieved of any and all responsibilities or liabilities for the conflict of interest, to the extent permissible under any applicable laws.

Each of the Sponsor and the Manager is subject to a number of actual and potential conflicts of interest arising from the involvement by personnel of the Sponsor and the Manager and those affiliates with other investment funds (including the Parallel Investment Vehicles), some of which may have similar investment objectives to those of the Fund. Neither the Sponsor nor its managers, officers or affiliates, are required to devote full time to the Fund's business, and each devotes time to other pursuits and business activities, including to the Parallel Investment Vehicles. As a result, these persons may have conflicts allocating their time between the Fund's business and such other activities. The Manager, the Sponsor and their respective affiliates (including the Co-Investment Funds) shall be entitled to enter into transactions that may be competitive with the Fund, it being expressly understood that they may enter into transactions that are similar to the transactions into which the Fund may enter. In situations in which the Fund invests in Property in conjunction with affiliates of the Sponsor (including the Co-Investment Funds), the Manager will endeavor to allocate the investment opportunity in a fair and equitable manner, but there is no assurance that such allocation will in fact be fair and equitable or that any allocation determined in the Manager's discretion will prove to have been in the best interest of the Fund.

The Manager, the Sponsor and their respective affiliates may lend money to and transact other business with the Fund. Their rights and obligations as a lender to or a counterparty that transacts business with the Fund are the same as those of a person who is not a manager or affiliate, in each case subject to any applicable law. In addition, affiliates of Castellan may provide services to the Fund. Although the Manager will endeavor to ensure that any such services are provided on terms to the Fund that is no less favorable than terms the Manager believes could be obtained in the relevant market between unaffiliated parties, there can be no assurance that the Fund will obtain the services at the best price or on the most favorable terms available.

*Cross Transactions*. The Sponsor may determine that it would be in the best interests of the Fund and one or more Parallel Investment Vehicles or other affiliates to transfer an asset from one entity to another (each such transfer, a "**Cross Sale**") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes or to reduce transaction costs that may arise in an open market transaction. If the Sponsor decides to engage in a Cross Sale, the Sponsor will determine that the sale is in the best interests of both of the entities involved on terms reasonably determined to approximate the terms that might have been achieved in a transaction between unaffiliated parties.

*Expenses*. The Sponsor may incur common costs and expenses for goods and services that may be utilized by one or more Parallel Investment Vehicles and the Fund (e.g., legal research, service provider costs). The Sponsor will seek to allocate these costs and expenses fairly and equitably among such Parallel Investment Vehicles and the Fund; however, it is not always possible for such costs to be allocated on a pro rata basis among all clients benefiting from the product for which such costs and expenses were incurred. Generally, costs and expenses related to products utilized by one or more Parallel Investment Vehicles and the Fund will be allocated among such entities

according to their respective assets under management at the time such costs are incurred, and thus certain clients may benefit subsequently from products that were previously paid for by such Parallel Investment Vehicles and the Fund. The Sponsor will not seek retroactively to reallocate costs away from its clients, including the Fund, which may have paid for a product that has been subsequently utilized by one or more Parallel Investment Vehicles.

***No market for Notes***

Sales of the Notes will not be registered under the Securities Act of 1933, as amended, or any other securities law of any jurisdiction and will not ordinarily be transferable. Generally, the Notes may not be transferred, pledged or otherwise encumbered other than in accordance with the terms and limitations of the Operating Agreement. There is no market for the Notes and none is expected to develop. Therefore, each prospective Investor must consider its investment to be illiquid for the duration of the investment.

***Limited role of placement agent; no underwriter; Investor's investment decision***

One or more placement agents may act as the non-exclusive placement agents for the Fund in connection with the offering of the Notes. The placement agents are expected to be entitled to receive a fee from the Fund for acting in such capacity. The offering price for each of the Notes was determined by the Fund. Neither the placement agent nor any underwriter determined the offering price. Neither any placement agent nor any underwriter has conducted any independent assessment of the offering price or confirmed the adequacy or accuracy of any of the information contained in this Memorandum.

Investors should consult with their own attorneys and investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Notes in order to establish an independent evaluation of such investment. In making a decision to invest in Notes, Investors must rely on their own examination of the Notes and the terms of the offering, including the merits and risks involved.

***Passive investment; no management control***

Investors will have no right to control any of the business and affairs of the Fund other than with respect to certain consent rights in the limited circumstances in which the Fund has failed to perform as expected as further described in "**Summary of Principal Terms—Noteholder Consents**." Investors could disagree with actions taken by the Manager. Actions taken by the Manager will be intended for the general benefit of the Fund and its members and lenders. There can be no assurance that any such action will be with agreement by or further the interests of any particular Investor. In addition, prospective Investors will not be able to evaluate for themselves the merits of any particular investment in a Property prior to or after such Investor's investment in the Fund or prior to or after the Fund's investment in such Property, nor will Investors be entitled to participate in any manner in the decisions regarding the purchase, development, financing or divestiture of assets or interests.

The Manager may amend the Operating Agreement from time to time without the consent, approval or other authorization of, or notice to, any of the Noteholders. Furthermore, decisions covered by the plenary authority granted to the Manager under the Operating Agreement include (i) the making of additional capital calls; (ii) any distributions to Investors other than as expressly required under the Operating Agreement and the Notes; (iii) the approval of transfers of any Note; and (iv) dissolution of the Fund. The matters on which Noteholders have limited consent rights may also provide for deemed consent without any need for the Fund or the Manager to obtain any response from the Noteholders. Additional conflicts of interest may arise as a result of the Manager holding all of the Membership Interests. See "Risk Factors—Investment Activity Risks—Conflict of interest arising from Manager holding Membership Interests."

***Dependence on the Sponsor and the Manager***

The success of the Fund depends in substantial part upon the skill and expertise of the senior management of the Sponsor, the Manager and other members of their management teams. However, there can be no assurance that such persons, including the principals of the Sponsor and the Manager, will continue to be associated with, or make significant contributions of time and effort to, the Fund and/or the Sponsor or the Manager throughout the life of the Fund, and the loss of one or more of those persons or other key personnel could have a material adverse effect upon the Fund.

***Lack of Information about Properties and other investments***

The Manager expects to provide Investors with periodic reports regarding the Fund's activities. Investors should be aware that the Manager and the Fund may be subject to confidentiality agreements that limit the amount of information that the Manager may disclose about its investments, and that the Fund Documents impose certain confidentiality obligations on the Investors.

***Distributions in Kind***

Although, under normal circumstances, the Fund is required to make distributions in cash, it is possible that following the dissolution of the Fund, in-kind distributions could consist of assets for which there is not a readily available public market.

***COVID-19 Outbreak***

The ongoing outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic," has significantly diminished global economic production and activity of all kinds in recent months and has contributed to both volatility and a severe decline in all financial markets. The ultimate impact of COVID-19 and the resulting precipitous decline in economic and commercial activity across several of the world's largest economies on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects,

including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The extent of the impact of the ongoing COVID-19 crisis on the Fund and its operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to execute its strategy in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the strategy that the Fund intends to pursue, all of which could adversely affect the Fund's financial performance and its ability to fulfill its objectives.

Any assumptions and projections set forth in this Memorandum are based on assumptions that public health, economic, market and other conditions will improve; there is no assurance such conditions will improve to the extent or on the timeframe anticipated. The ultimate impact of COVID-19 on future performance is impossible to predict.

***Indemnification***

In carrying out its duties as the Manager of the Fund, the Manager is required to act in good faith and with a degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. The Fund will indemnify and hold harmless the Manager against any loss, damage or expense incurred by it in connection with the Fund's business, except to the extent such loss, damage or expense arises from the Manager's failure to perform its duties in accordance with the standard set forth in the Operating Agreement.

***Failure to make Contributions***

If Investors fail to make required Contributions when due, the Fund's ability to acquire, develop or operate any Property may be substantially impaired or precluded. Any Investor who defaults in making a required Contribution will be subject to certain economic consequences pursuant to the provisions of the Operating Agreement or the Notes, as applicable. Investors should carefully review the relevant provisions as any default in the obligation to make required Contributions may have a substantial negative impact on the Investor's interests in the Fund.

***Forward-Looking Statements***

The statements contained in this Memorandum that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, beliefs, assumptions, estimates and projections about the industry and markets in which the Fund expects

to operate. Words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," variations of such words and other similar expressions identify such forward-looking statements. Forward-looking statements contained in this Memorandum, or other statements made for or on behalf of the Fund, either orally or in writing from time to time, are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. These statements include, among other things, statements regarding the Fund's intent, belief or expectations with respect to the target returns, internal rates of return and distributions to Investors.

Investors should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Fund's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, or the performance or achievements expressed or implied by such forward-looking statements.

While forward-looking statements in this Memorandum reflect the Fund's estimates and beliefs, they are not guarantees of future performance. The Fund has not undertaken and will not undertake to update any forward-looking statements to reflect changes in the underlying assumptions or factors, new information, future events or other changes.

Any pro-forma financial information contained in this Memorandum is based on the good faith estimates of the Fund and the Manager and is not a representation or guarantee of the Fund's performance. The actual holding period for the Property may be longer or shorter than any scenario provided for in any pro-forma financial information contained in this Memorandum, and the Fund's performance is expected to vary from the pro-forma financial information in the event that the Fund substitutes or excludes any Property. In the event that the holding period for any Property is shorter, the internal rate of return may be higher. In the event that the holding period for any Property is longer, the internal rate of return may be lower. In the event that the Fund substitutes or excludes any Property the internal rate of return will vary. The determination of whether to sell any Property or to exclude or substitute a Property is at the sole discretion of the Manager.

***Management and resources of the Fund***

The Fund is a recently formed enterprise and has a limited operating history. The officers and employees of the Fund will devote such time as deemed necessary to carry out the Fund's operations. However, no officer or employee of the Fund will be required to devote full time to the Fund's business and there may exist conflicts of interest in the allocation of management resources between the Fund and other related or unrelated activities.

***Securities Act of 1933; other applicable securities laws***

The sale of the Notes have not been and will not be registered under the Securities Act, the securities laws of any State in the United States or the securities laws of any other jurisdiction. The

Fund does not intend to register the Notes under such laws, unless required to do so. The Notes offered hereby are being offered in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D and Regulation S promulgated thereunder and other exemptions of similar import in the laws of the states and other jurisdictions where the Notes are being or may be offered.

***Lack of protections that would exist if the Fund were registered under the Investment Company Act***

Neither the Fund nor the Manager will be registered with the SEC as an investment company pursuant to the Investment Company Act in reliance upon one or more exemptions under the Investment Company Act. Accordingly, Investors will not be accorded the protections of the Investment Company Act. The Fund and the Manager at all times intend to conduct their respective businesses so as not to become required to register as an investment company under the Investment Company Act. However, there can be no assurance that they will be able to do so. If either of the Fund or the Manager fails to qualify for an exemption from such registration, then such entity might be unable to conduct its business as described in this Memorandum, and such failure could have a material adverse effect on the Fund.

***Neither the Manager nor the Sponsor will be registered as an investment adviser***

The Sponsor is not currently registered, and is not required to register, as an investment adviser with either the SEC or any individual state in which it operates. The Sponsor currently intends to avail itself of and comply with exemptions from registration as an investment adviser under the Investment Advisers Act of 1940, as amended, although it is possible that such registration (or registration under comparable state laws) may be required in the future. If the Sponsor continues to remain unregistered as an investment adviser, it will not be subject to certain compliance, record-keeping and other obligations that could offer protections to the Fund's investors.

***Anti-money laundering and similar regulations***

The Fund may be required to comply with Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**") and any relevant regulations and any other applicable United States or other laws or regulations, including regulations promulgated by the Department of Treasury's Office of Foreign Assets Control ("**OFAC**"). The Fund may be required to obtain a detailed verification of the identity of each Investor, the identity of any beneficial owner of any such Investor, and the source of funds used to subscribe for a Note. Each prospective Investor shall be required to represent that it is not a prohibited person (a "**Prohibited Person**"), as defined by the USA PATRIOT Act, United States Executive Order 13224, and other relevant legislation and regulations, including regulations promulgated by OFAC.

Should a prospective investor refuse to provide any information required for verification purposes, the Fund may refuse to accept a subscription. The Fund may request such additional information from prospective Investors as is necessary in order to comply with the USA PATRIOT Act, United States Executive Order 13224, and other relevant United States or other anti-money laundering legislation and regulations, including regulations promulgated by OFAC.

## Appendix D: Certain U.S. Federal Income Tax Matters

### Overview

The following discussion generally summarizes the material federal income tax consequences of an investment in the Notes based upon current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**") by the Tax Cuts and Jobs Act of 2017 (the "**Act**") and the Treasury Regulations (the "**Regulations**") issued thereunder, administrative rulings and procedures of the Internal Revenue Service ("**IRS**") and judicial decisions. Accordingly, this discussion is not intended to be a complete description of all federal income tax consequences to prospective holders of Notes. The views expressed herein have no official or formal status of any kind and are, therefore, not binding on the IRS or the courts. The Fund will not request a ruling from the IRS with respect to any tax issues concerning the Fund or the Notes, nor will the Fund obtain an opinion of counsel with respect to any such issues. No assurance, therefore, can be given that the IRS will agree with the interpretation of current federal income tax laws as summarized below or that such laws (or the interpretation thereof) may not change, either with or without retroactive effect. This discussion does not attempt to set forth all of the tax consequences that may be important to a particular investor, but merely deals in a general way with certain tax laws applicable to a holder of a debt or equity instrument issued by a limited liability company that owns, directly or indirectly, real estate and real estate related businesses in the United States. In addition, the application of the applicable income tax laws may vary among purchasers of Notes, depending upon their specific tax attributes and their other financial activities.

ACCORDINGLY, ALL PROSPECTIVE HOLDERS OF NOTES SHOULD SATISFY THEMSELVES REGARDING THE POTENTIAL FEDERAL AND STATE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF NOTES AND ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS, ATTORNEYS OR ACCOUNTANTS IN CONNECTION WITH SUCH ACTIVITIES IN LIGHT OF THEIR OWN PARTICULAR FACTS AND CIRCUMSTANCES.

### Tax Status of the Fund

A domestic limited liability company is treated as a disregarded entity for U.S. federal income tax purposes if it has a single equity owner and as a partnership for U.S. federal income tax purposes if it has more than one equity owner, in each case, unless an election is made to treat the company as a corporation. The Fund does not plan to elect to be classified as a corporation for U.S. federal income tax purposes and is expected to have at least two equity owners for U.S. federal income tax purposes because, as discussed below, it plans to treat the Notes as equity for U.S. federal income tax purposes. Accordingly, the Fund expects to be treated as a partnership for U.S. federal income tax purposes.

However, if the Fund is treated as a "publicly traded partnership," then it might be taxable as a corporation or be subject to other unfavorable tax rules. If the Fund were treated as an association taxable as a corporation, its net income and gains would be taxable to the Fund rather than being passed through to its equityholders, and its distributions to its equityholders would be treated as

dividends to the extent of current or accumulated earnings and profits. The Manager intends to limit transfers of Notes and otherwise conduct the activities of the Fund so as to avoid the Fund being treated as a publicly traded partnership. The remainder of this discussion assumes that the Fund will be treated as a partnership, and not as a "publicly traded partnership," for U.S. federal income tax purposes.

**Classification of the Notes as Equity**

The determination of whether an instrument is classified as debt or equity for U.S. federal income tax purposes depends on all relevant facts and circumstances. There is no clear statutory definition of debt or equity for U.S. federal income tax purposes. Rather, characterization of an instrument as debt or equity for U.S. federal income tax purposes is determined by principles developed in case law, which analyzes numerous factors, with no one factor being dispositive. The Fund intends to treat the Notes as equity for U.S. federal income tax purposes and to prepare any and all reports to the IRS on a basis that is consistent with such treatment. However, there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that for U.S. federal income tax purposes the Notes should be characterized as debt of the Fund. Except as expressly stated otherwise, the remainder of this section assumes that the Notes are classified as equity of the Fund for U.S. federal income tax purposes.

***Interest***

A partnership, as an entity, is generally not subject to U.S. federal income tax. The Fund will, however, file a U.S. federal partnership information return reporting its operations for each taxable year, and each equityholder in the Fund will be required to report on its U.S. federal income tax or information return its share of the income, gains, losses, deductions or credits for the Fund's taxable year ending within or with such investor's taxable year, whether or not cash or other property is distributed to such equityholder.

The Fund will allocate its income (if any) to the Noteholders to the extent of accrued interest on the Notes. Thus, a Noteholder will be subject to U.S. federal income tax on its allocable share of the Fund's income, regardless of whether the Fund makes any cash distributions to the Noteholder in respect of a taxable year.

To the extent the Fund pays any interest on the Notes in excess of its income, the Fund intends to treat such amounts as so-called "guaranteed payments" within the meaning of Code Section 707(c). Such amounts will be taxable to the Noteholder when paid.

***Sale and Retirement of Notes***

In general, a holder of a Note will have a basis in such Note equal to the cost of such Note to such holder, increased by the Noteholder's distributive share of the Fund's income and liabilities, and decreased by the Noteholder's distributive share of reductions in such liabilities, losses, and distributions. Upon a sale or exchange of a Note, a holder will generally recognize gain or loss equal to the difference between the amount realized and the holder's tax basis in such Note. Such gain or loss will be long-term capital gain or loss if the holder has held such Note for more than

one year at the time of disposition, provided that a Contribution (or other advance to the capital of the Fund) by a Noteholder within the one-year period prior to such sale or exchange will cause a portion of such gain or loss to be short-term capital gain or loss. In certain circumstances, an individual holder that is a U.S. person may be entitled to preferential treatment for net long-term capital gains. The ability of individual holders that are U.S. persons to offset capital losses against ordinary income is limited.

***Information Reporting***

If the Notes are characterized as debt for U.S. income tax purposes, information reporting will apply to payments of interest and accruals of OID on the Notes and to the proceeds of the sale or other disposition of the Notes unless the holder is an exempt recipient such as a corporation. Backup withholding tax (currently, at a 24% rate) will apply to such payments if the holder fails to provide a correct taxpayer identification number and comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding tax is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the holder's U.S. federal income tax liability if the required information is timely furnished to the IRS.

***Special Considerations for Foreign Investors***

Noteholders that are nonresident aliens or foreign corporations will be treated as engaged in the conduct of a trade or business in the U.S. and, accordingly, substantially (if not, all) of their allocable share of the Fund's income, gains, losses, deductions will constitute "effectively connected income" ("**ECI**") subject to U.S. federal income tax at the same rates as would be applicable to a U.S. citizen or resident or domestic corporation, as the case may be.

In addition, a foreign corporate Noteholder could be subject to the "branch profits tax" ("**BPT**") imposed under section 884 of the Code. The BPT is essentially the corollary to the U.S. withholding tax that would be imposed on dividends distributed by a U.S. corporation to its foreign shareholders, inasmuch as the BPT is imposed on a foreign corporation's "dividend equivalent amount" (i.e., essentially, the amount of a foreign corporation's after-tax "effectively connected earnings and profits" that are deemed to be distributed by its U.S. branch, which can include an investment in a U.S. partnership that generates ECI). The BPT is imposed at a rate of 30% in the absence of an income tax treaty between the U.S. and the foreign country in which the foreign corporate Noteholder is organized (or, if applicable, tax resident) that reduces such rate. Whether or not a foreign corporate Noteholder would, in fact, qualify for the benefits of an otherwise applicable income tax treaty is a complex matter in itself. It should be noted that foreign Noteholders who are (or are treated as) individuals are not subject to the 3.8% tax imposed under section 1411 of the Code on "net investment income".

Additionally, Noteholders that are nonresident aliens or foreign corporations may be subject to a 15% U.S withholding tax on the entire proceeds realized upon a disposition of their Notes.

Except as described below, in general, a Noteholder that is not a U.S. taxpayer will be subject to information reporting but will generally not be subject to backup withholding on payments of interest on the Notes. A Noteholder that is not a U.S. taxpayer might be required, however, to establish an exemption from backup withholding by making a certification as to non-U.S. status on Form W-8BEN or W-8BEN-E (or other applicable form or successor form). The proceeds of the sale, exchange, redemption or other taxable disposition of the Noteholder effected through a U.S. office of a broker or certain U.S.-related financial intermediaries will be subject to information reporting and backup withholding unless the holder certifies its non-U.S. status on Form W-8BEN or W-8BEN-E (or other applicable form or successor form) or otherwise establishes an exemption. Failure to provide such certification could result in backup withholding. Backup withholding tax is not an additional tax. Amounts withheld under the backup withholding rules will be allowed as a refund or credit against a Noteholder's U.S. federal income tax liability if the required information is timely furnished to the IRS.

Under Sections 1471 through 1474 of the Code ("**FATCA**"), a 30% U.S. federal withholding tax may apply to any interest income paid on the Notes paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Persons considering the purchase of the Notes should consult their own tax advisors regarding these rules and whether they may be relevant to their ownership and disposition of the Notes.

In view of the complexities relating to a foreign investor's investment in the Fund, such investors are strongly urged to consult their own tax advisors regarding the U.S. federal income tax consequences thereof.

**Tax Returns and IRS Audits of the Fund**

Pursuant to sections 6221 through 6241 of the Code (the "**Partnership Tax Audit Rules**"), entities that are classified as partnerships for U.S. federal income tax purposes are subject to audits by the IRS at the partnership level. A partnership must designate a representative who shall have sole authority to act on behalf of the partnership (a "partnership representative"). The Operating Agreement designates the Manager (or such other person as may be properly designated by the Manager) as the partnership representative of the Fund.

As partnership representative, the Manager (or its designated nominee) will have the authority to act on behalf of the Fund as may be necessary or advisable under the Partnership Tax Audit Rules, which includes broad authority to resolve any Fund audit. A partnership representative's

actions and decisions will bind the partnership and all partners, and partners do not have a statutory right to notice or to participate in any audit proceedings. Likewise, partners are not able to initiate an administrative adjustment request with respect to tax returns for prior years.

If following an audit at the partnership level, an adjustment is made to an item of partnership income, gain, loss, deduction, or credit, the IRS can assess and collect an "imputed underpayment" at the partnership level. Moreover, any imputed underpayment imposed on a partnership from an audit adjustment will be imposed in the year that the audit adjustment is finalized (the "**Adjustment Year**"), as opposed to the year that is audited (the "**Reviewed Year**"). This is the case even if a partner that is a partner in the partnership in the Adjustment Year was not a partner in the partnership during the Reviewed Year. Accordingly, under the Partnership Tax Audit Rules, partners in an Adjustment Year may be required to bear the cost of any partnership audit adjustments made with respect to a prior year that is the Reviewed Year.

The IRS will determine an imputed underpayment by netting partnership audit adjustments and multiplying the result by the highest marginal federal tax rate (without regard to the character of the income or gain being adjusted) in effect for the Reviewed Year. The imputed underpayment calculation generally will not take into consideration any partner-level tax attributes. Furthermore, to the extent that any audit adjustment reallocates partnership items from one partner to another partner, such adjustment generally will not take into account any decrease in any item of income or gain, or any increase in any item of deduction, loss or credit to a partner resulting from such reallocation. Accordingly, if an income reallocation were made from one partner to another partner resulting in an imputed underpayment due to an increase in income to one partner, such assessment may not take into consideration any reduction in income to the other partner.

A partnership and the partnership representative have the ability to demonstrate that modifications to an imputed underpayment, and a lower rate of tax, are appropriate. Specifically, a partnership and the partnership representative may provide to the IRS, within 270 days from the date of mailing of a "Notice of Proposed Partnership Adjustment" by the IRS, and before the issuance of a "Notice of Final Partnership Administrative Adjustment" by the IRS, partner-specific information reflecting certain tax attributes of the partners (e.g., tax-exempt partners, individual partners subject to favorable rates on capital gains and qualified dividends, non-U.S. partners and C-corporation partners - which are currently subject to tax at a rate that is lower than the maximum individual ordinary income rate). Additionally, modifications and reductions to an imputed underpayment may be made to the extent that a partner files an amended tax return for the Reviewed Year which takes into account the partnership adjustments and includes the tax payment due.

Partnerships may be able avoid these entity-level adjustments by electing to send adjustment statements to those partners in the partnership during the taxable year of the adjustments (an "**Adjusted K-1 Election**") or by electing out of the Partnership Tax Audit Rules (a "**Small Partnership Election**"), discussed below.

The Adjusted K-1 Election provides an alternative to a partnership directly bearing the tax burden with respect to an imputed underpayment. The partnership may affirmatively elect the Adjusted K-1 Election, in which case adjustments from a partnership-level audit would be reflected on adjusted Schedules K-1 (which are provided to both the partners as well as the IRS) and paid at the partner level by those partners that were partners in a Reviewed Year. The Adjusted K-1 Election must be made no later than 45 days after the date of the issuance of a "**Notice of Final Partnership Administrative Adjustment**," and once made, the Adjusted K-1 Election is revocable only with the consent of the IRS. The partners would be required to take the adjustments into account on their own tax returns in the Adjustment Year. Penalties would be determined at the partnership level, but interest would be determined at the partner level at the large corporate underpayment rate (even for partners that are individuals).

All partnerships will be subject to the Partnership Tax Audit Rules unless they are eligible to opt out of these rules altogether and make an opt-out election every year (the "**Small Partnership Election**"). Partnerships that are eligible for the Small Partnership Election are those partnerships that issue fewer than 100 Schedules K-1 a year and have as partners individuals, C corporations (including comparable non-U.S. entities), S corporations, or an estate of a deceased partner as partners. Each S corporation shareholder is counted for purposes of the 100-Schedule K-1 limit. Partnerships that have another partnership as a partner (i.e., tiered partnership structures) or have a disregarded entity as a partner cannot make the Small Partnership Election.

As partnership representative, the Manager (or its designated nominee) will determine (1) whether an Adjusted K-1 Election or a Small Partnership Election is available or appropriate for the Fund, and (2) whether any modifications to imputed underpayments should be made and amended tax returns should be filed by the Fund.

Prospective investors are strongly urged to consult with their independent tax advisors as to the Partnership Tax Audit Rules and the impact of these rules.

Noteholders may also be subject to various penalties, including an "accuracy related penalty" under section 6662 of the Code, on all or a portion of the deficiency. The amount of the "accuracy related penalty is generally equal to 20% of any underpayment attributable to, among other things, (i) negligence or intentional disregard of the rules or Regulations; (ii) a substantial underpayment of tax or (iii) a substantial valuation misstatement. However, the penalty under section 6662 of the Code will not apply if it can be shown that there was reasonable cause for the underpayment and the taxpayer acted in good faith with respect thereto. In addition, in the case of a deficiency attributable to a substantial understatement, the penalty under section 6662 will generally not apply to the extent that (1) the taxpayer had "substantial authority" for the position taken on a tax return or (2) (a) the facts relevant to that position were adequately disclosed on the taxpayer's return (or in statement attached to the return) and (b) there is a reasonable basis for the tax treatment of the item by the taxpayer.

**Potential Tax Legislation**

In recent years, numerous changes to the Code have been enacted. There can be no assurance that the present federal income tax treatment of an investment in the Notes will not be adversely affected by future legislative, judicial or administrative action. Any modification or change in the Code or the regulations promulgated thereunder, or any judicial decision, could be applied retroactively to an investment in the Notes. ACCORDINGLY, ALL PROSPECTIVE MEMBERS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS, ATTORNEYS OR ACCOUNTANTS IN CONNECTION WITH THE IMPACT OF ANY SUCH POTENTIAL TAX CHANGES TO THEM IN LIGHT OF THEIR OWN PARTICULAR FACTS AND CIRCUMSTANCES.

**Exhibit I: Subscription Agreement**

**CIX Castellan Affordable Housing Fund LLC**
(a New York limited liability company)

NOTES

SUBSCRIPTION BOOKLET

Manager:

Castellan Affordable Housing Manager LLC
c/o Castellan Real Estate Partners
122 East 42nd Street, Suite 1903
New York, New York 10168
Attention John Salib
Email: IR@castellanre.com

If the prospective investor does not wish to subscribe for notes issued by CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "**Fund**"), or if the prospective investor's subscription is rejected, please return the Confidential Private Placement Memorandum of the Fund dated October 3, 2022 and this Subscription Booklet (collectively, the "**Fund Documents**") to Castellan Affordable Housing Manager LLC. The Fund Documents may not be reproduced, duplicated or delivered to any other person.

**CIX CASTELLAN AFFORDABLE HOUSING FUND LLC**

**LP INVESTMENT PROCEDURES**

Prospective investors should complete the following steps prior to the intended date of subscription:

1. Complete the attached Subscription Agreement, and complete and sign two (2) sets of signature pages to the Subscription Agreement.

2. Complete and sign the Counterpart Signature Page (located at the back of the Subscription Booklet).

3. Complete and sign an IRS Form W-9 (U.S. investors) or an IRS W-8 (non-U.S. investors). IRS forms W-9 and W-8 can be found at https://www.irs.gov/Forms-&-Pubs.

4. Provide evidence of formation/authority:

   (a) **Corporations** should provide (i) a resolution to the effect that the subscription is authorized and certify as to the persons authorized to act on behalf of the corporation, and (ii) a good standing certificate of recent date issued by the Secretary of State (or equivalent authority) of the jurisdiction in which the corporation was incorporated.

   (b) **Limited Liability Companies** ("**LLCs**") should provide a copy of the limited liability company or operating agreement, and a resolution to the effect that the subscription is authorized and certify as to the persons authorized to act on behalf of the LLC.

   (c) **Partnerships** should provide a copy of the partnership agreement, and a resolution to the effect that the subscription is authorized and certify as to the persons authorized to act on behalf of the partnership.

   (d) **Other evidence of formation** and/or authority may be requested in certain circumstances.

5. Send the completed original Subscription Agreement, Counterpart Signature Page and all related documents to Castellan Affordable Housing Manager LLC (the "**Manager**"), at the address below to arrive as soon as possible, so that the Manager may determine whether the prospective investor is eligible to subscribe for notes in the Fund (the "**Notes**"). If there are joint subscribers, each subscriber must complete a separate Subscription Agreement and Counterpart Signature Page and submit the related documents.

Please send all required subscription documents and direct all questions to:

Castellan Affordable Housing Manager LLC
c/o Castellan Real Estate Partners
122 East 42nd Street, Suite 1903
New York, New York 10168
Attention: John Salib
Email: IR@castellanre.com

6. Upon acceptance of the subscription, a copy of the executed Subscription Agreement, signed as accepted on behalf of the Fund, will be returned to the investor (once such subscription is accepted, the prospective investor will be referred to as the "**Investor**").

Please note that the attached Subscription Agreement contains a power of attorney which enables the Manager to execute on behalf of the Investor documents relating to the Investor's investment in the Fund, including, without limitation, the Operating Agreement (as further amended or amended and restated from time to time in accordance with its terms, the "**Operating Agreement**"). Accordingly, if the Investor does not complete and sign the Counterpart Signature Page to the Operating Agreement, the Manager will complete and sign it on behalf of the Investor.

For prospective investors who are individuals, please see the Fund's Privacy Policy attached at the end of the Subscription Agreement.

An Investor that is a tax-exempt entity acknowledges that it is aware that the Fund may generate unrelated business taxable income ("**UBTI**") and that neither the Fund, the Manager, nor the Castellan Holdings LLC (the "**Sponsor**") will have any liability by reason of the Fund generating UBTI.

An Investor that is not a U.S. person acknowledges that it is aware that an investment in the Fund may generate U.S. effectively connected income ("**ECI**"), may subject the investor to U.S. estate tax, may result in the Investor having to file U.S. and State tax returns and being subject to U.S. withholding taxes, and that neither the Fund, the Manager, nor the Sponsor will have any liability by reason of any of the foregoing, including the Fund generating any ECI for the Investor.

Prospective investors must carefully read the Confidential Private Placement Memorandum of the Fund, dated October 3, 2022 (as updated, supplemented or modified from time to time, the "**Memorandum**"), including the various risk factors described therein and consult with their own counsel and other representatives prior to subscribing to acquire Notes.

**CIX CASTELLAN AFFORDABLE HOUSING FUND LLC**

**SUBSCRIPTION AGREEMENT FOR NOTES**

**Committed Principal: $ _____**

CRP Affordable Housing Manager LLC
c/o Castellan Real Estate Partners
122 East 42nd Street, Suite 1903
New York, New York 10168
Attention: John Salib

Re: CIX Castellan Affordable Housing Fund LLC (the "**Fund**") Issuance of Notes (the "**Notes**")

**I. General Information Regarding the Prospective Investor**

_____
Name of Investor
(Please Print or Type full legal name)

_____
Social Security or Tax I.D.

_____
Name of person exercising investment discretion for Investor (e.g., trustee or fiduciary)

_____
Jurisdiction where Investor is organized (if applicable)

_____
Jurisdiction of Investor's principal business activity (if applicable)

Year of organization: _____

Type of Investor – Please check one:

_____Individual

_____Limited Partnership

_____Corporation

_____Limited Liability Company

_____Other – Please Specify

**Investor's Principal Place of Business Address:**

_____
Name

_____
Street

_____
City, State, Zip

_____
Attn

Investor's Mailing Address, if different:

_____
Name

_____
Street

_____
City, State, Zip

_____
Attn

Other Contacts for Notices:

Name: _____

Street: _____

City, State, Zip: _____

Attn: _____

Telephone number: _____

Facsimile number: _____

E-mail address: _____

## II. Source of Funds, Bank or Financial Institution
## All Investors Must Complete this Section

Please identify the bank or other financial institution (the "**Wiring Institution**") from which the Investor's funds will be wired for anti-money laundering purposes. Note that any amounts paid to the Investor will be paid to the same account from which its subscription funds were originally remitted, unless the Fund agrees otherwise.

Bank Name: _____

Beneficiary Name: _____

Bank Account Number: _____

Bank ABA / Routing Number: _____

Bank Address: _____
_____
_____

**SWIFT Code:** (if applicable) _____

**Other Instructions:** _____
_____
_____

**Desired Method:** (please check) [ ] [ ]
**(If wiring, a fee of $25 may apply)** ACH Wire

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[1] If the Wiring Institution is not located in one of the countries which are members of the Financial Action Task Force on Money Laundering ("**FATF**"), the Fund may require additional information. As of the date hereof, the member countries of FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; European Commission; Finland; France; Germany; Greece; Gulf Co-operation Council; Hong Kong, China; Iceland; India; Ireland; Italy; Japan; Republic of Korea; Luxembourg; Mexico; Kingdom of the Netherlands; New Zealand; Norway; Portugal; Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; United Kingdom and United States. For a current list of FATF members see http://www.fatf-gafi.org/aboutus/membersandobservers.

THE NOTES SUBSCRIBED FOR PURSUANT TO THIS SUBSCRIPTION AGREEMENT ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE SECURITIES LAWS OF CERTAIN STATES AND OTHER JURISDICTIONS, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE TRANSACTION RELATING THERETO SHALL COMPLY WITH OR BE EXEMPT WITHIN THE MEANING OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ADOPTED THEREUNDER AND OF APPROPRIATE STATE OR OTHER JURISDICTION AUTHORITIES AND APPLICABLE STATE AND OTHER JURISDICTION SECURITIES LAWS.

Ladies and Gentlemen:

The offer and sale of notes (the "**Notes**") of CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "**Fund**"), to the undersigned investor (the "**Investor**") is not being registered under the Securities Act of 1933, as amended (the "**Securities Act**"), but rather is being made privately by the Fund pursuant to the private placement exemption from registration provided in Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D ("**Regulation D**") or Rules 901-905 of Regulation S ("**Regulation S**") promulgated thereunder by the Securities and Exchange Commission on the basis of the Confidential Private Placement Memorandum of the Fund, dated October 3, 2022 (as the same may be updated, supplemented or modified from time to time, the "**Memorandum**").

The information requested in this Subscription Agreement is needed in order to ensure compliance with applicable regulations and to determine whether the Investor, to the extent that it is a U.S. person (for purposes of Regulation S), qualifies as an "accredited investor" as defined in Regulation D and/or has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment. The information is also needed to assure that the Fund may rely upon certain exemptions under the securities laws that will permit the Fund and its affiliates to conduct their business as planned.

The closing date (the "**Closing Date**") of the purchase and sale of Notes will be such date as is specified by CRP Affordable Housing Manager LLC, a New York limited liability company (the "**Manager**"), in a written notice to the Investor, if the Investor's subscription for Notes is accepted. Notes subscribed for herein shall not be deemed to be issued to, or owned by, the Investor prior to the Closing Date.

The Investor represents and warrants to the Manager and to the Fund that (1) the information contained herein is complete and accurate as of the date given and as of the Closing Date, and may be relied upon by the Manager and the Fund, and (2) the Investor will notify the Manager in writing immediately of any material change in any of the information contained herein occurring prior to or after the acceptance, or prior to the rejection, of the Investor's subscription.

The Investor also understands and agrees that the Manager may present this Subscription Agreement and release confidential information given by the Investor to the Manager to regulatory or law enforcement authorities as the Manager, in its sole discretion (as defined in the Operating Agreement), determines that it is in the best interest of the Fund to do so, or to such parties as the Manager may deem advisable if it is called upon to establish the availability under any applicable law of an exemption from registration of the Notes or the Fund to demonstrate compliance or to comply with any laws, rules or regulations to which the Fund, the Manager, or any lender, counterparty, capital partner, financing provider or financial institution or any other service provider providing services to any of the foregoing is or becomes subject, or if the contents thereof are relevant to any issue in any action, suit, or proceeding to which the Fund or the Manager is a party or by which it is or may be bound, or to lenders, counterparties, capital partners, financing providers, attorneys, accountants, prospective investors and service providers and other representatives or advisors of the Fund in the ordinary course of business. The Manager may also disclose the Investor's identity to other potential investors in connection with future offerings.

Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Amended and Restated Operating Agreement, to be dated as of or about October 19, 2022 (as further amended or amended and restated from time to time in accordance with its terms, the "**Operating Agreement**"), a copy of which the Investor has received from the Fund.

The Investor hereby agrees as follows:

## I. SUBSCRIPTION FOR NOTES.

(A) The Investor hereby irrevocably subscribes for and agrees to purchase the Notes on the terms provided for herein and in the Operating Agreement and as described in the Memorandum. The minimum committed principal in respect of Notes per subscriber is $200,000, subject to the sole discretion of the Manager to accept lesser amounts. The Investor agrees to and understands the terms and conditions upon which the Notes are being offered, including, without limitation, the risk factors referred to in the Memorandum.

(B) The Investor understands and agrees that the Manager reserves the right to reject the Investor's subscription for the Notes for any reason or no reason, in whole or in part, and at any time prior to acceptance thereof in the Manager's sole discretion. In the event of rejection of this subscription, this Subscription Agreement shall have no force or effect.

## II. PAYMENT BY THE INVESTOR.

The Investor hereby agrees to and commits to fund, subject to the acceptance by the Manager of its subscription to purchase the Notes, and to contribute to the Fund, at the times and in the amounts contemplated by, and otherwise in accordance with the terms of, the Operating Agreement and the Notes capital in the total amount stated at the top of this Subscription Agreement, as such amount may be adjusted in accordance with the terms of the Operating Agreement and the Notes, as a Committed Principal (as defined in the Operating Agreement). Failure to timely pay such Committed Principal or portion thereof shall constitute a default on the part of the Investor hereunder and under the Operating Agreement and the Notes and may subject the Investor to the remedies and penalties set forth in the Operating Agreement and the Notes and as described in the Memorandum, including (i) payment of interest to any Noteholder funding in place of a defaulting Noteholders, (ii) lose a significant portion of invested capital under its Note.

## III. ELIGIBILITY REPRESENTATIONS OF THE INVESTOR.

(A) General – TO BE COMPLETED BY ALL INVESTORS:

Please provide the following information regarding the Investor (if an individual) or the person making the investment decision on behalf of the Investor (if an entity). If the investment decisions are made by a committee or similar body, please describe:

Name: _____

Relationship to Investor: _____

Occupation: _____

Nature of business: _____

Does such person have sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks associated with investing in the Fund?

☐ Yes ☐ No

Check one:

___ U.S. person (as defined in Regulation S)

___ non-U.S. person

(B) Accredited Investor Status:

*For Individual Investors: Initial all Items that are applicable, indicating the basis upon which the Investor qualifies as an accredited investor under Regulation D.*

_____ *(Initial)* (B1) The Investor hereby certifies that he/she is an accredited investor because he/she is a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with his/her spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

_____ *(Initial)* (B2) The Investor hereby certifies that he/she is an accredited investor because he/she is a natural person whose individual net worth, or joint net worth with his/her spouse or spousal equivalent[2] at the time of the purchase exceeds $1,000,000 (excluding the value of his/her primary residence).

For purposes of calculating net worth:

(A) The person's primary residence shall not be included as an asset;

(B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability);

[2] The term "spousal equivalent" is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse.

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability; and

(D) Joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard does not require that the securities be purchased jointly.

_____ *(Initial)* (B3) The Investor hereby certifies that he/she is an accredited investor because he/she is a natural person who is a director, executive officer, or general partner of the issuer of the securities being offered or sold, or a director, executive officer or general partner of a general partner of that issuer.

_____ *(Initial)* (B4) The Investor hereby certifies that he/she is an accredited investor because he/she is a natural person holding in good standing the following licenses: General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65).

_____ *(Initial)* (B5) The Investor hereby certifies that he/she is an accredited investor because he/she is a natural person who is a "knowledgeable employee"[3] of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of the Investment Company Act of 1940, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act.

[3] The term "knowledgeable employee" of a private fund means any natural person who is:

(i) An executive officer, director, trustee, general partner, advisory board member, or person serving in a similar capacity, of the private fund or an affiliated management person of such private fund (i.e., an affiliated person that manages the investment activities of the private fund); or

(ii) An employee of the private fund or an affiliated management person of the private fund (other than an employee performing solely clerical, secretarial or administrative functions with regard to such company or its investments) who, in connection with his or her regular functions or duties, participates in the investment activities of such private fund, other private funds, or investment companies the investment activities of which are managed by such affiliated management person of the private fund, provided that such employee has been performing such functions and duties for or on behalf of the private fund or the affiliated management person of the private fund, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

*For Investors other than Individuals: Initial all Items that are applicable, indicating the basis upon which the Investor qualifies as an accredited investor under Regulation D.*

Please note that where an Investor is being asked to represent that it is not formed for the specific purpose of acquiring the Notes, an Investor shall be deemed to be formed for the specific purpose of acquiring the Notes if it is operated in a manner that facilitates individual investment decisions such as if (i) the shareholders, partners, members, grantors or executors of the Investor, as the case may be, contributed additional capital above amounts previously committed to the Investor for the purpose of acquiring the Notes or (ii) the shareholders, partners, beneficiaries or members of the Investor are permitted to opt in or out of particular investments made by the Investor, or each such person is not required to participate in all investments made by the Investor pro rata in accordance with its interest in the Investor.

Where the accredited investor status indicated below is based on equity holders in the Investor, the Manager, in its sole discretion, may request information regarding the basis on which such individuals or entities are accredited.

_____ *(Initial)* (B6) The Investor hereby certifies that it is an accredited investor because it is a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association, or another institution as defined in Section 3(a)(5)(A) of the Securities Act, in each case whether acting in its individual or fiduciary capacity.

_____ *(Initial)* (B7) The Investor hereby certifies that it is an accredited investor because it is an insurance company as defined in Section 2(13) of the Securities Act.

_____ *(Initial)* (B8) The Investor hereby certifies that it is an accredited investor because it is an investment company registered under the Investment Company Act of 1940, as amended (the "**1940 Act**").

_____ *(Initial)* (B9) The Investor hereby certifies that it is an accredited investor because it is a business development company as defined in Section 2(a)(48) of the 1940 Act.

_____ *(Initial)* (B10) The Investor hereby certifies that it is an accredited investor because it is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.

_____ *(Initial)* (B11) The Investor hereby certifies that it is an accredited investor because it is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended.

_____ (B12) The Investor hereby certifies that it is an accredited investor because it is a
*(Initial)* broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.

_____ (B13) The Investor hereby certifies that it is an accredited investor because it is a
*(Initial)* trust, insurance company separate account or bank collective trust, not formed for the specific purpose of investing in the Fund, that has total assets in excess of $5,000,000, whose participation in the Fund is directed by a "sophisticated person" as defined in Securities Exchange Commission ("**SEC**") Regulation D.

_____ (B14) The Investor hereby certifies that it is an accredited investor because it is an
*(Initial)* organization described in Section 501(c)(3) of the Code, a corporation, Massachusetts or similar business trust, or partnership, in each case other than a commodity pool, that was not formed for the specific purpose of acquiring the securities offered and has total assets in excess of $5,000,000.

_____ (B15) The Investor hereby certifies that it is an accredited investor because it is a
*(Initial)* plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, and has total assets in excess of $5,000,000

_____ (B16) The Investor hereby certifies that it is an accredited investor because it is an
*(Initial)* employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), provided that (i) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, that is either a bank, savings and loan association, insurance company or registered investment adviser; (ii) the employee benefit plan has total assets in excess of $5,000,000; or (iii) if the plan is self-directed, investment decisions for the plan are made solely by persons that are accredited investors.

_____ (B17) The Investor hereby certifies that it is an accredited investor because it is an
*(Initial)* investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of any state

_____ (B18) The Investor hereby certifies that it is an accredited investor because it is an
*(Initial)* investment adviser relying on the exemption from registering with the Securities and Exchange Commission under section 203(l) or (m) of the Investment Advisers Act of 1940.

_____
*(Initial)*

_____ (B19) The Investor hereby certifies that it is an accredited investor because it is a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act.

*(Initial)*

_____ (B20) The Investor hereby certifies that it is an accredited investor because it is an entity, of a type not listed in Sections (B6) through (B19) above, not formed for the specific purpose of acquiring the securities offered, owning "Investments," as such term is defined in Rule 501(a), in excess of $5,000,000.

*(Initial)*

_____ (B21) The Investor hereby certifies that it is an accredited investor because it is a "family office," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940: (x) with assets under management in excess of $5,000,000, (y) that is not formed for the specific purpose of acquiring the securities offered, and (z) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

*(Initial)*

_____ (B22) The Investor hereby certifies that it is an accredited investor because it is a "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements in Section (B21) above and whose prospective investment in the issuer is directed by such family office pursuant to Section (B21) above.

*(Initial)*

_____ (B23) An entity which all of the unit owners and participants (i.e., all partners (including limited partners) of a partnership, shareholders of a corporation and the grantor of a grantor trust, but not the beneficiaries of a true trust) are accredited investors[4].

(C) Tax Status:

***All Investors: Please Review Each of Items (C1) — (C7) and Initial ALL items that are applicable:***

_____ (C1) The Investor hereby certifies that the Investor is a United States person within the meaning of Section 7701(a)(3) of the Code (a "**U.S. Person**").

*(Initial)*

_____ (C2) The Investor hereby certifies that the Investor is not a U.S. Person.

*(Initial)*

[4] It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities here. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this side-heading may be available.

_____ (C3) The Investor hereby certifies that the Investor is treated as a flow-through
*(Initial)* vehicle for U.S. federal income tax purposes and that it has one or more holders that are not U.S. Persons.

_____ (C4) The Investor certifies that the Investor is **not** exempt from income taxation
*(Initial)* under Section 115 or 501 of the Code.

_____ (C5) The Investor certifies that the Investor is exempt from income taxation under
*(Initial)* Section 115 or 501 of the Code. If the Investor is tax-exempt, please indicate more specifically the basis for such status:

☐ Charitable foundation or organization exempt under Section 501(c)(3) of the Code.

☐ Employee benefit plan or trust qualified under Section 401(a) of the Code.

☐ State or municipal employee benefit plan. Please indicate basis for claim of exemption:

_____

_____

☐ Other (please specify basis for exemption):

_____

_____

_____ (C6) The Investor certifies that the Investor is treated as a flow-through vehicle for
*(Initial)* U.S. federal income tax purposes and that it has one or more holders that are tax-exempt from income taxation under Section 115 or 501 of the Code.

_____ (C7) The Investor hereby certifies that the Investor ___ **is/**___ **is not** [**please check**
*(Initial)* **one**] an entity, such as a single-member limited liability company or revocable trust, that is treated as an individual for U.S. federal income tax purposes.

_____ (C8) The Investor hereby certifies that the Investor is not a charitable remainder
*(Initial)* trust within the meaning of Section 664 of the Code and the regulations promulgated thereunder.

(D) Other Eligibility Representations

***For All Investors – All Investors Must Respond, If Applicable***

_____ (D1) The Investor hereby certifies that it has never filed for or been involved as a
*(Initial)* debtor in bankruptcy proceedings and there are no suits pending or judgments outstanding against it which, in one case or in the aggregate, could impair its ability to make capital contributions to the Fund as and when required under the Operating Agreement.

Please note the obligations contained elsewhere in this Subscription Agreement to notify the Manager of changes in the information provided above.

## IV. REPRESENTATIONS AND COVENANTS OF THE INVESTOR.

(A) The Investor will not sell or otherwise transfer the Notes, directly or indirectly, without the prior written consent of the Manager (which consent may be withheld for any or no reason by the Manager in its sole discretion) as set forth in the Operating Agreement and without registration under the Securities Act or an exemption therefrom and compliance with the other provisions of the Operating Agreement (including, without limitation, restrictions on transfers so as to avoid publicly traded status for the Fund), and the Investor fully understands and agrees that it must bear the economic risk of its investment for an indefinite period of time because, among other reasons, the Notes have not been registered under the Securities Act or under the securities laws of certain states of the United States or other jurisdictions and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless it is subsequently registered under the Securities Act and under applicable securities laws of such states of the United States or other jurisdictions or an exemption from such registration is available. The Investor understands that neither the Fund nor the Manager is under any obligation to register the Notes on its behalf or to assist it in complying with any exemption from such registration under the Securities Act or otherwise. The Investor understands that there is no established market for the Notes and no public market for the Notes is likely to develop. It also understands that sales or transfers of the Notes are further restricted by the provisions of the Operating Agreement and the securities laws of the states of the United States and of other jurisdictions, and that under the Operating Agreement, the members of the Fund are not generally permitted to withdraw funds from the Fund. Neither the Investor nor any equity holder of the Investor shall pledge, hypothecate or otherwise transfer its Notes (or any portion thereof) without first obtaining the written consent of the Manager, which consent may be withheld for any reason or no reason. The Manager may condition any such consent on receipt from the Investor of an opinion of counsel and certificates, covenants, representations or warranties reasonably acceptable to the Manager. Any such transfer made without the written consent of the Manager first obtained in each instance shall, to the fullest extent permitted by law, be void and shall not at any time have any force or effect. The Investor acknowledges that the Manager may require the Investor to withdraw from the Fund in full or in part, as set forth in the Operating Agreement.

(B) The Investor has received and carefully read a copy of the Memorandum outlining, among other things, the organization and investment objectives and policies of, and the risks of an investment in, the Fund as well as the fees and conflicts of interest to which the Fund, the Manager and/or the Sponsor and their respective affiliates are subject. The Investor acknowledges that in making a decision to subscribe for the Notes, the Investor has relied solely upon the Memorandum, the Operating Agreement and independent investigations made by the Investor. The Investor understands that the Manager does not now know what investments the capital or principal to be contributed to the Fund will be invested in, and the Manager will have complete control (subject to the provisions of the Operating Agreement) over the investments made by the Fund. The

Investor has not reproduced, duplicated or delivered the Fund Documents to any other person, except to professional advisers of the Investor or as instructed by the Manager.

(C) The Investor has been given the opportunity to ask questions of, and receive answers from the Manager concerning the business to be conducted by the Fund, the financial condition and capital of the Fund and the Manager, the qualifications and experience of the persons operating the Manager and the Sponsor, and the terms and conditions of the offering and other matters pertaining to this investment and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information contained in the Memorandum, including all Fund Documents, records and books, or that which was otherwise provided in order for the Investor and/or its "**Purchaser Representative(s)**" (as such term is defined in Rule 501(h) of Regulation D) to evaluate the merits and risks of the purchase of the Notes to the extent the Manager or the Fund possesses such information or can acquire it without unreasonable efforts or expense, and has not relied on any offering literature or prospectus except as mentioned herein or in the Memorandum.

(D) The Investor has not been furnished with any oral or written representation in connection with the offering of the Notes which is not contained herein, in the Memorandum or in the Operating Agreement.

(E) The Investor is not relying on the Manager or the Fund with respect to any legal or regulatory or individual and Fund tax and other economic considerations involved in this investment. Regarding the legal, regulatory, tax and other economic considerations related to this investment, the Investor has relied on the advice of, or has consulted with, only its own advisors and/or those persons, if any, acting as its Purchaser Representative(s).

(F) The Investor or, as applicable, its Purchaser Representative, has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the Investor's investment in the Notes and is able to bear such risks, and has obtained, in the Investor's judgment, sufficient information from the Fund or its authorized representatives to evaluate the merits and risks of such investment. The Investor has evaluated the risks of investing in the Notes and has determined that the Notes are a suitable investment for the Investor.

(G) The Investor has the financial ability to bear the economic risk of its investment in the Notes, has adequate means for providing for its current needs and personal or other contingencies and has no need for liquidity with respect to its investment in the Notes. The Investor has determined that it could bear a complete loss of this investment.

(H) The Investor is acquiring the Notes subscribed for herein for its own account, for investment purposes only and not with a view to distribute or resell such Notes in whole or in part, no other person has a direct or indirect ownership interest in the Notes other than as a stockholder in, partner or member of, or, if the Investor is a trust, beneficiary of, the Investor, and there are no put, call, or similar arrangements exercisable at the Investor's option with respect to the Notes.

(I) If the Investor is an employee benefit plan subject to ERISA or similar legislation (a "**Plan**"), the Investor represents and warrants to the Fund that:

(1) the Plan's commitment to purchase the Notes does not, in the aggregate, constitute more than 10% of the fair market value of the Plan's assets;

(2) the fiduciary of the Plan (the "**Fiduciary**") has considered the following with respect to the Plan's investment in the Notes and has determined that, in view of such considerations, the purchase of the Notes is consistent with the Fiduciary's responsibilities under ERISA or such similar legislation:

(i) the role such investment or investment course of action plays in that portion of the Plan's portfolio that the Fiduciary manages;

(ii) whether the investment or investment course of action is reasonably designed as part of that portion of the portfolio managed by the Fiduciary to further the purposes of the Plan, taking into account both the risk of loss and the opportunity for gain that could result therefrom;

(iii) the composition of that portion of the portfolio that the Fiduciary manages with regard to diversification;

(iv) the liquidity and current rate of return of that portion of the portfolio managed by the Fiduciary relative to the anticipated cash flow requirements of the Plan;

(v) the projected return of that portion of the portfolio managed by the Fiduciary relative to the funding objectives of the Plan;

(vi) whether an investment in the Fund is permissible under the documents governing the Plan and the Fiduciary and whether the investment would result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code if applicable; and

(vii) there are substantial risks of loss associated with an investment in the Fund;

(3) the Fiduciary is: (i) responsible for the decision to invest in the Fund; (ii) independent of the Fund, the Manager, the Sponsor, or any of their respective affiliates; and (iii) qualified to make such investment decision; and

(4) the Fiduciary has delivered to the Manager, and from time to time hereafter will deliver to the Manager, in writing, all of the information which the Manager may request in order to avoid violations of any provision of ERISA or any other laws applicable to the Investor, and promptly will notify the Manager, in writing, of any change in the information so furnished.

(J) The Investor agrees and is aware that:

(1) each of the Fund and the Manager has only recently been organized and has limited financial and operating history;

(2) no United States federal or state agency, securities or commodity exchange or self-regulatory body has passed upon the Notes or made any findings or determination as to the fairness of this investment;

(3) there are substantial risks of loss of investment (including the risk of loss of the entire amount invested) incidental to the purchase of the Notes, including those summarized in the Memorandum; and

(4) the Manager, the Sponsor and their affiliates may provide similar services to investment funds in which the Investor will have no interest and there may be other potential conflicts as described in the Memorandum.

(K) The execution, delivery and performance by the Investor of this Subscription Agreement and the Counterpart Signature Page to the Operating Agreement, if applicable, are within the powers of the Investor, have been duly authorized and will not constitute or result in a breach or default under, or conflict with, any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which the Investor is a party or by which the Investor is bound, and, if the Investor is not an individual, will not violate any provisions of the organizational documents of the Investor. The signature of the Investor on this Subscription Agreement and, if applicable, the Counterpart Signature Page to the Operating Agreement, are genuine, and the signatory, if the Investor is an individual, is over 21 years old and has legal competence and capacity to execute the same, or, if the Investor is not an individual, the signatory has been duly authorized to execute the same (and such signatory shall be an authorized signatory of the Investor for all matters going forward unless the Investor shall have advised the Fund in writing that such authority has terminated), and each of this Subscription Agreement and the Operating Agreement, with respect to Investors acquiring Notes, constitutes a legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms. The Investor acknowledges that the offering of Notes and the Notes was privately communicated to the Investor. At no time has the Investor received or relied on information concerning such offering from (i) any newspaper, social media, magazine, television or radio broadcast, leaflet, or any other form of general advertising or general solicitation; (ii) the Internet, except for an appropriately password-protected site established by or with the authorization of the Manager, the Sponsor or their respective affiliates; or (iii) any seminar or meeting to which the Investor was invited by any general solicitation or general advertising.

(L) The Investor agrees to timely furnish additional information or documentation regarding its ownership structure and the Investor's suitability as an Investor, if the Manager reasonably requests such information or documentation.

(M) (1) The Investor represents and warrants that none of (i) the Investor, (ii) if the Investor is acting as trustee, agent, representative or nominee for a subscriber (a "**Beneficial Owner**"), the Beneficial Owner, or (iii) in the case of an Investor which is an entity, any Related Person is (capitalized terms are defined below):

(a) A person or entity whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Asset Control ("**OFAC**")[5] or other list designated by the Manager from time to time;

(b) A person or entity resident in, or organized or chartered under the laws of or whose capital contributions are transferred from, or through an account in, a jurisdiction which is the subject of and OFAC Sanctions Program[6]; or

(c) A Foreign Shell Bank.

(2) The Investor represents that (except as otherwise disclosed to the Fund in writing):

(a) None of (i) the Investor, (ii) if the Investor is acting as trustee, agent, representative or nominee, the Beneficial Owner, or (iii) in the case of an Investor which is an entity, any Related Person is a person or entity resident in or whose subscription funds are transferred from or through an account in a Non- Cooperative Jurisdiction;

(b) None of (i) the Investor, (ii) if the Investor is acting as trustee, agent, representative or nominee, the Beneficial Owner, or (iii) in the case of an Investor which is an entity, any Related Person is a Senior Foreign Political Figure, any member of a Senior Foreign Political Figure's Immediate Family, or any Close Associate of a Senior Foreign Political Figure;

(c) None of (i) the Investor, (ii) if the Investor is acting as trustee, agent, representative or nominee, the Beneficial Owner, or (iii) in the case of an Investor which is an entity, any Related Person is resident in, or organized or chartered under the laws of, a jurisdiction that has been designated by the Secretary of the Treasury under Section 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns[7]; and

(d) Its capital contribution funds do not originate from, nor will they be routed through, an account maintained at a Foreign Shell Bank, an "offshore bank," or a bank organized or chartered under the laws of a Non-Cooperative Jurisdiction.

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[5] Found at: www.treas.gov/offices/enforcement/ofac/sdn/index.html.

[6] Found at: www.treas.gov/offices/enforcement/ofac/sanctions/ index.html.

[7] For updates see: www.treas.gov/offices/enforcement/ofac.

(3) The Investor represents and warrants that the amounts contributed by it to the Fund were not, and will not be, directly or indirectly derived from activities that contravene federal, state or foreign laws and regulations, including anti-money laundering laws and regulations.

(4) If the Investor is a financial institution as defined in the Bank Secrecy Act, 31 U.S.C. § 5312(a)(2)(A)-(X), and is investing in the Fund on behalf, directly or indirectly, of any of its customer accounts (as defined in rules under the USA PATRIOT Act), the Investor represents and warrants that it is aware of the obligations imposed upon it by the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, which comprises Title III of the USA PATRIOT Act, and is and shall remain in compliance with its obligations thereunder.

(5) If the Investor is a European person or firm that is subject to local legislation implementing the EC Money Laundering Directives or is established or based in a non-EU jurisdiction (other than the United States) and subject to anti-money laundering legislation (any of the foregoing anti-money laundering legislation, "**AML Regulations**"), and is investing in the Fund on behalf, directly or indirectly, of any of its customer accounts, the Investor represents and warrants that it is aware of the obligations imposed on it by AML Regulations and is and shall remain in compliance with its obligations thereunder.

(6) The Investor acknowledges and agrees that any distributions paid to it will be paid to the same account from which its capital contributions in the Fund were originally remitted, unless the Manager agrees otherwise in its sole discretion.

(7) The Investor understands that the Manager may take steps to verify the identity of the Investor. The Investor agrees to promptly notify the Manager of any change in information affecting the representations and covenants contained in this Section IV(M). The Investor also agrees to provide the Manager and the Fund with any additional information and/or documentation that any of such persons deems necessary or appropriate to ensure compliance with all applicable laws concerning money laundering, foreign corrupt practices and similar activities. The Investor agrees that the Manager shall be held harmless and be indemnified, to the fullest extent permitted by law, against any and all loss, liability, claim, damage cost and expense whatsoever (including, but not limited to, reasonable attorneys' fees and disbursements) arising as a result of a failure to process the subscription application if any such information that has been required by the Manager has not been provided by the Investor in a timely manner.

(8) The Investor acknowledges and agrees that the Manager and its affiliates may be obliged under applicable laws to submit information to the relevant authorities if the Manager and/or its affiliates know, suspect or have reasonable grounds to suspect that any person is engaged in money laundering, drug trafficking, the provision of financial assistance to terrorism or foreign corrupt practices, and that the Manager and/or its affiliates may not be permitted to inform anyone of the fact that such a report has been made. The Investor is advised that, by law, the Fund may be obligated to "freeze the account" of such Investor, either by prohibiting additional investments from the Investor, withholding distributions and/or segregating the assets in the account in compliance with governmental regulations, and the Fund may also be required

to report such action and to disclose the Investor's identity to OFAC or other authorities. The Investor further acknowledges that the Manager may suspend the payment of distributions to such Investor if the Manager reasonably deems it necessary to do so to comply with anti-money laundering or anti-terrorism regulations applicable to the Fund, the Manager, the Sponsor or any of the Fund's lenders, counterparties, capital partners, financing providers or other financial institutions or services providers providing services to any of the foregoing.

(9) The Investor agrees that neither the Manager nor any of its affiliates shall have any liability to the Investor for any loss or liability that the Investor may suffer to the extent that it arises out of, or in connection with, compliance by the Manager and/or its affiliates in good faith with the requirements of applicable anti- money laundering and anti-terrorism legislation, foreign corrupt practice laws or any other legislative or regulatory provisions.

For purposes of this Section IV(M):

"**Close Associate**" of a Senior Foreign Political Figure shall mean a person who is widely and publicly known internationally to maintain an unusually close relationship with the Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

"**Foreign Bank**" shall mean an organization that (i) is organized under the laws of a country outside the United States; (ii) engages in the business of banking; (iii) is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or principal banking operations; (iv) receives deposits to a substantial extent in the regular course of its business; and (v) has the power to accept demand deposits, but does not include the U.S. branches or agencies of a foreign bank.

"**Foreign Shell Bank**" shall mean a Foreign Bank without a Physical Presence in any country, but does not include a Regulated Affiliate.

"**Immediate Family**" of a Senior Foreign Political Figure typically includes the political figure's parents, siblings, spouse, children and in-laws.

"**Non-Cooperative Jurisdiction**" shall mean any foreign country or territory that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as FATF (Financial Action Task Force on Money Laundering), of which the United States is a member and with which designation the United States representative to the group or organization continues to concur. See http://www1.oecd.org/fatf/NCCT_en.html for FATF's current list of Non-Cooperative Jurisdictions and Territories.

"**offshore bank**" shall mean a Foreign Bank that is barred, pursuant to its banking license, from conducting banking activities with the citizens of, or with the local currency of, the country that issued the licensing, but does not include a Regulated Affiliate.

"**Physical Presence**" shall mean a place of business that is maintained by a Foreign Bank and is located at a fixed address, other than solely a post office box or an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities, at which location the Foreign Bank: (1) employs one or more individuals on a full-time basis; (2) maintains operating records related to its banking activities; and (3) is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities.

"**Publicly Traded Company**" shall mean an entity whose securities are listed on a recognized securities exchange or quoted on an automated quotation system in the U.S. or country other than a Non-Cooperative Jurisdiction or a wholly-owned subsidiary of such an entity.

"**Qualified Plan**" shall mean 'any employee pension benefit plan' within the meaning of Section 3(2) of ERISA that is subject to ERISA or exempt from ERISA under Section 4(b)(1), (2), (3) or (5) of ERISA.

"**Regulated Affiliate**" shall mean a Foreign Shell Bank that: (1) is an affiliate of a depository institution, credit union, or Foreign Bank that maintains a Physical Presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union, or Foreign Bank.

"**Related Person**" shall mean, with respect to any entity, any holder of any beneficial interest (each a "Beneficial Interest Holder"), director, senior officer, trustee, beneficiary or grantor of such entity; provided that in the case of an entity that is a Publicly Traded Company or a Qualified Plan, the term "Related Person" shall exclude any Beneficial Interest Holder holding less than 5% of any class of securities of such Publicly Traded Company and beneficiaries of such Qualified Plan.

"**Senior Foreign Political Figure**" shall mean a senior official in the executive, legislative, administrative, military or judicial branches of a non-U.S. government (whether elected or not), a senior official of a major non-U.S. political party, or a senior executive of a non-U.S. government-owned corporation. In addition, a Senior Foreign Political Figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a Senior Foreign Political Figure.

"**USA PATRIOT Act**" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and the regulations promulgated thereunder.

(N) The Investor acknowledges and agrees that the Manager and its affiliates may release confidential information given by the Investor to the Manager about the Investor and, if applicable, any Related Person, to regulatory or law enforcement authorities, if the Manager, in its sole discretion, determines that it is in the best interest of the Fund to do so, or to such parties as the Manager may deem advisable if it is called upon to establish the availability under any applicable law of an exemption from registration of the Notes or the Fund, to demonstrate compliance or to comply with any laws, rules or regulations to which the Fund, the Manager, the Sponsor or any lender, counterparty, capital partner, financing provider or other financial institution or service provider

providing services to any of the foregoing is or becomes subject, or if the contents thereof are relevant to any issue in any action, suit, or proceeding to which the Fund, the Manager or the Manager is a party or by which it is or may be bound, or to lenders, counterparties, capital partners, financing providers or other financial institutions, attorneys, accountants, prospective investors and service providers and other representatives or advisors in the ordinary course of business.

(O) The Investor acknowledges and understands that DLA Piper LLP (US) has provided legal advice to the Manager and the Sponsor in connection with the organization of the Fund and the offering of Notes and that DLA Piper LLP (US) has not represented nor does it represent the Investor and does not owe any duty to the Investor in connection with this Subscription Agreement, the Operating Agreement, the Notes and the offering of Notes. The Investor acknowledges and understands that (i) no independent counsel has been retained to represent the Investor or any other Member and that the Investor has had the opportunity to consult its own independent counsel with respect this Subscription Agreement, the Operating Agreement, the Notes and an investment in the Fund and (ii) DLA Piper LLP (US) is not obligated to, and will not, monitor the compliance of the Manager, the Sponsor and their respective affiliates with the investment program, valuation procedures and other guidelines set forth in the Memorandum, nor will it monitor compliance with applicable laws.

(P) The Investor acknowledges and agrees that any deletions, additions or other edits to this Subscription Agreement are not legally binding unless approved in writing by the Manager. Absent explicit agreement, the issuance of a trade confirmation or contract note shall not be construed as the Fund's acceptance or agreement to any such purported deletions, additions or edits.

(Q) The Investor represents that all of the information the Investor has provided to the Manager or the Sponsor in connection with this Subscription Agreement (including any attachments, exhibits or appendices) is true and correct. The foregoing representations, warranties and agreements shall survive the Closing Date, the contribution of capital, the issuance and delivery of the Notes, the formation of the Fund and its dissolution, the liquidation of its assets and its termination.

## V. CONDITIONS.

The effectiveness of this Subscription Agreement and the obligation of the Investor to be bound hereunder shall be subject to the satisfaction of the following additional conditions as of the Closing Date:

(A) The Operating Agreement shall have previously been duly authorized, executed and delivered by or on behalf of the Manager.

(B) The Investor's subscription hereunder shall be permitted by the laws and regulations of each jurisdiction to which the Investor is subject.

If, on the Closing Date, any of the conditions specified in this Subscription Agreement shall not have been fulfilled, the Investor shall, upon delivery of written notice to the Manager on or prior to the Closing Date, be relieved of all further obligations under this Subscription Agreement.

## VI. INDEMNIFICATION; PROXY AND POWER OF ATTORNEY.

(A) The Investor agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Fund, the Manager and their respective affiliates and the partners, officers, directors, managers, members, employees, agents and shareholders of the foregoing, and each other person, if any, who controls or is controlled by any of the foregoing, within the meaning of Section 15 of the Securities Act, against any and all loss, liability, claim, damage, cost and expense whatsoever (including, but not limited to, reasonable attorneys' fees and disbursements and any and all other expenses whatsoever reasonably incurred in investigating, preparing for or defending against any litigation, arbitration proceeding, or other action, suit or proceeding commenced or threatened, or any claim whatsoever) arising out of or in connection with, or based upon or resulting from, (1) any false representation or warranty or breach or failure by the Investor to comply with any covenant or agreement made by the Investor in the Operating Agreement, this Subscription Agreement or any other document furnished by the Investor to any of the foregoing in connection with this transaction, (2) any action for securities law violations instituted by the Investor which is finally resolved by judgment against the Investor, or (3) the compliance by the Manager and/or the Fund or any of their respective employees in good faith with the requirements of applicable anti-money laundering and anti-terrorism legislation, foreign corrupt practice laws or any other legislative or regulatory provision with respect to the Investor.

(B) The Investor, as principal, hereby constitutes and appoints each of the Manager, the officers of the Manager, the members of the Manager, the officers of the members of the Manager, the managers of the Manager, the officers of the managers of the Manager and any successors of any of them, as its lawful proxy and true and lawful representative agent and attorney-in-fact, with full power of substitution and full power and authority in its name, place and stead:

(1) to complete any blanks in documents provided by the Investor in a manner consistent with information provided by the Investor herein or in the other related documents; and

(2) to execute, acknowledge, swear to, deliver, record and file:

(i) the Operating Agreement and any amendment to or restatement of the Operating Agreement that may be made in accordance with the terms of the Operating Agreement, in each case to the extent applicable;

(ii) any documents, instruments, certificates or agreements as shall be required by any lender in connection with the Fund's obtaining of a credit facility secured by the pledge by the Fund of the Investor's unfunded Principal Commitment, the rights of the Manager under the Operating Agreement to require the Investor to fund its unfunded Principal Commitment and enforce such obligations and/or the rights of the Fund and the Managing

Member under this Subscription Agreement, which such credit facility is described in the Operating Agreement;

(iii) all certificates and other instruments necessary to qualify, or continue the Fund as a company wherein the limited partners have limited liability in the states where the Fund may be doing or hereafter does business, all certificates and other instruments showing the admission of the Investor as a limited partner of the Fund and the admission as a member of the Fund any other person admitted in accordance with the terms of the Operating Agreement, and all certificates and other instruments necessary or desirable to accomplish the business, purposes and objectives of the Fund, or required by any applicable federal, state, or local or foreign law;

(iv) all conveyances and other instruments necessary to effect the dissolution and termination of the Fund in accordance with the Operating Agreement; and

(v) all other documents or instruments that may be considered necessary by the Manager to carry out the foregoing.

The proxy and power of attorney granted herein shall be deemed to be coupled with an interest and shall be irrevocable and survive and, to the fullest extent permitted by law, not be affected by the subsequent death, incompetency, bankruptcy, dissolution, incapacity, incompetency, or termination of the Investor or any transfer or assignment of all or any portion of the Investor's Notes, and shall extend to the Investor's heirs, successors, assigns and personal representatives.

(C) This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of law. If any provision of this Subscription Agreement is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such applicable law. Any provision hereof which may be held invalid or unenforceable under any applicable law or in any particular instance shall not affect the validity or enforceability of any other provisions hereof or of such provision in any other instance, and to this extent the provisions hereof shall be severable.

(D) Any amendment to, or waiver, modification or discharge of any provision of this Subscription Agreement will be effective with respect to the Investor only if executed by the Fund and the Investor.

(E) Unless otherwise provided herein, all notices hereunder shall be in writing and shall be given (i) if to the Manager, at c/o Castellan Real Estate Partners, 122 East 42nd Street, Suite 1903, New York, New York 10168, Attention: John Salib, or such other address or addresses as to which the Investor shall have been given notice, and (ii) if to the Investor, to the Investor and its designees at the address given in this Subscription Agreement, or such other address or addresses as to which the Manager shall have been given written notice by the Investor. Any notice shall be

deemed to have been given if personally delivered or sent by United States mail or by commercial courier or delivery service or by facsimile transmission or e-mail and will be deemed to be received, (a) if sent by certified or registered mail, return receipt requested, when actually received, (b) if sent by United States Express Mail or by commercial courier or delivery service, when actually received, (c) if sent by facsimile or e-mail, on the date sent, and (d) if delivered by hand, on the date of receipt.

(F) This Subscription Agreement may be executed through the use of separate signature pages or in any number of counterparts (including, without limitation by facsimile or pdf.), and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties, notwithstanding that all parties are not signatories to the same counterpart.

(G) Except as otherwise provided in the Operating Agreement or the Notes, as applicable, to the fullest extent permitted by law, neither this Subscription Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be transferable or assignable by the Investor (including pursuant to a termination, liquidation or dissolution) without the prior written consent of the Fund. Any transfer or assignment made in violation of this Section VI(G) shall, to the fullest extent permitted by law, be entirely null and void.

(H) Except as otherwise provided herein, this Subscription Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns. If the Investor is more than one person, the obligation of the Investor shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his or her heirs, executors, administrators and successors.

(I) This Subscription Agreement and the Operating Agreement and/or the Notes, as applicable, contain the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and there are no representations, covenants or other agreements except as stated or referred to herein and therein.

(J) The Investor understands that all information contained in the Memorandum is confidential and non-public and agrees that it will use best efforts to maintain the confidentiality of all such information and all other non-public information which has been or shall be furnished to it or any of its advisers or representatives under this Subscription Agreement and the Operating Agreement, including without limitation any information received in a drawdown notice, reports delivered by the Manager pursuant to the terms of the Operating Agreement and any other non-public information about the Fund, in accordance with its customary and appropriate procedures with respect to confidential information of similar importance, and agrees that any such information shall neither be used by it to its personal benefit (other than in connection with his investment in the Fund) nor, without the prior written consent of the Manager, disclosed to any third party for any reason (other than any prospective transferee or assignee (*provided* such person agrees to be bound by the terms of this Section VI(J)), any regulatory (governmental, self-regulatory or otherwise) body having or asserting jurisdiction over the Investor and such of its directors, investment advisers, employees, outside counsel, independent accountants or

representatives as need to or customarily have access to such information and that it will use its best efforts to cause its directors, investment advisers, employees, outside counsel, independent accountants and representatives to observe the confidentiality requirements provided herein); *provided* that the foregoing obligation shall not apply to any such information which (i) is part of the public knowledge or literature and readily accessible at the date hereof, (ii) becomes part of the public knowledge or literature and readily accessible by publication (except as a result of a breach of this provision), (iii) is received from third parties (except third parties who disclose such information in violation of any confidentiality agreements including without limitation any subscription agreement they may have with the Fund), or (iv) subject to the use of reasonable efforts to preserve confidentiality in connection with disclosure (including and giving the Manager the opportunity to intervene and challenge any such requirement), is disclosed as may be required in response to any summons or subpoena or in connection with litigation (to enforce rights or otherwise) or otherwise as required by law, and, in the case of a Governmental Plan Partner, as may be required or requested by any governmental authority or a governmental official of the jurisdiction that sponsors such Governmental Plan Partner.

## VII. TRUSTEE, AGENT, REPRESENTATIVE OR NOMINEE.

If the Investor is acting as trustee, agent, representative or nominee for a subscriber (a "**Beneficial Owner**"), the Investor understands and acknowledges that the representations, warranties and agreements made herein are made by the Investor (A) with respect to the Investor and (B) with respect to the Beneficial Owner of the Notes subscribed for hereby. The Investor further represents and warrants that it has all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Subscription Agreement. The Investor also agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Fund, the Manager, the Sponsor and their respective affiliates and the partners, officers, directors, members, employees, agents and shareholders thereof, and each other person, if any, who controls or is controlled by any thereof, within the meaning of Section 15 of the Securities Act, against any and all loss, liability, claim, damage, cost and expense whatsoever (including, but not limited to, reasonable attorneys' fees and disbursements) arising out of or in connection with, or based upon or resulting from, the Investor's or the Beneficial Owner's misrepresentation or misstatement contained herein, or the assertion of the Investor's lack of proper authorization from the Beneficial Owner of the Notes subscribed for hereby to enter into this Subscription Agreement, the Operating Agreement, if applicable, or perform the obligations hereunder and thereunder.

## VIII. ADDITIONAL INFORMATION AND SUBSEQUENT CHANGES IN THE FOREGOING REPRESENTATIONS.

The Manager may request from the Investor such additional information as it may deem necessary to evaluate the eligibility of the Investor to acquire the Notes, and may request from time to time such information as it may deem necessary to determine the eligibility of the Investor to hold the Notes or to enable the Manager to determine the Fund's compliance with applicable legal and regulatory requirements (including, without limitation, anti-money laundering regulations and foreign corrupt practices laws) or tax status or to satisfy regulatory, tax or similar requirements in

connection with making or maintaining or divesting Investments, and the Investor shall provide such information as may reasonably be requested.

The Investor must provide the information and representations contained in this Subscription Agreement both at the time of subscription and, to the extent required by applicable law, at all times thereafter until the Investor ceases to be a member of the Fund. Accordingly, the Investor agrees to notify the Manager promptly in writing if there is any change with respect to any of the information or representations provided by the Investor in or pursuant to this Subscription Agreement, and to provide the Manager with such further information as the Manager may reasonably require. Within ten (10) days after receipt of a written request therefor from the Fund or the Manager, the Investor agrees to provide such information and to execute and deliver such documents as the Fund may deem reasonably necessary to comply with any and all laws and ordinances to which the Fund or the Notes may be subject.

## IX. COMPLIANCE WITH UNITED STATES SECURITIES LAWS.

No action has been taken, nor will it be taken, to register the Notes under the Securities Act or any other securities laws, including non-United States securities laws, United States state securities laws or United States blue sky laws and this Subscription Agreement and the Memorandum do not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of Notes in any United States state or non-United States jurisdiction in which such offer, solicitation or sale is not authorized or to any person to whom it is unlawful to make such offer, solicitation or sale. The Notes may not be transferred or resold except as permitted under the Securities Act, and any other applicable securities laws, including non-United States securities laws or United States state securities laws, pursuant to registration or exemption therefrom.

Each of the Fund, the Manager and the Sponsor also proposes to conduct its business in a manner that will permit it to continue to rely upon exemptions from provisions of the securities laws, including the Investment Company Act of 1940, as amended, and the Investment Advisers Act of 1940, as amended. These exemptions may require continued compliance by the Fund, the Manager and/or the Sponsor with applicable conditions set forth under such exemptions, and Investors should be aware that the Manager reserves the right to take such steps as are necessary and appropriate in its judgment to preserve its claim to such exemptions.

## X. PLEDGE OF PRINCIPAL COMMITMENT

The Investor hereby agrees to be bound by the provisions of the Operating Agreement with respect to borrowings by the Fund which are to be secured (directly or indirectly) by Investor's unfunded Principal Commitment, as though such provisions were set forth in their entirety in this Subscription Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the Investor has executed this Subscription Agreement as of the date set forth below.

Date: _____

***For All Investors***

_____

(Please Type Full Legal Name of Investor – Do not use abbreviations or all caps unless included in legal name)

_____

Signature

_____

(Please Type Name of Signatory)

Title: _____

IN WITNESS WHEREOF, the Investor has executed this Subscription Agreement as of the date set forth below.

Date: _____

***For All Investors***

_____

(Please Type Full Legal Name of Investor – Do not use abbreviations or all caps unless included in legal name)

_____

Signature

_____

(Please Type Name of Signatory)

Title: _____

For Castellan Use Only
Do not write below this point

Pursuant to the Subscription Agreement and the Amended and Restated Operating Agreement of CIX Castellan Affordable Housing Fund LLC, to be dated as of or about October 19, 2022 (as further amended or amended and restated from time to time in accordance with its terms, the "**Operating Agreement**"), the subscription of the investor named below is hereby accepted in the amount set forth below and such investor is hereby admitted as a Member (as defined in the Operating Agreement) effective as of:

Date: _____

Admitted Investor: _____

Accepted Principal Commitment: $_____

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC,
a New York limited liability company

By: CRP Affordable Housing Manager LLC, its Manager

By: Castellan Managing Member LLC, its sole member

By: Castellan Holdings LLC, its sole member

By: Castellan Holdings Manager LLC, its manager

By:_____
Name:
Title:

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC

PRIVACY POLICY

The Fund takes precautions to maintain the privacy of personal information concerning the Fund's current and prospective individual investors. These precautions include the adoption of certain procedures designed to maintain and secure such investors' nonpublic personal information from inappropriate disclosure to third parties. Federal regulations require the Fund to inform investors of this privacy policy.

The Fund collects nonpublic personal information about its investors from the following sources:

- Information the Fund receives from an investor in these subscription documents, other investment documents or other related documents or forms; and

- Information about an investor's transactions with the Fund, its affiliates, or others.

The Fund does not disclose any nonpublic personal information about its prospective, existing or former investors to anyone, except as permitted by law. The Fund restricts internal access to nonpublic personal information about its investors to those employees and agents of the Fund who need to know that information in order to provide services to its investors. The Fund may also disclose such information to third party lenders under the Fund's credit facilities described in the Fund Documents in order to service or process your interests in the Fund. The Fund may also disclose such information to service providers and financial institutions with which it has joint marketing arrangements. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to safeguard the Investors' nonpublic personal information and which the Fund believes are adequate to prevent unauthorized disclosure of such information.

If you have any questions concerning our privacy policies, please contact Castellan at the address noted above.

## Exhibit II: Operating Agreement

# AMENDED AND RESTATED OPERATING AGREEMENT

of

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC

a

NEW YORK LIMITED LIABILITY COMPANY

as of

[OCTOBER 19], 2022

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY NOR THE REGULATORY AUTHORITY OF ANY OTHER COUNTRY HAS APPROVED OR DISAPPROVED THIS AMENDED AND RESTATED OPERATING AGREEMENT (THIS "AGREEMENT") OR THE PROMISSORY NOTES (THE "NOTES") PROVIDED FOR HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER COUNTRY, AND THE COMPANY IS UNDER NO OBLIGATION TO REGISTER THE NOTES UNDER THE SECURITIES ACT OR ANY OTHER SUCH LAWS IN THE FUTURE. THE COMPANY IS NOT REQUIRED TO COMPLY WITH SPECIFIC DISCLOSURE REQUIREMENTS THAT APPLY TO OTHER OFFERINGS OF SECURITIES REGISTERED UNDER THE SECURITIES ACT. INVESTING IN THE NOTES INVOLVES RISK, AND INVESTORS SHOULD BE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT.

THE NOTES BEING OFFERED ARE NOT SUBJECT TO THE PROTECTIONS OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

THE NOTES MAY BE SOLD ONLY TO ACCREDITED INVESTORS, AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT, WHICH FOR NATURAL PERSONS, ARE INVESTORS WHO MEET CERTAIN MINIMUM ANNUAL INCOME OR NET WORTH THRESHOLDS.

A NOTE MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A "U.S. PERSON", WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER THAT SUCH REGISTRATION IS NOT REQUIRED. HEDGING TRANSACTIONS INVOLVING A NOTE MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND THE TRANSFER RESTRICTIONS CONTAINED IN THIS AGREEMENT. BASED UPON THE FOREGOING, EACH ACQUIRER OF A NOTE MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF ANY INVESTMENT THEREIN.

AMENDED AND RESTATED OPERATING AGREEMENT

of

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC

This Operating Agreement, dated as of [October 19], 2022 (this "Agreement"), of CIX CASTELLAN AFFORDABLE HOUSING FUND LLC, a limited liability company organized pursuant to the New York Limited Liability Company Law, is entered into and shall be effective as of the Effective Date, by and among the Company and the persons executing this Agreement. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in Article I.

ARTICLE I

DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

1.1 Act. The New York Limited Liability Company Law, as amended.

1.2 Additional Contribution. An additional Capital Contribution payable by the Members to the Company pursuant to Article VIII.

1.3 Agreement. This Operating Agreement of the Company including all amendments adopted in accordance with this Agreement and the Act.

1.4 Alternative Investment Vehicle. Alternative Investment Vehicle has the meaning specified in Section 3.2.

1.5 Articles. The Articles of Organization of the Company, as amended from time to time, and filed with the Secretary of State of the State of New York.

1.6 Assignee. A transferee of Membership Interest who has not been admitted as a Substitute Member or a transferee of a Note who has been accepted as a Substitute Noteholder.

1.7 Bankrupt Person. A Person who: (1) has become the subject of an Order for Relief under the United States Bankruptcy Code by voluntary or involuntary petition, or (2) has initiated, either in an original Proceeding or by way of answer in any state insolvency or receivership Proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief.

1.8 Business Day. Any day other than Saturday, Sunday or any legal holiday observed in the State of New York.

1.9 Capital Account. The account maintained for a Member or Assignee determined in accordance with Article VIII.

1.10 Capital Contribution. Any contribution of Property or services made by or on behalf of a Member or Assignee.

1.11 Capital Proceeds. The net proceeds from any financing, refinancing, insurance recovery, condemnation award, easement sale, sale or other disposition of all or any part of the assets of the Company

and any other transaction the net proceeds of which, in accordance with generally accepted accounting principles, are considered to be capital in nature.

1.12 CIX Investor. CIX ESG Affordable Housing Fund, Inc., a Delaware corporation.

1.13 Co-Investment Funds. Any or all of CRP Affordable Housing and Community Development Fund LLC, CRP Affordable Housing Fund LLC or any existing or subsequent investment fund formed by the Sponsor and managed by the Manager for the purpose of, among other things, co-investing as a Parallel Investment Vehicle with the Company in all or certain LIHTC Properties.

1.14 Committed Principal. Committed Principal has the meaning specified in the Note.

1.15 Commitment. The Capital Contributions that a Member is obligated to make, including a Member's Initial Capital Contribution and any Additional Contribution of a Member.

1.16 Company. CIX CASTELLAN AFFORDABLE HOUSING FUND LLC, a limited liability company formed under the laws of the State of New York, and any successor limited liability company.

1.17 Company Expenses. All expenses of the Company, the Subsidiary Property Owner and any other subsidiaries, which will include, but are not limited to: (i) all out-of-pocket expenses of the Company, the Subsidiary Property Owner, any subsidiaries and any other investment vehicles formed to invest in parallel with the Company and the Subsidiary Property Owner (to the extent not borne by the investors in such parallel investment vehicles); (ii) legal, compliance (including expenses relating to legal, compliance or regulatory filings of the Company and the Subsidiary Property Owner and Manager, including the salary expense of the compliance personnel or consultants of the Manager or affiliates), other expenses incurred by employees or officers of the Manager relating to the investments, taxes, administrator, valuation, audit and accounting fees and expenses (including third-party accounting services incurred in connection with the preparation of financial statements of the Company, the Subsidiary Property Owner and any other subsidiaries) and other professional fees and expenses (including fees incurred in negotiating agreements and arrangements in connection with the investments and due diligence fees on prospective investments, whether or not an investment is completed); (iii) investment expenses such as site surveys, development plans, architectural drawings and plans, permits, construction plans related to LIHTC Properties, commissions, research fees and expenses (including travel expense in connection with researching, evaluating and monitoring investments and investment opportunities); (iv) borrowing costs, including interest expense incurred under any credit facilities related to the investment or other financing arrangements, including the Fixed Return with respect to the Notes; (v) costs of marketing and advertising the Company and attending trade shows and similar events; sales and brokerage commissions and fees, commitment fees and costs and expenses incurred in the origination, purchase, syndication and sale of LIHTC Properties, including fees of mortgage brokers and other intermediaries; (vi) software, data and data licenses; (vii) bank service fees; (viii) the cost of any litigation other than litigation commenced by the CIX Investor against the Manager to the extent that such litigation is finally concluded in favor of the CIX Investor; (ix) insurance costs (including Directors & Officers and Errors & Omissions insurance for the Manager and its affiliates and other covered persons); (x) indemnification and extraordinary expenses or other liability relating to the affairs of the Company, the Subsidiary Property Owner or their respective asserts or the administration of the affairs of the Company; (xi) the cost of annual or other meetings with Members (including travel expenses incurred by the Manager to attend such meetings), meetings of the any committees formed by the Manager on behalf of the Company and fees and costs of service providers retained by such committees, and any other expenses related to the purchase, sale, transmittal, liquidation or preservation of Company and the Subsidiary Property Owner or any of their respective assets or the administration of the affairs of the Company and the Subsidiary Property Owner; (xii) legal, accounting or other specialized consulting or professional services that the Manager would not normally render with its

own professional staff; and (xiii) any syndication fees payable to the Manager and third-party placement agents for services in introducing prospective investors to the Company.

Company Expenses will not include normal and recurring routine operating expenses of the Manager, such as the cost of its office space, equipment, utilities and other such normal overhead.

1.18 Consent of the Members. An affirmative vote of Members possessing an aggregate Sharing Ratio of more than fifty (50%) percent.

1.19 CRP Affordable Housing Interest. Any interest of the CRP Member in Net Cash Flow, Capital Proceeds, Profits or Losses payable or allocable to the CRP Member and from which the CRP Member shall pay any Placement Agent Participation.

1.20 CRP Manager. CRP Manager has the meaning specified in Section 7.1.

1.21 CRP Member. CRP Affordable Housing Manager LLC.

1.22 Default Amount. Default Amount has the meaning specified in Section 8.3.

1.23 Default Interest Rate. The prime rate published by the Wall Street Journal for the last Business Day on which a Commitment is payable.

1.24 Default Loan. Default Loan has the meaning specified in Section 8.3.

1.25 Defaulting Member. Defaulting Member has the meaning specified in Section 8.3.

1.26 Delinquent Member. Delinquent Member has the meaning specified in Section 8.3.

1.27 Deposit Account. The demand deposit account established by the Company with Webster Bank, National Association, having account number 41943151 or any successor account established with Webster Bank, National Association or any other account bank in accordance with the terms of the Security Agreement and the Deposit Account Control Agreement.

1.28 Deposit Account Control Agreement. The Deposit Control Account Agreement, dated on or about the date of this Agreement, among the Company, CIX Investor, as the secured party, and Webster Bank, National Association, as amended, restated or otherwise modified or superseded.

1.29 Developer Fee Projections. Projections of anticipated proceeds from the disposition of the rights, interests and Properties acquired by the Company, including with respect to LIHTC Properties, and aggregate anticipated developer fees, calculated on a deal-by-deal basis, in respect of each of such rights, interests and Properties owned directly or indirectly by the Company together with amounts then held by the Company in the Deposit Account.

1.30 Disposition (Dispose). Any sale, assignment, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).

1.31 Dissolution Event. An event, the occurrence of which will result in the dissolution of the Company under Article XII.

1.32 Distribution. A transfer of Property to a Noteholder on account of its Note as described in Article IX.

1.33 Effective Date. For this Agreement shall mean the date hereof and, for and as to each Member admitted after the date hereof, shall be the date such Member is admitted as a member of the Company.

1.34 Electing Contributing Members. Electing Contributing Members has the meaning specified in Section 8.3.

1.35 Fiscal Year. The calendar year.

1.36 Fixed Return. Fixed Return has the meaning specified in Section 9.1(a).

1.37 Funded Principal. Funded Principal has the meaning specified in the Note.

1.38 Funding Default. Funding Default has the meaning specified in Section 8.3.

1.39 Gross Asset Value. With respect to any asset of the Company, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member or the CRP Affordable Housing Manager to the Company shall be the gross fair market value of such asset, as determined in good faith by the Manager;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined in good faith by the Manager, as of the following times: (a) the acquisition of an additional Membership Interest in the Company by any new or existing Member or the CRP Affordable Housing Manager in exchange for more than a *de minimis* Capital Contribution; (b) the distribution by the Company to a Member or the CRP Affordable Housing Manager of more than a *de minimis* amount of Property as consideration for a Membership Interest in the Company; (c) the liquidation of the Company within the meaning of Tax Regulation Section 1.704-1(b)(2)(ii)(g); or (d) the grant of a Membership Interest in the Company (other than a *de minimis* Membership Interest) to a Member (including for this purpose the CRP Affordable Housing Manager) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in the capacity of a Member, or by a new Member acting in the capacity of a Member or in anticipation of being a Member; and (iii) The Gross Asset Values of the Company's assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Tax Regulation Section 1.704-1(b)(2)(iv)(m), provided, however, that an adjustment pursuant to this subsection (iii) shall not be made to the extent that it would duplicate an adjustment pursuant to subsection (ii) above.

1.40 Initial Capital Contribution. The initial Capital Contribution agreed to be made by the Members as described in Article VIII.

1.41 Initial Sharing Ratio. The Initial Sharing Ratio set forth on the Member Schedule

1.42 Investment Management Agreement. The Investment Management Agreement, dated on or about the date of this Agreement, between the Company and the Sponsor, as amended, restated or otherwise modified.

1.43 LIHTC Properties. Investments in (i) rights for the acquisition, rehabilitation and development of affordable rental housing or contractual or other rights to acquire, rehabilitate or develop such properties in each case primarily financed or expected to be financed through low-income housing tax credits and tax-exempt bonds and (ii) in interests in businesses (which may be control positions) that provide services to developers (including the Company) within the low-income housing tax credit market; provided that investments pursuant to this clause (ii) shall not exceed 20% of total available capital in debt or equity positions in businesses that provide services to developers, such as construction companies or architectural firms with expertise in low-income housing tax credit markets.

1.44 Lock Up Period. Lock Up Period has the meaning specified in Section 11.6(a).

1.45 Management Right. The right of a Member to participate in the management of the Company, to vote on any matter, and to grant or to withhold consent or approval of actions of the Company.

1.46 Manager. A Person selected to manage the affairs of the Company under Article VII. The Manager may, but is not required to be, a Member.

1.47 Member. A Person executing this Agreement as a Member, or a Substitute Member (other than the CRP Member where it is expressly indicated that a provision of this Agreement applies only to the CRP Member or the context indicates that a provision of this Agreement does not apply to the CRP Member).

1.48 Member Schedule. A current list setting forth the name, address, Initial Capital Contribution, number of Units, and Initial Sharing Ratio of each Member maintained by the Company in accordance with Section 4.1(a).

1.49 Membership Interest. The rights of a Member to Distributions (liquidating or otherwise) and allocations of the Profits, Losses, gains, deductions, and credits of the Company, and, to the extent permitted by this Agreement, to possess and exercise Management Rights.

1.50 Net Cash Flow. With respect to any fiscal period of the Company, all revenues of the Company during that period decreased by (a) cash expenditures for operating expenses, (b) capital expenditures to the extent not made from reserves, (c) reserves for contingencies and working capital, established in such amounts as the Manager may determine, (d) repayment of principal on any financing (other than the Notes) and (e) taxes.

1.51 Non-Defaulting Members. Non-Defaulting Members has the meaning specified in Section 8.3.

1.52 Noteholders. Noteholders has the meaning specified in Section 13.2.

1.53 Notes. Notes has the meaning specified in Section 13.1.

1.54 Organization. A Person other than a natural person, including without limitation corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies, business trusts and unincorporated associations, but the term does not include joint tenancies and tenancies by the entirety.

1.55 Other Amounts. Other Amounts has the meaning specified in Section 9.1.

1.56 Parallel Investment Vehicle. Parallel Investment Vehicle has the meaning specified in Section 3.3.

1.57 Person. An individual, trust, estate, or any Organization permitted to be a member of a limited liability company under the laws of the State of New York.

1.58 Placement Agent Participation. A percentage of distributions of Net Cash Flow, Capital Proceeds and Profits and Losses payable or allocable to any placement agent from the share of the Net Cash Flow, Capital Proceeds and Profits and Losses payable or allocable to the CRP Affordable Housing Manager in accordance with separate agreements by and among the Company, the CRP Affordable Housing Manager and any placement agent which is the procuring cause of any subscriber to a Subscription Agreement who is admitted as a Member.

1.59 Preferred Return. Preferred Return has the meaning specified in Section 9.2(b).

1.60 Principal Office. The Principal Office of the Company set forth in Section 2.5.

1.61 Proceeding. Any administrative, judicial, or other adversary proceeding, including without limitation litigation, arbitration, administrative adjudication, mediation, and appeal or review of any of the foregoing.

1.62 Property. Any property of the Company, real or personal, tangible or intangible, including money, any legal or equitable interest in such property and any LITHC Property, but excluding services and promises to perform services in the future.

1.63 Reduction Amount. The reduction in a Defaulting Member's Membership Interest set forth in Section 8.3(i).

1.64 Register. Register has the meaning specified in Section 13.2.

1.65 Regulatory Allocations. The allocations referred to in Section 9.4(e).

1.66 Return Shortfall. Return Shortfall has the meaning specified in Section 12.5.

1.67 Security Agreement. The Security Agreement, dated on or about the date of this Agreement, among the Company, the Manager and the CIX Investor, as amended, restated or otherwise modified or superseded.

1.68 Sharing Ratio. The Sharing Ratio of each Member is set forth in the Member Schedule, as may be amended as necessary to conform to any changes in accordance with this Agreement. In the event all or any portion of a Membership Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Membership Interest and Sharing Ratio of the transferor to the extent it relates to the transferred Membership Interest.

1.69 Sponsor. Castellan Holdings LLC as the sponsor for the formation of the Company and the Co-Investment Fund and the investment manager to the Company under the Investment Management Agreement.

1.70 Subscription Agreement. That certain Subscription Agreement entered into by and between the Company and each Member, as subscriber.

1.71 Subsidiary Property Owner. Collectively, (a) CRP Affordable Housing and Community Development LLC, a New York limited liability company and a jointly-owned subsidiary of the Company and the Co-Investment Funds, and (b) one or more additional or substitute, direct or indirect, subsidiary entities as may be in existence from time to time formed for the purpose of owning, holding or managing any LIHTC Property.

1.72 Substitute Manager. Substitute Manager has the meaning specified in Section 7.9(a).

1.73 Substitute Member. An Assignee who has been admitted to all of the rights of membership pursuant to Section 11.3.

1.74 Substitution Property. Substitution Property has the meaning specified in Section 7.3.

1.75 Tax Characterization and Additional Tax Terms. It is intended that the Company be characterized and treated as a partnership for, and solely for, federal, state and local income tax purposes. For such purpose, (i) the Company shall be subject to all of the provisions of Subchapter K of Chapter 1 of Subtitle A of the Code, (ii) all references to (i) a "Partner," (ii) "Partners" and (iii) the "Partnership" in this Agreement (including the provisions of Section 8.4 and the provisions of Article IX) and in the provisions of the Code and Tax Regulations cited in this Agreement shall be deemed to refer to (i) a Member or a Noteholder, (ii) the Members and the Noteholders and (iii) the Company, respectively. In addition, the following terms shall have the following meanings:

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account the Member's share of the Partnership Minimum Gain chargeback and a Member's share of Partner Nonrecourse Debt Minimum Gain that such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704 2(i)(5), respectively, of the Tax Regulations; and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Tax Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Tax Regulations and shall be interpreted consistently therewith.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

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

(d) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Tax Regulations.

(e) "Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Tax Regulations.

(f) "Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner

Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Tax Regulations.

(g) "Partner Nonrecourse Deductions" has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Tax Regulations.

(h) "Partnership Minimum Gain" has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Tax Regulations.

(i) "Profits and Losses" shall mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.75 shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) of the Code expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Tax Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.75, shall be subtracted from such taxable income or loss;

(iii) Gain or loss resulting from any taxable disposition of Property shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding the fact that the Gross Asset Value differs from the adjusted basis of the Property for U.S. federal income tax purposes;

(iv) In lieu of depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation based upon the Gross Asset Value; and

(v) Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Section 9.4 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Partnership income, gain, loss, or deduction available to be specially allocated pursuant to Section 9.4 shall be determined by applying rules analogous to those set forth in clauses (i) through (iii) above.

(j) "Tax Regulations" shall mean the federal income tax regulations promulgated by the United States Treasury Department under the Code as such Tax Regulations may be amended from time to time. All references herein to a specific section of the Tax Regulations shall be deemed also to refer to any corresponding provision of succeeding Tax Regulations.

1.76 Unit. Units evidencing the Membership Interests of the Company are authorized to be issued under this Agreement, or such other amount as is determined by the Manager, and each Unit represents a Membership Interest having an Initial Sharing Ratio equal to its proportionate share of all Membership Interests in the Company. A Unit is divisible into fractional parts. References to Units herein shall be solely for the purpose of certificating the Membership Interests authorized hereunder (if such certification is determined necessary or convenient by the Manager). Voting, the granting or withholding

of consents or approvals, and allocation of Profits and Losses and Distributions shall be made pursuant to the applicable provisions of this Agreement without reference to the number of Units held by Members.

1.77 Withdrawing Member. Any Member that irrevocably elects to withdraw from the Company in accordance with the terms and conditions of Section 11.6(a).

ARTICLE II

FORMATION

2.1 Organization. The Members hereby ratify the organization of the Company as a New York limited liability company pursuant to the provisions of the Act.

2.2 Agreement. For and in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members executing this Agreement hereby agree to the terms and conditions of this Agreement, as it may from time to time be amended. It is the express intention of the Members that this Agreement shall be the sole source of agreement of the parties, and, except to the extent a provision of this Agreement expressly incorporates federal income tax rules by reference to sections of or is otherwise inconsistent with the Code or Tax Regulations or is expressly prohibited or ineffective under the Act or any other law or rule, this Agreement shall govern. To the extent any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be deemed to be amended to the least extent necessary in order to make this Agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make any provision of this Agreement that was formerly invalid valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

2.3 Name. The name of the Company is "CIX CASTELLAN AFFORDABLE HOUSING FUND LLC" and all business of the Company shall be conducted under that name.

2.4 Term. The Company shall be in existence for perpetuity, or unless the Company shall be earlier dissolved, and its affairs wound up in accordance with the Act or this Agreement, including Section 12.1.

2.5 Principal Office. The Principal Office of the Company shall be located at 122 East 42nd Street, Suite 1903, New York, NY 10168 or such other place as determined by the Manager from time to time.

2.6 Publication. Promptly following the first Effective Date, the Manager shall cause a notice containing the substance of the Articles, in the form required by the Act, to be published as required by any applicable law.

ARTICLE III

PURPOSE; NATURE OF BUSINESS

3.1 Purpose. The business purpose of the Company is to invest in the acquisition, rehabilitation, development or redevelopment of affordable rental housing or contractual or other rights to acquire, rehabilitate, develop or redevelop such properties. The Company is also permitted to invest up to 20% of Commitments and Committed Principal in debt or equity issued by businesses (which may be control positions) that provide services to developers (including the Company) within the markets for the acquisition, rehabilitation, development and redevelopment of affordable rental housing. The Company is

also authorized to engage in any and all other related business activities. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Article III. The Company exists only for the purpose specified in this Article III, and may not conduct any other business without the Consent of the Members. The authority granted to the Manager hereunder to bind the Company shall be limited to actions necessary or convenient to this business.

3.2 Subsidiaries. The Company shall have the authority, if the Manager determines that it is necessary or desirable in order to address certain legal, tax, regulatory or other considerations, to form and employ subsidiaries of the Company and of the Subsidiary Property Owner. If the Manager so determines, the Manager shall have the right and authority to structure all or a portion of an investment as an investment outside the Company, and to require the applicable Member(s) or Noteholder to participate in the investment directly or through an alternative investment vehicle (an "Alternative Investment Vehicle"). Any Alternative Investment Vehicles are expected to contain terms and conditions substantially similar to those of the Company and will be managed by the Sponsor or an affiliate thereof. Investments made through an Alternative Investment Vehicle are expected to be made generally on a substantially equivalent pre-tax economic basis as if made through the Company.

3.3 Parallel Investment Vehicles. To the extent that the Manager determines that it is necessary or desirable for structuring, administrative and related considerations, the Company may own a LIHTC Property jointly with one or more Parallel Investment Vehicles sponsored by the Sponsor. Together, with any Parallel Investment Vehicles, the Company will own the LIHTC Property through a commonly owned entity. In order to provide for greater investment diversification to the Company, the Manager may seek to raise a portion of the equity needed for one or more LIHTC Properties from third parties and other investment vehicles managed, controlled and/or sponsored by the Sponsor (collectively, "Parallel Investment Vehicles"), which is may include the Co-Investment Funds. The Company and any Parallel Investment Vehicles are expected to invest in any relevant LIHTC Property on the same overall investment terms, except that the Parallel Investment Vehicles may be subject to certain transaction fees that are attributable specifically to the investment structure.

## ARTICLE IV

## ACCOUNTING AND RECORDS

4.1 Records to be Maintained. The Company shall maintain the following records at the Principal Office:

(a) a current list of the full name set forth in alphabetical order and last known mailing address of each Member, (the "Member Schedule") which Member Schedule is available for inspection upon reasonable notice to the Manager and shall be amended from time to time by the Manager to reflect the admission or withdrawal of a Member or the transfer or assignment of a Member's Membership Interest in accordance with the terms of this agreement and other modifications to or changes in the information set forth therein;

(b) a copy of the Articles and all amendments thereto;

(c) a copy of the Company's federal, state and local income or information tax returns and reports for the six (6) most recent Fiscal Years;

(d) a copy of this Agreement, including all amendments, restatements or other modifications thereto; and

(e) the Company's books and records, including financial statements of the Company, which shall be open to inspection by the Members or their agents at reasonable times.

4.2 Reports to Members. The Manager shall provide reports, including a balance sheet, statement of profit and loss and changes in Members' accounts, and a statement of cash flows, at least annually to the Members at such time and in such manner as the Manager reasonably may determine.

4.3 Tax Returns and Reports. The Manager, at Company expense, shall prepare and timely file income tax returns of the Company in all jurisdictions where such filings are required, and shall prepare and deliver to each Member as soon as practicable after the expiration of each Fiscal Year, and at Company expense, all information returns and reports required and reports by the Code and Tax Regulations and Company information necessary for the preparation of the Members' federal income tax returns.

## ARTICLE V

## NAMES AND ADDRESSES OF MEMBERS

The names and addresses of the Members are as stated on the Member Schedule.

## ARTICLE VI

## RIGHTS AND DUTIES OF MEMBERS

6.1 Management Rights. Only the Manager shall have authority to bind the Company on any Management Right. Notwithstanding the foregoing, the Consent of the Members shall be required for continuation of the Company after a Dissolution Event.

6.2 Liability of Members. No Member shall be liable as such for the liabilities of the Company.

6.3 Indemnification. A Member shall indemnify the Company for any costs or damages incurred by the Company as a result of any unauthorized action by such Member.

6.4 Representations and Warranties. Each Member, and in the case of a trust or other entity, the person(s) executing this Agreement on behalf of the entity, hereby represents and warrants to the Company and each other Member that: (a) if that Member is an entity, it has power to enter into this Agreement and to perform its obligations hereunder and that the person(s) executing this Agreement on behalf of the entity has the power to do so; and (b) the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest. The Members acknowledge that their interests in the Company have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred without appropriate registration or the availability of an exemption from such requirements.

6.5 Conflicts of Interest. Members, Noteholders, the Manager and affiliates of the Manager shall be entitled to enter into transactions that may be considered to be competitive with the Company, it being expressly understood that Members, Noteholders, the Manager and affiliates of the Manager may enter into transactions that are similar to the transactions into which the Company may enter. Notwithstanding the foregoing, Members shall account to the Company and hold as trustee for the benefit of the Company any Property, profit, or benefit derived by the Member, without the consent of all of the other Members, in the conduct and winding up of the Company business or from a use or appropriation by the Member of Property, including information developed exclusively for the Company and opportunities expressly offered to the Company. No Member or Manager shall have violated a duty or obligation to the

Company merely because its conduct furthers its own interest. A Member, Noteholder, the Manager or an affiliate of the Manager may lend money to and transact other business with the Company. The rights and obligations of a Member, Noteholder, the Manager or an affiliate of the Manager who lends money to or transacts business with the Company are the same as those of a person who is not a Member, Noteholder, the Manager or an affiliate of the Manager, subject to any applicable law. No transaction with the Company shall be voidable solely because a Member, Noteholder, the Manager or an affiliate of the Manager has a direct or indirect interest in the transaction if the transaction is fair and reasonable to the Company in the reasonable determination of the Manager.

## ARTICLE VII

## MANAGER

7.1 Manager. Except as otherwise provided in this Agreement, the management of the Company and all decisions concerning the business and affairs of the Company shall be made by the Manager. The Members hereby appoint CRP AFFORDABLE HOUSING MANAGER LLC ("CRP Manager") as the Manager. The Manager may, but need not, be a Member of the Company.

7.2 Term of Office as Manager. The Manager shall serve until the dissociation of such Manager or any removal of such Manager pursuant to Section 7.7.

7.3 Authority of Manager. Only the Manager and authorized agents of the Company shall have the authority to bind the Company. Subject to Section 6.1 and the terms and conditions of the Notes and the Deposit Account Control Agreement, the Manager has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company (as described in Article III), including, without limitation: (a) the institution, prosecution and defense of any Proceeding in the Company's name; (b) the purchase, receipt, lease or other acquisition, ownership, holding, improvement, use and other dealing with the Property, wherever located; (c) the sale, conveyance, conversion to or from cooperative and condominium ownership, mortgage, pledge, lease, exchange, and other disposition of the Property; (d) the entering into of contracts and guaranties, incurring of liabilities, borrowing of money, issuance of notes, bonds, and other obligations, and the securing of any of its obligations by mortgage or pledge of any of the Property or income; (e) the lending of money, investment and reinvestment of the Company's funds, and receipt and holding of the Property as security for repayment; (f) the conduct of the Company's business, the establishment of Company offices, and the exercise of the powers of the Company; (g) the hiring and appointment of employees and agents of the Company, the defining of their duties and the establishment of their compensation, and dealing with tradespeople, accountants and attorneys, on such terms as the Manager shall determine, including any reasonable allocation to the Company of Manager's costs and expenses including compensation for such professional accounting and legal or other services as shall be reasonably determined as necessary by the Manager; (h) the payment of pensions and establishment of pension plans, pension trusts, profit sharing plans, and benefit and incentive plans for Members, employees, and agents of the Company; (i) the purchase of liability and other insurance to protect the Company's business and Property; (j) the participation in partnership agreements, joint ventures, or other associations of any kind with any person or persons; (k) the indemnification of any Person; (l) the establishment of reserve funds of the Company to provide for future requirements for operations, contingencies or any other purpose that the Manager deems necessary or appropriate; (m) the purchase of investments intended to hedge against interest rate risks associated with any Company debt which has a floating rate and other risks; (n) the making of such elections under the Code and Tax Regulations and other relevant tax laws as to the treatment of items of Company income, gain, loss, deduction and credit, and as to all other relevant matters as the Manager deems necessary or appropriate, including without limitation, elections referred to in Section 754 of the Code, the determination of which items of cash outlay shall be capitalized or treated as current expenses, and the selection of the method of accounting and bookkeeping

procedures to be used by the Company; provided, however, that notwithstanding anything else herein to the contrary, the Manager shall be required to use the cash receipts and disbursements method of accounting within the meaning of Section 446(c)(1) of the Code if it is legally able to do so, and any amounts payable to a Noteholder hereunder shall be treated as payable to a tax "partner" for tax purposes whether or not such Noteholder is a Member, and any amount that constitutes a guaranteed payment within the meaning of Section 707(c) of the Code to Noteholders as tax "partners" shall not be deducted for tax purposes by the Company until paid and similarly shall not be treated as reportable taxable income to such tax "partner" until so paid; (o) to exclude the Property and, if the Manager determines in its sole discretion that another property of similar type and size can be reasonably substituted for the Property (a "Substitution Property"), a Substitution Property (or a tenant in common interest in a Substitution Property) shall be acquired by a fee owner entity formed for that purpose and (p) notwithstanding anything to the contrary in this Agreement, the Company may be reconstituted by the Manager to accomplish a Code Section 1031 Tax Deferred Exchange upon the sale or other disposition of the Property or other business purpose, provided, however, that the Members' economic interests in the reconstituted entity or entities immediately following the reconstitution of the Company shall be proportionate to the economic interests as held by the Members in the Company immediately prior to the reconstitution of the Company. With respect to the foregoing Section 7.3(p), each Member hereby appoints the Manager as such Member's attorney-in-fact to execute and deliver all instruments and other documents necessary or reasonably appropriate to effect the purposes of Section 7.3(p). This power, being coupled with an interest, is irrevocable.

7.4 Actions of the Manager. The Manager has the power to bind the Company as provided in this Article VII. No Person dealing with the Company shall have any obligation to inquire into the power or authority of the Manager acting on behalf of the Company.

7.5 Compensation of Manager; Expenses. The Manager or affiliates of the Manager may perform certain services for the Company for which the Manager or affiliates of the Manager may receive fees. The rate and terms of these arrangements will be generally consistent with rates and terms as would be agreed for the provision of similar services by similar quality providers on an arms' length basis to unaffiliated third parties. Such services and fees may include, but are not limited to, the following:

(a) The Manager or an affiliate of the Manager may also perform certain accounting, legal, administrative, compliance, construction, leasing and other services with respect to the Property. The Manager or such affiliate shall be entitled to be reimbursed for such services. The rate and terms of these arrangements will be generally consistent with rates and terms as would be agreed for the provision of similar services by similar quality providers on an arms' length basis to unaffiliated third parties.

(b) [Reserved].

(c) The Company also shall bear all expenses incurred in connection with the organization, operation and formation of the Company (including tax, accounting and other administrative expenses), as well as the reasonable expenses of the Manager relating to the management and administration of the affairs of the Company and any subsidiary funds through which the Company invests (including any special purpose vehicle through which the Company may hold its interest in any LIHTC Property from time to time). In the event the LIHTC Property has previously been acquired by the Company prior to the Effective Date hereof by the Company, the Manager or any affiliate thereof, then at or upon the Effective Date hereof the Manager shall be reimbursed for all costs and expenses incurred by the Manager or an affiliate of the Manager in the acquisition, maintenance and operation of the LIHTC Property prior to the Effective Date hereof.

(d) The Manager shall have a carried interest in the profits of the Company payable in accordance with the terms of Section 9.2.

7.6 Manager's Standard of Care. The Manager shall not be required to devote full time to the management of the Company business, but only so much time as shall be necessary or appropriate for the proper management of such business. The Manager shall discharge the Manager's duties to the Company and the other Members in good faith and with that degree of care that an ordinarily prudent person in a similar position would use under similar circumstances. In discharging its duties, the Manager shall be fully protected in relying in good faith upon the records required to be maintained under Article IV and upon such information, opinions, reports or statements by any Person as to matters the Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid. The Company shall indemnify and hold harmless the Manager against any loss, damage or expense (including attorneys' fees) incurred by the Manager as a result of any act performed or omitted on behalf of the Company or in furtherance of the Company's interests without, however, relieving the Manager of liability for failure to perform his or her duties in accordance with the standards set forth herein. The satisfaction of any indemnification and any holding harmless shall be from and limited to the Property and the Members shall not have any personal liability on account thereof.

7.7 Removal of Manager. The Manager may not be removed by the Members other than for fraud, gross negligence, willful misconduct or breach of the Manager's standard of care as described in Section 7.6, in which case the Manager may be removed by the vote of all of the Members other than the Manager.

7.8 Competitive Activities. Neither this Agreement nor anything implied by the relationship between Manager and the Company shall prohibit the Manager or any affiliate or principal of the Manager, from owning, operating, and/or managing any real estate of any type, at any location, including real estate which may compete with the LIHTC Properties for tenants.

7.9 Special Succession Provisions. (a) In order to preserve the high standard of management of the Company and otherwise to ensure certain continuity in the control of the Company, each of the members hereby acknowledges and agrees that in the event either Paul A. Salib ("Paul") or John B. Salib ("John") ceases to be in control of the Manager or ceases or is unable or unwilling to be in control of the Manager, the other shall assume full management control thereof. In the event Paul and John both have either ceased to act or is or are unable or unwilling to be in control of the Manager, Joel Hammer, Rick Serrapica and Seth Sterneck (collectively, the "Substitute Manager") shall act jointly as a special manager of the Manager with the authority to appoint a permanent manager thereof. In the event that the Substitute Manager does not appoint a permanent Manager within one hundred eighty (180) days of his appointment as a special manager, the Members of the Company may elect to appoint a manager of the Company nominated by a majority of the Members. Notwithstanding the above, Paul and John may appoint a special manager in lieu of the Substitute Manager and/or a permanent manager at any time in which Paul and John are in control of the Manager, provided that in the event either Paul or John ceases to be in control of the Manager, then either of whom remains in control of the Manager may appoint any person to serve as a special manager in lieu of the Substitute Manager and/or a permanent manager for the Company at any time in which such member remains in control of the Manager.

(b) If any executor, administrator or personal representative is successful in voiding Section 7.9(a), such executor, administrator or personal representative, as the case may be, shall not succeed to any rights of management or control of the Company or of the Manager and such executor, administrator or personal representative shall not participate in the management of the Company or of the Manager.

7.10 Borrowing and Guarantees. (a) The Manager shall have the right, at its option, to cause the Company, the Subsidiary Property Owner or one or more of its direct or indirect subsidiaries to borrow money from any Person, including by the issuance of Notes, to (i) finance any Property, (ii) provide subscription lines of credit, (iii) cover Partnership Expenses and (iv) otherwise carry out the business and activities permitted under this Agreement. In furtherance of the foregoing, the Company may (x) act as a borrower of one or more secured or unsecured credit facilities or subscription lines of credit (each, a "Credit Facility") of the Company, or (y) act as a lender under or a guarantor of one or more Credit Facilities of any Alternative Investment Vehicle, Parallel Fund or subsidiary of the Company.

(b) The indebtedness of the Company, subject to the terms and conditions of the Deposit Account Control Agreement, to the extent applicable, or any subsidiary of the Company may be secured by pledges, mortgages or other liens on any and all of the assets of the Company or any subsidiary of the Company, including, without limitation, by (i) a pledge by the Company of all or a portion of the aggregate remaining Commitments of all Members or Committed Principal of Noteholders, (ii) a pledge by the Manager of its rights under this Agreement and/or (iii) a pledge of the Properties financed or purchased by any Credit Facility. In connection with any such Credit Facility, each Member agrees that, subject to the other terms of this Agreement, (A) if any lender, or any agent therefor, under such Credit Facility shall so request, such Member shall confirm to such lender or agent the amount of such Member's Commitment and remaining Commitment and any other relevant matters relating to this Agreement (not including financial information with respect to any Member, the obligation to submit any such information being addressed below), (B) such Member will execute a letter in a form reasonably acceptable to such Member confirming the foregoing and its obligations under this Agreement (a "Credit Facility Confirmation"), (C) such Member shall provide to such lender or agent copies of its formation documents (or similar documents reasonably acceptable to the lender under any Credit Facility), (D) an opinion of such Member's counsel in form and substance reasonably satisfactory to, and for the benefit of, the Company and its lenders, evidencing (1) the existence of such Member, (2) the authority of the Persons executing this Agreement and the Subscription Agreement on behalf of such Member, (3) the enforceability of this Agreement and the Subscription Agreement (including, without limitation, its obligations to make Capital Contributions and to deliver financial information), and (4) such other matters as shall be reasonably requested by such lender, and (E) such Member will execute such documents and agreements as are reasonably required by such lender or agent in connection with any Credit Facility. Each Member further agrees, upon request of the Manager, to deliver to the Manager and any lender or agent under any Credit Facility either (1) its balance sheet as of the end of its fiscal year and the related statements of operations for each such fiscal year prepared by its independent public accountants, or, if it has not retained public accountants to prepare such statements, certified by an officer, or (2) such other information or reports as shall be acceptable to the Manager (as set forth in a written notice from the Manager to such Member), in either case by the latest to occur of (x) the date that is ninety (90) days after the end of its fiscal year and (y) the date that it makes such financial information available to its shareholders, directors, stakeholders, principals or other lenders or such financial information becomes available to the public. Each Member hereby waives its right to any set-off or reduction of its obligation with respect to any Capital Contribution as contemplated hereunder based on any claim such Member may have against any Person (without prejudice to such Member's rights to assert such claim in a separate action). The Manager agrees to the Members' execution of any Credit Facility Confirmation.

7.11 Investment Management Agreement. The Manager shall cause the Company to enter into the Investment Management Agreement with the Sponsor pursuant to which the Sponsor will agree to provide investment advice, portfolio management and other management and administrative services to the Company, including the identification, investigation, structuring and negotiation of potential investments in LIHTC Properties, monitoring the performance of the LIHTC Properties and advising the Company as to disposition opportunities.

## ARTICLE VIII

## CONTRIBUTIONS AND CAPITAL ACCOUNTS

8.1 Initial Contributions. Each Member shall make the Initial Capital Contribution as set forth in the subscription agreement for that Member on the Member Schedule at the time and on the terms specified in the Member Schedule and shall fund that Member's Commitment and shall receive the number of Units of Membership Interest and Sharing Ratio described for that Member on the Member Schedule. Each Noteholder shall deliver its initial Funded Principal as set forth in the related subscription agreement for that Noteholder. No Member or Noteholder shall have the right to withdraw or be repaid any Capital Contribution or Funded Principal except as provided in this Agreement or in the Notes, as the case may be.

8.2 Additional Contributions. In addition to the Initial Capital Contributions, the Members (other than any Withdrawing Member) shall make Additional Contributions within five (5) Business Days after receipt of notice from the Manager and such further Additional Contributions (as shall be determined by the Manager) shall be made by the Members pro rata in accordance with the relative amount of unfunded Commitments of all Members at the time. Upon making such a determination, the Manager shall give written Notice, setting forth the amount of the proposed Additional Contribution, the purpose for which it is needed, and the proposed contribution date, to all Members at least ten (10) Business Days prior to such contribution date. During the term of the Company, the Manager shall have the right to call Additional Capital Contributions from the Members for the purpose of (i) carrying out the objectives of the Company, including the acquisition, development and redevelopment of one or more LIHTC Properties, directly or indirectly, (ii) funding Company Expenses or (iii) to establish or maintain appropriate reserves for the payment of such Company Expenses. If the Company is unable, or the Developer Fee Projections reflect that it will be unable, to pay the Fixed Return, then all Company Expenses relating to direct compensation of Company personnel, consultants or employees or officers of the Manager shall be paid only after the payment of the Fixed Return that is due and payable.

8.3 Enforcement of Commitments. In the event any Member (a "Delinquent Member") fails to perform the Delinquent Member's Commitment, the Manager shall give the Delinquent Member a notice of such failure. If the Delinquent Member fails to perform the Commitment (including the payment of any costs associated with the failure and interest at the Default Interest Rate) within ten (10) Business Days of the giving of such notice, a Delinquent Member's Commitment may be satisfied by any or all of the non-delinquent Members pro rata in proportion to the respective relevant Interests held by all of those Members who elect to satisfy such delinquent Commitment. In the event that any Member shall be in default (a "Defaulting Member") in its obligation to timely perform its commitment and such default shall continue for fifteen (15) Business Days following notice from the Company (a "Funding Default"), then the Company may notify the non-defaulting Members (the "Non-Defaulting Members") and the Non-Defaulting Members shall have the right, in their discretion (but shall not be obligated), to fund a loan (the "Default Loan") to the Defaulting Member (such Non-Defaulting Members that elect to make the Default Loan shall be referred to herein as the "Electing Contributing Members"), of all or any part of the amount which the Defaulting Member has failed to contribute (the "Default Amount"), which loan shall bear interest at a rate equal to the lesser of (A) twelve percent (12%) per annum, or (B) the highest rate then permitted by law. In the event that more than one Non-Defaulting Member elects to loan to the Company the Default Amount, then such Default Loans by the Non-Defaulting Members shall be made pro rata in proportion to the respective relevant Interests of such Non-Defaulting Members prior to the Funding Default. Any such Default Loan shall be repaid out of Distributions hereunder due to the Defaulting Member in accordance with the terms of this Agreement (and shall not be an obligation of the Company), which amounts shall be applied first to interest and then to principal until such loan is paid in full. Any Tax item attributable to the interest accruing on such Default Loan shall be allocated solely to the Non-Defaulting Member(s) making such Default Loan on a pro rata basis. The proceeds of a Default Loan

shall be deemed a loan to the Defaulting Member and then a Capital Contribution by the Defaulting Member to the Company. In the event that the Default Loan has not been repaid in full on or prior to the three (3) month anniversary of the funding of the Default Loan, the Defaulting Member shall repay any such outstanding amount, including, without limitation, any accrued but unpaid interest on such amount, within three (3) Business Days after written demand by the Electing Contributing Member(s). If the Defaulting Member shall fail to repay such amount within such three (3) Business Day period, at the option of any of the Electing Contributing Member(s) making the Default Loan, the applicable Electing Contributing Member's portion of the Default Loan shall be converted into a Capital Contribution to the Company by such Electing Contributing Member(s). Upon such conversion, (or in the event that no Non-Defaulting Member makes a Default Loan):

(i) The Interests of such Defaulting Member shall be reduced by a dollar amount (the "Reduction Amount"), which shall not exceed the outstanding amount of the Interests then held by the Defaulting Member, equal to the product of (A) the Default Amount (plus any interest accrued on any Default Loan made in connection with the Default Amount) multiplied by (B) one hundred twenty-five percent (125%) (with any corresponding changes to the respective Sharing Ratios of the Defaulting Member as a consequence of such reduction of the Interests);

(ii) (A) each Electing Contributing Member's respective Interests shall be increased by a dollar amount equal to (1) such Electing Contributing Member's Default Loan (plus any interest accrued thereon) divided by the Default Amount (plus any interest accrued on all Default Loans in respect of that Default Amount); multiplied by (2) the Reduction Amount; and

(B) after the allocation to the Electing Contributing Members pursuant to the foregoing clause (ii)(A), each Non-Defaulting Member's (including each Electing Contributing Member's) respective Interests shall be increased by a dollar amount with respect to any remaining unallocated Reduction Amount equal to:

(1) such Member's Commitment divided by the aggregate amount of all Commitments of all Non-Defaulting Members (excluding any Capital Contribution attributable to the Default Amount); multiplied by

(2) any remaining Reduction Amount.

(C) Following any adjustments to the Interests of any Electing Contributing Member and any other Non-Defaulting Member pursuant to this Section 8.3(ii), the Manager shall recalculate the respective Sharing Ratio of each such Member as a result of the foregoing allocations of the Reduction Amount.

(D) Any Member that shall be a Defaulting Member shall during the pendency of such default not have the rights of a Member of the Company under the Act or this Agreement (including, without limitation, the right to obtain any information on account of the Company's transactions, to inspect the Company's books or to vote with the Members on, or to grant or withhold consents or approvals of, any matter) except for the right to receive such Member's Distributions which shall remain with the Defaulting member but shall be paid to the Electing Contributing Member(s) as provided herein until the earlier of (i) the date the Default Loan is paid in full or (ii) the interests of the Defaulting Member are reduced under Section (ii)(A) above.

8.4 Capital Account. A separate capital account shall be maintained for each Member throughout the term of the Company in accordance with the rules of Section 1.704-1(b)(2)(iv) of the Tax

Regulations as in effect from time to time, and, to the extent not inconsistent therewith, to which the following provisions apply:

(a) To each Member's Capital Account there shall be credited (i) the amount of money contributed by such Member to the Company (including liabilities of the Company assumed by such Member as provided in Section 1.704-1(b)(2)(iv)(c) of the Tax Regulations); (ii) the fair market value of any property contributed to the Company by such Member (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); and (iii) such Member's share of Profits and items of income and gain that are specially allocated.

(b) To each Member's Capital Account there shall be debited (i) the amount of money distributed to such Member by the Company (including liabilities of such Member assumed by the Company as provided in Section 1.704-1(b)(2)(iv)(c) of the Tax Regulations) other than amounts which are in repayment of debt obligations of the Company to such Member; (ii) the fair market value of property distributed to such Member (net of liabilities secured by such distributed property that such Member is considered to assume under or take subject to Section 752 of the Code); and (iii) such Member's share of Losses or items of loss or deduction that are specifically allocated.

(c) The Capital Account of a transferee Member shall include the appropriate portion of the Capital Account of the Member from whom the transferee Member's interest was obtained.

(d) In determining the amount of any liability, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and Tax Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Tax Regulations, and shall be interpreted and applied in a manner consistent with such Tax Regulations. In the event the Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any Member), are computed in order to comply with such Tax Regulations, the Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article XII hereof upon the dissolution of the Company. The Manager also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(g) of the Tax Regulations and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Tax Regulations.

8.5 No Obligation to Restore Deficit Balance. Except as required by law, no Member shall be required to restore any deficit balance in its Capital Account.

8.6 Limited Right of Withdrawal; Successors.

(a) Each Member shall have the limited right to withdraw capital only as expressly provided in this Section 8.6 or Section 11.6. No Member shall have any other right to withdraw or demand or receive distributions of other returns or seek redemption of any amount in its Capital Account.

(b) No Member shall be entitled to make any capital contribution to the Company other than its Commitment.

(c) Any Member, including any additional or Substitute Member, who shall receive an interest in the Company or whose interest in the Company shall be increased by means of a transfer to it of all or part of the interest of another Member, shall have a Capital Account with respect to such interest initially equal to the Capital Account with respect to such interest of the Member from whom such interest is acquired except as otherwise required to account for any adjustment resulting from a termination of the Company under Section 708 of the Code by reason of such interest transfer.

8.7 Interest. No Member shall be entitled to interest on such Member's Capital Contribution or on any Profits retained by the Company.

8.8 Investment of Capital Contributions. The Capital Contributions of the Members shall be invested by the Manager in demand, money market or time deposits, obligations, securities, investments or other instruments constituting cash equivalents, until such time as such funds shall be used by the Manager for Company purposes. Such investments shall be made by the Manager for the benefit of the Company.

8.9 No Personal Liability. The Manager shall have no personal liability for the repayment of any Capital Contributions of any Member.

## ARTICLE IX

## DISTRIBUTIONS AND ALLOCATIONS

9.1 Distribution of Net Cash Flow and Capital Proceeds. The Company shall make distributions from available funds from Net Cash Flow and/or Capital Proceeds upon realization events, specifically upon the successful sale or disposition of any LIHTC Property. Upon the sale or other disposition of any LIHTC Properties, the Manager will promptly determine the amounts received or expected to be received by the Company and make determinations regarding the amounts, if any, that, together with any other Company funds then on hand exceed the reasonable working capital needs of the Company.

The Manager, on behalf of the Company, shall apply available Net Cash Flow and/or Capital Proceeds to make the following payments in the following order of priority to the extent of the funds available for such payment:

(a) interest to the Noteholder at fourteen percent (14%) (non-compounded) (the "Fixed Return") calculated on the principal investment in the LIHTC Property sold or disposed and calculated for the relevant period that such interest has remained accruing and unpaid; and then

(b) the Fixed Return, if any, to the Noteholder calculated on the principal amount of any unpaid Other Amounts in respect of the Note and calculated for the relevant period that such interest has remained accruing and unpaid; and then

(c) the payment to the Noteholder of principal of the Note as and when the same becomes due and payable in accordance with the terms thereof; and then

(d) the prepayment, if any, to the Noteholder of principal of the Note at the determination of the Manager (including in conjunction with any determination not to reinvest such principal) to the extent permitted in accordance with the terms of the Note; and then

(e) the payment or prepayment, if any, to the Noteholder of principal of the Note in respect of any Other Amounts that have not been previously paid to the Noteholder, but in any event shall

not include any principal amount that is (i) not subject to prepayment in accordance with the terms of the Notes or (ii) being held by or on behalf of the Company for investment or reinvestment in one or more LIHTC Properties, in each case so long as otherwise consistent with the Notes, the Deposit Account Control Agreement and the Security Agreement.

For these purposes the "Other Amounts" shall mean any amount of Funded Principal that (i) has not been invested in respect of a LIHTC Property, including any amounts used to pay Company Expenses, and (ii) that was previously invested in respect of a LIHTC Property but was subsequently abandoned or otherwise discontinued for any reason other than as a result of a sale of such LIHTC Property.

To the extent that the available funds are insufficient to make any required payment on the Notes, any deficiency may be paid from the Deposit Account pursuant to and in accordance with the terms of the Deposit Account Control Agreement and/or the Security Agreement, as the case may be. If the Notes have not become due and payable or if the terms of the Notes do not permit prepayment, the Manager may determine to reinvest all or any portion of the available proceeds of a sale or disposition to the extent otherwise consistent with this Agreement, the Notes, the Deposit Account Control Agreement and the Security Agreement.

After the foregoing payments on and in respect of the Notes have been paid in full, any remaining balance shall be paid to the Members in proportion to their respective Sharing Ratio, except as otherwise provided in Article XII (relating to Dissolution and Winding-Up).

9.2 Reserved.

9.3 Taxes Paid by the Company on behalf of Members. U.S. federal income taxes paid by the Company on behalf of a Member, including but not limited to income taxes paid pursuant to Sections 1445, 1446, 1441 and 1442 of the Code, and estimated state and local taxes, including estimated New York State income taxes paid by the Company on behalf of a nonresident Member or Member that is a "C" corporation, shall be treated as a Distribution to such Member that shall be applied in reduction of amounts that would otherwise be distributed to a Member pursuant to Section 9.1 and shall be charged against such Member's Capital Account in accordance with Article VIII.

9.4 Profits, Losses and Shares of Tax Items.

(a) Except as otherwise provided in Sections 9.4(d), 9.4(e) and 9.4(f), and subject to compliance with Section 8.4, Profits for any taxable year (or other relevant portion thereof) shall be allocated to the Members in the following manner:

(1) first, to the Members (including the CRP Member) an amount equal and in proportion to the Losses allocated to them under Section 9.4(b);

(2) second, to the Members in an amount equal and in proportion to the Preferred Return on their Capital Contributions which has been distributed; and

(3) third, the balance shall be allocated One Hundred (100%) percent to the CRP Member on account of the CRP Member Interest.

(b) Except as otherwise provided in Sections 9.4(d), 9.4(e), and 9.4(f) subject to compliance with Section 8.4, Losses for any taxable year (or any relevant portion thereof) shall be allocated to the Members (including the CRP Member) in proportion to their respective positive Adjusted Capital Account balances, until such balances are reduced to zero.

(c) Except as otherwise provided in Sections 9.4(d), 9.4(e), and 9.4(f), each Member shall be allocated its allocable share of each item of ordinary income or loss, capital gain or loss, deductions and credits, determined in accordance with its then Sharing Ratios.

(d) The following special allocations will be made in the following order and priority before allocations of Profits and Losses:

(1) If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Member will be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g)(2). The items to be allocated will be determined in accordance with Regulations Section 1.704-2(g). This Section 9.4(d)(1) is intended to comply with the Partnership Minimum Gain chargeback requirements of the Tax Regulations, will be interpreted consistently with the Tax Regulations and will be subject to all exceptions provided therein.

(2) Notwithstanding any other provision of this Section 9.4 (other than Section 9.4(d)(1) which shall be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Member with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i)(5)) as of the beginning of the year will be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Member's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g)(2). The items to be so allocated will be determined in accordance with Regulations Section 1.704-2(g). This Section 9.4(d)(2) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Tax Regulations, will be interpreted consistently with the Tax Regulations and will be subject to all exceptions provided therein.

(3) An allocation shall not be made to a Member if the effect of such allocation would cause or increase an Adjusted Capital Account Deficit. A Member who unexpectedly receives any adjustment, allocation or distribution described in Tax Regulations Sections 1.704-l(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Company income and gain in an amount and manner sufficient to eliminate, to the extent required by the Tax Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible. This subsection (3) is intended to constitute a "qualified income offset" within the meaning of Tax Regulations Section 1.704-1(b)(2) (ii)(d) and shall be interpreted consistently therewith.

(4) Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Members in proportion to their respective Sharing Ratios in the Company.

(5) Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704 2(i).

(6) To the extent an adjustment to the adjusted tax basis of any Company asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts

under Tax Regulations Section 1.704 1(b)(2)(iv)(m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Tax Regulations Section 1.704-1(b)(2(iv)(m).

(e) The allocations set forth in Section 9.4(d) (the "Regulatory Allocations") are intended to comply with certain requirements of Tax Regulations Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations may affect results which would be inconsistent with the manner in which the Members intend to divide Company distributions. Accordingly, the Manager is authorized to divide other allocations of Profits, Losses, and other items among the Members, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Member is zero. The Manager will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Tax Regulations.

(f) For federal, state and local income tax purposes, Company income, gain, loss, deduction or expense (or any item thereof) for each Fiscal Year shall be allocated to and among the Members to reflect the allocations made pursuant to the provisions of this Section 9.4 for such Fiscal Year. In accordance with Code Section 704(c) and the related Tax Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Company or revalued upon the occurrence of events described in clauses (ii) or (iii) of the definition of "Gross Asset Value", solely for tax purposes, will be allocated among the Members so as to take account of any variation between the adjusted basis to the Company of the property for federal income tax purposes and the Gross Asset Value of the property, using any permissible method under Code Section 704(c) and the Tax Regulations thereunder. Any elections or other decisions relating to allocations under this Section 9.4(f) will be made in any manner that the Manager determines reasonably reflects the purpose and intention of this Agreement. Allocations under this Section 9.4(f) to comply with Code Section 704(c) and the Tax Regulations thereunder are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses or other items or Distributions under any provision of this Agreement.

(g) Members shall be bound by the provisions of this Section 9.4 in reporting their shares of Company income and loss for income tax purposes and shall not take a position inconsistent therewith.

## ARTICLE X

## TAXES

10.1 Partnership Representative.

(a) Partnership Representative.

(i) Unless and until another Member is designated by the Manager, the Manager shall be the Partnership Representative for purposes of the Code, except to the extent that the Manager resigns or does not qualify as a Partnership Representative for purposes of the Code, in which case the Manager shall make an alternative designation of a Partnership Representative.

(ii) Upon the receipt of a notice of final partnership adjustment, the Partnership Representative shall take such actions as directed by the Manager, filing a petition in a court of competent jurisdiction, causing the Company to pay the amount of any such adjustment to the tax authorities,

making a Small Partnership Election (to the extent permitted to be made under applicable law), or making an Adjusted K-1 Election. By execution of this Agreement, the Members hereby consent to any Small Partnership Election (to the extent permitted to be made under applicable law) and any Adjusted K-1 Election if the Board of Managers elects to make either such election.

(iii) If the Company's affairs are audited or examined by any tax authorities, each Member shall have the right to have a tax advisor of its own choosing participate in, but not direct, the prosecution or defense of such audit or examination at such Member's sole expense. The Partnership Representative shall make reasonable efforts to facilitate such tax advisor's participation.

(iv) To the extent that the Partnership Representative does not make the Adjusted K-1 Election with respect to a material imputed underpayment amount (determined in the sole discretion of the Partnership Representative), the Partnership Representative shall use reasonable efforts (i) to make any modifications available under Code Section 6225(c), as amended by Section 1101 of the Bipartisan Budget Act of 2015, and (ii) if requested by a Member, to provide to such Member information that will allow such Member to file an amended U.S. federal income tax return, pursuant to the procedure set forth in Code Section 6225(c)(2), as amended by Section 1101 of the Bipartisan Budget Act of 2015, to the extent that the filing of such amended return and the payment of any U.S. federal income taxes due in relation to such amended return would reduce any taxes payable by the Company with respect to the imputed underpayment amount (after taking into account any modifications described in the preceding clause (i)).

(v) The obligations of each Member or former Member under this Section 10.1 shall survive the Transfer, redemption or termination by such Member of an equity interest in the Company, as well as the termination, dissolution, liquidation and winding up of the Company.

(vi) To the extent that a portion of the tax liabilities imposed under Code Sections 6221(a) and 6225, as amended by Section 1101 of the Bipartisan Budget Act of 2015, relates to a former Member, the Partnership Representative shall require such former Member to indemnify the Company for such former Member's allocable portion of such tax liabilities. Each Member acknowledges that, notwithstanding the Transfer, redemption or termination of all or any portion of its equity interest in the Company, it may remain liable for tax liabilities with respect to its allocable share of income and gain of the Company for the Company's taxable years (or portions thereof) prior to such Transfer, redemption or termination.

(vii) The Manager may propose, and the Members shall, by virtue of this Agreement, agree to, any amendment to the provisions of this Agreement required to appropriately reflect the proposal or promulgation of Regulations implementing Sections 6221 through 6241 of the Code, as amended by Section 1101 of the Bipartisan Budget Act of 2015, or any amendment thereof, or regulations, notices or other guidance issued thereunder.

(viii) In the event the Company pays any amount of federal income taxes, interest or penalties pursuant to the provisions of Sections 6221 through 6241 of the Code, as amended by Section 1101 of the Bipartisan Budget Act of 2015, such payment shall be treated as an expense of the Company or as a distribution to one or more Members, as the Board of Managers shall determine is appropriate and consistent with this Agreement.

(b) Indemnity of Partnership Representative. The Company shall indemnify and reimburse the Partnership Representative, absent fraud or gross negligence, for all actual expenses (including legal and accounting fees) incurred as the Partnership Representative pursuant to this Section

10.1 in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to Interests in the Company.

10.2 Code Section 754 Election. The Manager shall cause the Company to file an election on behalf of the Company, pursuant to Section 754 of the Code, to cause the basis of the Company's property to be adjusted for federal income tax purposes in the manner prescribed in Section 734 or Section 743 of the Code, as the case may be.

## ARTICLE XI

## TRANSFER OF MEMBERSHIP INTEREST OR NOTES; WITHDRAWAL

11.1 Compliance with Securities Laws. Neither any Unit of Membership Interest nor any Note has been registered under the Securities Act of 1933, as amended, or under any applicable state securities laws. A Member or Noteholder may not transfer (a transfer, for purposes of this Agreement, shall be deemed to include, but not be limited to, any sale, transfer, assignment, pledge, creation of a security interest or other disposition) all or any part of such Member's Units of Membership Interest or the Notes, as the case may be, except upon compliance with the applicable federal and state securities laws. The Manager shall have no obligation to register any Member's Units of Membership Interest or the Notes under the Securities Act of 1933, as amended, or under any applicable securities laws of any jurisdiction, or to make any exemption therefrom available to any Member or Noteholder, as the case may be.

11.2 Transfer of Economic Interest. The right to receive allocations of Profits and Losses and to receive Distributions may not be transferred in whole or in part unless, to the satisfaction of the Manager, the transferor shall have: (a) assumed all costs incurred by the Company in connection with the transfer; (b) furnished the Company with a written opinion of counsel, satisfactory in form and substance to counsel for the Company, that such transfer complies with applicable federal and state securities laws and this Agreement and that such transfer, for federal income tax purposes, will not cause the termination of the Company under Section 708(b) of the Code, cause the Company to be treated as an association taxable as a corporation for income tax purposes or otherwise adversely affect the Company or the Members; and (c) complied with such other conditions as the Manager may reasonably require from time to time. Transfers will be recognized by the Company as effective only upon the close of business on the last day of the calendar month following satisfaction of the above conditions. Any transfer in contravention of this Article XI and any transfer which if made would cause a termination of the Company for federal income tax purposes under Section 708(b) of the Code shall be void ab initio and ineffectual and shall not bind the Company or the other Members.

11.3 Transfer of Membership Interest and Admission of Substitute Member. Except for the right to receive allocations of Profits and Losses and to receive Distributions, a Membership Interest of any Member may not be transferred in whole or in part, and a transferee shall not have a right to become a Member unless the following terms and conditions have been satisfied: (a) the Manager shall have consented in writing to the transfer and substitution, which consent may be arbitrarily withheld by the Manager; (b) the transferee shall have assumed the obligations, if any, of the transferor to the Company, including the obligation to fulfill the pro rata portion of the transferor's then existing or subsequently arising Commitment allocable to the transferred Unit of Membership Interest or portion thereof; and (c) the transferor and the transferee shall have complied with such other requirements as the non-transferring Members or the Manager may reasonably impose, including the conditions that the transferee: (i) adopt and approve in writing all the terms and provisions of this Agreement then in effect; and (ii) pay such fees as may be reasonable to pay the costs of the Company in effecting such substitution; and (d) the transferring Member has provided the Manager, to the Manager's satisfaction, either: (i) proof of tax withheld on the

amount realized by the Member on the transfer of the Membership Interest pursuant to Section 1446(f) of the Code or (ii) an affidavit attesting to the purchaser's status as a U.S. tax resident.

11.4 Status of Transferee. A transferee of a Unit of Membership Interest who is not a Substitute Member shall be entitled only to receive that share of Profits, Losses and Distributions, and the return of Capital Contribution, to which the transferor would otherwise be entitled with respect to the interest transferred, and shall not have the rights of a Member of the Company under the Act or this Agreement including without limitation the right to obtain any information on account of the Company's transactions, to inspect the Company's books or to vote with the Members on, or to grant or withhold consents or approvals of, any matter. The Company shall, however, if a transferee and transferor jointly advise the Company in writing of a transfer of the Unit of Membership Interest, furnish the transferee with pertinent tax information at the end of each Fiscal Year.

11.5 Death, Dissolution, Bankruptcy or Incompetency of a Member. Upon the death, dissolution, adjudication of bankruptcy or adjudication of incompetency of a Member, such Member's successors, executors, administrators or legal representatives shall have all the rights of a Member for the purpose of settling or managing such Member's estate, including such power as such Member possessed to substitute a successor as a transferee of such Member's interest in the Company and to join with such transferee in making the application to substitute such transferee as a Member pursuant to Section 11.3

11.6 Permitted Withdrawals.

(a) Members will not be permitted to withdraw from the Company until they have been Members for at least twelve (12) months (the "Lock Up Period") from the initial date of funding of any portion of such Member's Commitment. After the end of the Lock Up Period applicable to any Member, such Member may request withdrawal in full from the Company on at least sixty (60) days advance written notice to the Manager with an effective withdrawal date of June 30 or December 31 in any year, as the case may be. No Member shall be permitted to seek a partial withdrawal unless the Manager consents in its sole discretion. Any notice of withdrawal shall be irrevocable when given unless the Manager shall expressly agree to permit revocation of such withdrawal.

(b) No Withdrawing Member will be entitled to the immediate liquidation of the related positions in LIHTC Properties. Any Withdrawing Member shall be entitled to receive a return of invested capital solely from the portfolio of LIHTC Properties underlying the investment by the Company as of the effective date of withdrawal. The Manager will account for and pay the withdrawal, including the related return of capital, as the related LIHTC Properties are liquidated in the ordinary course. The Company will not have any obligation to liquidate, sell or otherwise dispose of any LIHTC Property (in whole or in part) in order to provide liquidity for any Withdrawing Member. Withdrawing Members will not have any rights in or to any LIHTC Properties acquired after the effective date of withdrawal by such Withdrawing Member.

(c) Each Withdrawing Member shall remain a Member of the Partnership until such time as the entire Capital Contribution of such Withdrawing Member is returned in full. Until the date on which the return of Capital Contributions is completed, such Withdrawing Member shall remain a Member for all purposes of voting or exercising rights or fulfilling duties and obligations (other than funding any remaining Commitments to the extent such funding relates to a LIHTC Property which was not part of the portfolio as of the effective date of withdrawal). Withdrawing Members shall remain liable for and shall continue to promptly pay all fees, calculated on the same basis as other continuing Members.

(d) Any Withdrawing Member that has submitted a complete, effective and irrevocable notice of withdrawal shall be deemed, for purposes of this Agreement, to have its related

Commitment reduced to zero as of the effective date of withdrawal to the extent of such withdrawal with respect to any acquisition or funding of a new LIHTC Property after that effective date.

11.7 Dispositions not in Compliance with this Article Void. Any attempted Disposition of a Unit of Membership Interest, or any part thereof, not in compliance with this Article shall be void *ab initio* and ineffectual and shall not bind the Company.

## ARTICLE XII

## DISSOLUTION AND WINDING UP

12.1 Dissolution. Subject to the terms and conditions of the Notes, the Company shall be dissolved and its affairs wound up, upon the first to occur of any of the following events (each of which shall constitute a "Dissolution Event"):

(a) the expiration of the term of this Agreement, unless the Company is continued with the consent of all of the Members; (b) the consent of the Manager; (c) the dissociation of any Member, unless at the time of such dissociation there are at least two remaining Members and the Company is continued with the consent of all of the remaining Members within one hundred eighty (180) days after such dissociation; or (d) when there is but one Member, subject to extension by the consent of all Members.

12.2 Effect of Dissolution. Upon dissolution, the Company shall not be terminated and shall continue until the winding up of the affairs of the Company is completed and articles of dissolution have been filed with the Secretary of State of the State of New York.

12.3 Distribution of Assets on Dissolution. Upon the winding up of the Company, the Manager (or, if there is no Manager then remaining, such other Person(s) designated by the Members representing at least a majority of the Members' Sharing Ratios) shall take full account of the assets and liabilities of the Company, shall liquidate the assets (unless the Manager determines that a distribution of any Property in kind would be more advantageous to the Members that the sale thereof) as promptly as is consistent with obtaining the fair value thereof, and shall apply and distribute the proceeds therefrom in the following order:

(a) first, to the payment of the debts and liabilities of the Company to creditors, including to Noteholders in repayment of outstanding principal balance of all Notes together with accrued and unpaid Fixed Return and to Members as and to the extent that they are creditors of the Company, to the extent permitted by law, in satisfaction of such debts and liabilities, and to the payment of necessary expenses of liquidation;

(b) second, to the setting up of any reserves which the Manager may deem necessary or appropriate for any anticipated obligations or contingencies of the Company arising out of or in connection with the operation or business of the Company. Such reserves may be paid over by the Manager to an escrow agent or trustee selected by the Manager to be disbursed by such escrow agent or trustee in payment of any of the aforementioned obligations or contingencies and, if any balance remains at the expiration of such period as the Manager shall deem advisable, shall be distributed by such escrow agent or trustee in the manner hereinafter provided; and then

(c) third, to the Members in accordance with positive Capital Account balances taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs.

Liquidation proceeds shall be paid within sixty (60) days of the end of the Company's taxable year in which the liquidation occurs. Such distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by the Manager.

If at the time of liquidation the Manager shall determine that an immediate sale of some or all of the Property would cause undue loss to the Members, the Manager may, in order to avoid such loss, defer liquidation.

12.4 Winding Up and Filing Articles of Dissolution. Upon the commencement of the winding up of the Company, all appropriate documentation shall be delivered by the Company to the Secretary of State of the State of New York for filing. Such documentation shall set forth the information required by the Act. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining Property of the Company has been distributed to the Members.

12.5 Return Shortfall Clawback. If, following the dissolution, winding up and termination of the Company and the distribution of all or substantially all of the Company's assets, a Member or Noteholder has not received aggregate distributions from the Company equal to, in the case of a Noteholder, the sum of (i) the aggregate amount of funded principal of such holder's Note and (ii) the Fixed Return on such Note (the "Return Shortfall"), then the Manager shall contribute to the Company for payment to such Noteholder an amount equal to the lesser of (x) the Return Shortfall and (y) the aggregate amount of distributions to the Manager pursuant to Article IX, net of the amount of taxes paid.

## ARTICLE XIII

## NOTES

13.1 Issuance and Form. Consistent with the authority granted pursuant to Section 7.3, the Manager may cause the Company to issue from time to time promissory notes of the Company substantially in the form of the note set forth in Exhibit A (with such changes as the Manager shall determine to be reasonable and proper, the "Notes"). The terms of the Notes may provide for the full funding of principal thereof at one time or from time to time as the Manager determines that the funds are necessary for the purposes of the Company. The Company, at the direction and discretion of the Manager, may issue additional series or tranches of promissory notes from time to time that may have different terms than the terms of the Notes. The Manager is authorized to give notices pursuant to the Notes on behalf of the Company from time to time as the Manager determines is necessary or convenient.

13.2 Register. The Manager shall maintain, on behalf of the Company, a register (the "Register") of all holders of Notes (the "Noteholders"). The Register shall reflect the amount of Funded Principal from time to time, the accrued and outstanding Fixed Return and all payments or repayments in respect of the foregoing. No permitted transfer of any Note will be valid for any reason unless and until such transfer is reflected in the Register. The entries in the Register will be conclusive absent manifest error. The Company and the Manager shall treat each Person whose name is recorded in the Register pursuant to the terms of this Agreement as the Noteholder for all purposes of this Agreement and the related Note notwithstanding any notice to the contrary.

13.3 Transfer of Notes. No sale of any Note has been or will be registered under the Securities Act of 1933, as amended, or any other securities law of any jurisdiction. The Noteholder may not transfer, including by sale, transfer, assignment, pledge, participation, creation of a security interest or other disposition, all or any part of its Note, except in compliance with the terms of the Note and all applicable securities laws and with the prior written consent of the Manager, which consent may be withheld or

conditioned in the sole discretion of the Manager. Any transfer to which Manager consent shall be subject to the delivery of such information and documents as required of any prospective transferee prior to registration of any such transfer. Any attempted disposition of a Note that is not in compliance with the terms of this Agreement and the Note shall be void *ab initio* and ineffectual and shall not bind the Company.

## ARTICLE XIV

## MISCELLANEOUS

14.1 Notices. Notices to the Manager shall be sent to the Principal Office of the Company. Notices to the other Members shall be sent to their addresses set forth on the Member Schedule. Any Member may require notices to be sent to a different address by giving notice to the Manager in accordance with this Section 14.1. Any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given with receipt confirmed if and when delivered personally, given by prepaid telegram or mailed first class, postage prepaid, delivered by courier, or sent by facsimile or electronic mail to such Members at such address.

14.2 Headings. All Article and Section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or Section.

14.3 Entire Agreement. This Agreement together with the schedules attached hereto constitutes the entire agreement between the parties and supersedes any prior agreement or understanding between them respecting the subject matter of this Agreement.

14.4 Binding Agreement. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, executors and administrators, except as otherwise provided herein.

14.5 Savings Clause. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. If the operation of any provision of this Agreement would contravene the provisions of the Act, such provision shall be void and ineffectual.

14.6 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart of this Agreement shall for all purposes be deemed a fully executed instrument.

14.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

14.8 No Membership Intended for Non-tax Purposes. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership, either general or limited, under the laws of the State of New York. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member, by word or action, represents to another Person that any Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Members who incur personal liability by reason of such wrongful representation.

14.9 No Rights of Creditors and Third Parties under Agreement. This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their

successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or any third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

14.10 General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings given to them in the United States in accordance with generally accepted accounting principles;

(c) references herein to "Sections", "paragraphs", and other subdivisions without reference to a document are to designated Sections, paragraphs and other subdivisions of this Agreement;

(d) a reference to a paragraph without further reference to a Section is a reference to such paragraph as contained in the same Section in which the reference appears, and this rule shall also apply to other sub-divisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision; and

(f) the term "include" or "including" shall mean without limitation by reason of enumeration.

14.11 Amendments. Except as otherwise provided herein, this Agreement and the Articles may be modified or amended only by the affirmative vote of the Manager and the Consent of the Members, except that the Manager may amend this Agreement or the Articles from time to time without the consent, approval or other authorization of, or notice to, any of the Members if, in the opinion of the Manager, the amendment or modification does not have a material and adverse effect on any Members, including without limitation the amendment of Article IX hereof as it pertains to any individual Member, provided such amendment does not dilute other Members or reduce any distributions to or allocations of other Members (other than the Manager or an affiliate of the Manager which is a Member).

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement as of the first Effective Date.

COMPANY:

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC

By: CRP Affordable Housing Manager LLC, its Manager

By: Castellan Managing Member LLC, its sole Member

By: Castellan Holdings LLC, its sole Member

By: Castellan Holdings Manager LLC, its Manager

By:_____
Name: John Salib
Title: Managing Member

FOR THE MANAGER AND FOR AND ON BEHALF OF EACH MEMBER:

CRP AFFORDABLE HOUSING MANAGER LLC, as Manager, Member and attorney-in-fact

By: Castellan Managing Member LLC, its sole Member

By: Castellan Holdings LLC, its sole Member

By: Castellan Holdings Manager LLC, its Manager

By:_____
Name: John Salib
Title: Managing Member

EXHIBIT A

FORM OF PROMISSORY NOTE

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION. THIS NOTE MAY ONLY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN ACCORDANCE WITH THE TERMS HEREOF AND THE TERMS OF THE OPERATING AGREEMENT (AS DEFINED HEREIN) AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY RELEVANT JURISDICTION.

ANY TRANSFER OR PURPORTED TRANSFER IN VIOLATION OF THE RESTRICTIONS ON TRANSFER SET FORTH IN THIS NOTE OR IN THE OPERATING AGREEMENT SHALL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY.

THIS NOTE IS INTENDED TO BE ISSUED TO OR HELD ONLY BY PERSONS THAT ARE NOT U.S. PERSONS FOR PURPOSES OF REGULATION S PROMULGATED PURSUANT TO THE SECURITIES ACT. ANY NOTEHOLDER THAT IS A U.S. PERSON MAY BE SUBJECT TO SIGNIFICANT NEGATIVE TAX CONSEQUENCES. ANY PROSPECTIVE INVESTOR SHOULD SEEK ADVICE FROM SUCH LEGAL, TAX, FINANCIAL AND OTHER ADVISORS AS IT MAY DETERMINE RELEVANT AND APPORPRIATE PRIOR TO MAKING ANY INVESTMENT DECISION WITH RESPECT TO THIS NOTE.

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC
NOTE

**Up to $[●]** **[DATE]**
**No. [●]**

FOR VALUE RECEIVED, **CIX CASTELLAN AFFORDABLE HOUSING FUND LLC**, a New York limited liability company (the "Fund"), promises to pay to the order of **[CIX ESG Affordable Housing Fund, Inc.]** (the "Noteholder"), the principal amount of up to **[●] Dollars** ($[●]) (the "Committed Principal"), together with interest and other sums due the Noteholder, as hereinafter provided. All payments of principal and interest hereunder shall be made to the Noteholder without demand, at such address or account, or to such other person or account, as the Noteholder may from time to time designate in writing to the Fund.

1. Defined Terms. All capitalized terms used but not defined in this Note have the meanings specified in the Amended and Restated Operating Agreement of the Fund, dated as of [October 19], 2022 (as amended, restated or otherwise modified, the "Operating Agreement").

2. Principal Amounts. The Noteholder has funded all of the Committed Principal to the Fund in a lump sum (the "Funded Principal"). The Manager, on behalf of the Fund, shall maintain a register of the amount of the Funded Principal and any repayments and, absent manifest error, such register shall be the sole and definitive record of the outstanding principal of this Note from time to time. The Noteholder and the Fund acknowledge and agree that the Funded Principal shall be made to the Fund for business or investment purposes in accordance with the purpose of the Fund as set forth in the Operating Agreement.

3. Maturity Date. The principal amount outstanding hereunder, together with all accrued and unpaid Fixed Return (collectively, the *"*Outstanding Indebtedness*"*), shall be due and payable on [•], 2024 (two (2) years following original issuance). The Manager may extend the stated maturity date by up to an additional one (1) year; provided that any extension is conditioned on (a) the Manager delivering to the

relevant Noteholders a written notice of the extension not later than six (6) months prior to the expiration of the current Investment Period of the relevant Notes; and (b) there being no default of the Fund or the Manager under the Notes at the time the notice of extension is delivered or at the time of expiration of the then existing Investment Period.

4. Interest. The Fund shall pay interest to the Noteholder at the fixed rate of fourteen percent (14.0%) per annum (non-compounded) on the outstanding principal balance to be paid prior to any payment of any amount on the Membership Interests in accordance with the provisions regarding distributions of cash flow and capital proceeds pursuant to Article IX of the Operating Agreement. In the event that any default in obtaining any required consent under Section 11(b) of this Note remains uncured for forty-five (45) days after the Fund receives written notice of default, the fixed rate shall increase to eighteen percent (18.0%) per annum (non-compounded) so long as any such default is continuing.

5. Reserved.

6. Prepayment of Principal. The Funded Principal of this Note shall be repaid from time to time in accordance with the provisions of Article IX and Section 12.3, if applicable, of the Operating Agreement and, from and after the earlier of (i) an Event of Default or (ii) eighteen (18) months after the date of original issuance of this Note, may be prepaid in full or in part at any time together with accrued and unpaid interest at the discretion of the Fund or the Manager without any prepayment penalty or premium so long as the Fund has paid all accrued interest in full on the Notes to be prepaid.

7. Priority. The priority of payment of Fixed Return and Funded Principal shall be in accordance with the terms of and the priorities set forth in the Operating Agreement, including Article IX and Section 12.3, if applicable, of the Operating Agreement.

8. Event of Default. The occurrence of an "Event of Default" shall occur in respect of this Note upon:

(a) any failure of the Fund to make a payment of the Fixed Return or Funded Principal in respect of this Note when due and payable in accordance with the terms hereof and the Operating Agreement if such failure shall remain uncured for a period of not less than five (5) Business Days;

(b) (i) any assignment by the Fund for the benefit of creditors; (ii) an admission in writing of the Fund's inability to pay its debts as they become due; (iii) the Fund filing a petition in bankruptcy or the filing against it of such a petition which is not discharged within one hundred twenty (120) calendar days; (iv) entry against the Fund of an order for relief (for the benefit of the Fund's creditors) under the U.S. Bankruptcy Code; (v) filing of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or filing an answer admitting or not contesting the material allegations of a petition filed against it seeking such relief; or (vi) seeking, consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of the Fund or any material part of its properties; and

(c) failure to obtain any required consent under Section 11(b) of this Note that remains uncured for forty-five (45) days after the Fund receives written notice of default.

9. Default Rate. From and after the occurrence of an Event of Default, the full amount of any Funded Principal and/or Fixed Return then due and owing yet unpaid shall bear interest at a default rate of (a) in the case of clause (a) or (b) of the definition of Event of Default, fourteen percent (14.0%) per annum

and (b) in the case of clause (c) of the definition of Event of Default, eighteen percent (18.0%) (in each case, as relevant, the *"*Default Rate*"*), from the date of the Event of Default until and including the date all such amounts due hereunder are paid in full to the Noteholder.

10. Security Interest in Deposit Account. The due and prompt performance of any and all obligations provided hereunder and/or in the Deposit Account Control Agreement or the Security Agreement, including the due and prompt payments of any and all amounts due and owing under this Note, are secured by the Fund's pledge of all of its rights, title and interest in and to the Deposit Account and other property to the extent set forth in the Security Agreement. This Note is otherwise an unsecured obligation of the Fund.

11. Rights and Remedies.

(a) Upon the occurrence and continuance of an Event of Default and upon written notice from the Noteholder to the Fund and the Manager, the Funded Principal, together with all accrued and unpaid Fixed Return, on this Note shall become due and payable immediately, and payment of such amounts may be enforced together with reasonable costs and expenses, including reasonable attorneys' fees.

(b) The Noteholder will not have any rights as Members under the Operating Agreement. The sole rights of the Noteholders shall be as set forth in this Note or as expressly set forth in the Operating Agreement. To that end, the Fund and the Manager will not take any of the following actions without notice to and consent (which may be deemed consent as set forth below) of a majority of the Noteholders:

(i) any determination not to repay principal of the Notes with available funds or proceeds (other than a determination to reinvest proceeds in the absence of a withdrawal request and where the Manager determines that any investment of proceeds is not inconsistent with the obligation to repay the Notes at maturity);

(ii) any determination to sell or dispose of assets of or reorganize or liquidate the Fund without repaying the Notes, in whole or in part, to the extent of the proceeds of any sale, disposition or liquidation;

(iii) agree to sell or dispose of any asset, including an interest in any of the LIHTC Properties, if the expected return on the remaining portfolio together with all Developer Fee Projections would be expected to result in a return on the Notes of less than 14% per annum;

(iv) commence, dismiss or settle litigation or other similar proceedings involving or on behalf of the Fund where the amount in controversy exceeds $250,000 (after giving effect to any expected insurance coverage);

(v) reorganize or merge the Fund or any Subsidiary Property Owner or any similar corporate action that would be expected to impair the ownership interests of the Fund or the interests of the Investors (which in any event shall not be deemed to constrain the Manager or the Fund from establishing any Parallel Investment Vehicle or Alternative Investment Vehicle);

(vi) assign the responsibilities of the Manager (including by means of a change of control of the Manager) with respect to the Fund to any person that is not an entity

that, directly or indirectly, controls, is controlled by or is under common control with Castellan;

(vii) file any proceeding seeking relief under any relevant bankruptcy or other insolvency law; or

(viii) invest in any LIHTC Properties outside of the State of California if doing so would cause more than 10% of the committed capital of the Fund to be invested outside of the State of California.

To the extent that the Fund has not received objections in writing from at least a majority of the Noteholders within ten (10) business days after the Fund or the Manager sends written notice of the proposed action or determination to the Noteholders, the consent of the Noteholders shall be deemed to have been received by the Fund.

(c) The rights and remedies of the Noteholder as provided herein, the Deposit Account Control Agreement and any other relevant documents or agreements between the Fund and the Noteholder shall be cumulative and concurrent, and may be pursued singly, successively or together against the Fund and any other collateral security for payment of the amounts due hereunder, at the sole discretion of the Noteholder, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

12. Waivers. The Fund expressly waives presentment for payment, notice of demand, notice of non-payment or dishonor, protest, notice of protest, diligence of collection, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, except as specifically provided herein, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearance which may be allowed.

13. Transfer. This Note has not been and will not be registered under the Securities Act or any other securities law of any jurisdiction. The Noteholder may not transfer, including by sale, transfer, assignment, pledge, participation, creation of a security interest or other disposition, all or any part of this Note, except in compliance with all applicable securities laws and with the prior written consent of the Fund and the Manager, which consent may be withheld in the sole discretion of the Fund and the Manager. Any transfer to which the Fund and the Manager consent shall be subject to the delivery of such information and documents as required of any prospective transferee prior to registration of any such transfer. Any attempted disposition of this Note that is not in compliance with the terms of the Operating Agreement and this Note shall be void ab initio and ineffectual and shall not bind the Company.

14. Limited Right of Redemption. The Noteholder shall have the limited right to redeem this Note only as expressly provided herein.

(a) The Noteholder will not be permitted to redeem this Note until it has been a Noteholder for at least twelve (12) months (the "Lock Up Period") from the initial date of funding of any portion of such Committed Principal. After the end of the Lock Up Period, the Noteholder may request redemption of this Note in full from the Company on at least sixty (60) days advance written notice to the Manager with an effective redemption date of June 30 or December 31 in any year, as the case may be. The Noteholder shall not be permitted to seek a partial redemption unless the Manager consents in its sole discretion. Any notice of redemption shall be irrevocable when given unless the Manager shall expressly agree to permit revocation of such redemption.

(b) The redeeming Noteholder will not be entitled to the immediate receipt of the principal of this Note or the liquidation of the related positions in LIHTC Properties. The redeeming Noteholder shall be entitled to receive payments in respect of redemption solely from the portfolio of LIHTC Properties underlying the investment by the Company as of the effective date of redemption. The Manager will account for and pay the redemption proceeds as the related LIHTC Properties are liquidated in the ordinary course. The Company will not have any obligation to liquidate, sell or otherwise dispose of any LIHTC Property (in whole or in part) in order to provide liquidity for the redeeming Noteholder. The redeeming Noteholder will not have any right to receive any amounts (in redemption or otherwise) arising from any LIHTC Properties acquired after the effective date of redemption by the redeeming Noteholder.

(c) The redeeming Noteholder, to the extent that it has submitted a complete, effective and irrevocable notice of redemption, shall be deemed, for purposes of this Note, to have its related Committed Principal reduced to zero as of the effective date of redemption to the extent of such redemption with respect to any subsequent acquisition or funding of a new LIHTC Property after that effective date.

15. Register. The Manager shall maintain, on behalf of the Fund, a Register in accordance with the terms of Operating Agreement. The entries in the Register will be conclusive absent manifest error. The Company and the Manager shall treat each Person whose name is recorded in the Register pursuant to the terms of the Operating Agreement as the Noteholder for all purposes of the Operating Agreement and this Note notwithstanding any notice to the contrary.

16. Relationship of Parties. The Fund and the Noteholder intend that the relationship created hereunder and evidenced hereby shall be solely that of creditor and debtor, except for income tax purposes, where the Noteholder will be treated as a "partner" of the Fund within the meaning of Section 7701(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), and all Interest hereunder shall be reported to the Noteholder on a Schedule K-1 (of Form 1065). No provision of this Note or other documents shall be construed in any way to create a partnership or a joint venture or agency between the Fund and the Noteholder and no such provision shall be construed to create in the Noteholder an ownership interest of any kind or nature in property of the Fund.

17. Usury. This Note is subject to the express condition that at no time shall the Fund be obligated or required to pay, nor shall the Noteholder be permitted to collect, interest at a rate in excess of the maximum rate permitted by applicable law. If the Fund is required by the terms of this Note to pay interest at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be reduced immediately to such maximum rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal balance hereunder and not to the payment of interest, and if the principal balance of this Note is paid in full, any remaining excess shall forthwith be paid to the Fund.

18. Governing Law; Jurisdiction and Venue. This Note shall be governed, construed and enforced in accordance with the laws of the State of New York, without regard to the conflict of law rules. In any action, dispute or litigation brought under or relating to this Note, the parties hereto agree to exclusive jurisdiction and venue of any court of competent jurisdiction in the State of New York, and/or the United States District Court for the Southern District of New York. In any such action, the parties agree that, in addition to any method for the service of process permitted or required by said courts, service of process may be made by prepaid certified mail with a proof of mailing receipt validated by the U.S. Postal Service constituting evidence of valid service.

19. Waiver of Jury Trial. THE PARTICPATING NOTEHOLDER IRREVOCABLY WAIVES A JURY TRIAL AND THE RIGHT THERETO IN ANY ACTION OR PROCEEDING BETWEEN BORROWER AND THE NOTEHOLDER WHETHER HEREUNDER OR OTHERWISE TO THE FULLEST EXTENT TO WHICH IT MAY DO SO IN ACCORDANCE WITH APPLICABLE LAW.

20. Time of the Essence. Time is of the essence of this Note and the performance of each of the covenants and agreements contained herein.

[Signature page follows]

IN WITNESS WHEREOF, the Fund has caused this Note to be executed and sealed as of the day and year first above written.

CIX CASTELLAN AFFORDABLE HOUSING FUND LLC,
a New York limited liability company

By: CRP Affordable Housing Manager LLC,
a limited liability company,
its Manager

By: Castellan Managing Member LLC,
a limited liability company,
its sole member

By: Castellan Holdings LLC,
a limited liability company,
its sole member

By: Castellan Holdings Manager LLC,
a limited liability company,
its manager

By: _____
John Salib
Managing Member

**EXHIBIT F**

**FORM OF DEPOSIT ACCOUNT CONTROL AGREEMENT**

[See Attached]

# DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement (this "*Agreement*") dated as of _____ [__], 20 [__] is among **CIX CASTELLAN AFFORDABLE HOUSING FUND LLC** as the "*Debtor*," **CIX ESG AFFORDABLE HOUSING FUND, INC**., as the "*Secured Party*," and WEBSTER BANK, NATIONAL ASSOCIATION, as the "*Bank*."

## BACKGROUND

The Debtor is the Bank's customer with respect to one or more demand deposit accounts identified by the account numbers specified on Schedule A attached hereto and made a part of this Agreement (individually and collectively, including any funds in the account or accounts, the "*Deposit Account*"). The Debtor has granted the Secured Party a security interest in the Deposit Account. The Debtor is requesting that the Bank enter into this Agreement. The Bank is willing to do so upon the terms contained in this Agreement.

## AGREEMENT

1. **Definitions and Rules of Interpretation**. In this Agreement (a) terms defined in the UCC and not otherwise defined in this Agreement have the same meanings in this Agreement as in the UCC, (b) the rules of interpretation in Article 1 of the UCC apply to the interpretation of this Agreement and (c) the term "or" is not exclusive. In addition, the following terms in this Agreement have the following meanings or interpretations:

"*Agreement Date*" means the date set forth in the preamble to this Agreement as the date as of which this Agreement was executed by Bank and when Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

An "*address*" includes the person or persons or department of the Bank on an "attention" line.

A "*Business Day*" means a day other than a day (A) that is not a "business day" as defined in Federal Reserve Board Regulation CC, 12 CFR Part 229, (B) on which the office, branch or department of the Bank specified as the Bank's address specified on the signature pages hereto is closed, or (C) on which commercial banks are closed in the State of New York.

"*Claim*" means a claim, loss, cost, damage, liability, action or expense, and includes out-of-pocket or allocable external or internal legal fees and expenses incurred in bringing or defending such Claim.

A "*communication*" includes the Initial Instruction, and a Disposition Instruction or a notice.

"*Deposit Account*" has the meaning set forth in the "Background" of this Agreement. The Deposit Account is identified on Schedule A to this Agreement.

"*Deposit-related Agreements*" means, collectively, the deposit account agreement and any other agreements between the Bank and the Debtor governing the Deposit Account and any cash

management or similar services provided by the Bank to the Debtor in connection with the Deposit Account, each as may be amended, modified or supplemented from time to time.

"*Disposition Instruction*" means an instruction to the Bank directing the disposition of the funds in the Deposit Account. The Secured Party's Disposition Instruction shall be substantially in the form of Exhibit A attached hereto and made a part of this Agreement.

"*Initial Instruction*" means the first instruction to the Bank originated by the Secured Party directing that the Bank no longer comply with the Debtor's Disposition Instructions, in substantially the form of Exhibit B attached hereto and made a part of this Agreement. The Initial Instruction may also contain a Disposition Instruction originated by the Secured Party.

"*Order or Process*" means an order, judgment, decree or injunction, or a garnishment, restraining notice or other legal process, directing, or prohibiting or otherwise restricting, the disposition of the funds in the Deposit Account.

"*Outside Time*" means, the opening of business on the second Business Day after the Business Day on which the Initial Instruction is actually received by the department of the Bank specified on the signature pages hereto. If the Initial Instruction is actually received by the department of the Bank specified on the signature pages hereto after 12:00 noon, local time, at that address, then in determining the Outside Time, the Initial Instruction will be considered to have been actually received on the following Business Day.

"*Termination Notice*" means a notice to the Bank originated by the Secured Party notifying the Bank that the Secured Party is terminating this Agreement and releasing its security interest in the Deposit Account, in substantially the form of Exhibit C attached hereto and made a part of this Agreement.

"*UCC*" means the Uniform Commercial Code of the State of New York or, if relevant to any matter other than the meaning of a defined term, the Uniform Commercial Code of the jurisdiction whose law applies to the matter under the choice of law rules of the State of New York.

A "*writing*" means a tangible writing, including an electronic record; "*written*" refers to a communication in the form of a writing.

2. **The Debtor's Dealings with the Deposit Account**.

(a) Except as provided in Section 2(b), the Bank may comply with the Debtor's Disposition Instructions in accordance with the Deposit-related Agreements.

(b) The Bank will not comply with the Debtor's Disposition Instructions after the Outside Time. In its discretion, the Bank may cease complying with the Debtor's Disposition Instructions at an earlier time as permitted by Section 4(a)(iv).

3. **The Secured Party's Right to Give Instructions as to the Deposit Account**.

(a) After the Outside Time, the Bank will comply with the Initial Instruction, and with any Disposition Instructions originated by the Secured Party, in each case (i) without the Debtor's

further consent, and (ii) even if following the instruction results in the dishonoring by the Bank of items presented for payment from the Deposit Account or the Bank otherwise not complying with the Debtor's Disposition Instructions. In its discretion, the Bank may comply with the Secured Party's Initial Instruction and Disposition Instruction at an earlier time as permitted by Section 4(a)(iv). The Debtor authorizes and directs the Bank to comply with all such instructions. The Debtor acknowledges and agrees that the Bank shall have no obligation to inquire or investigate whether the Debtor is in default in the payment or performance of its obligations to the Secured Party or to any other party. The Debtor further acknowledges and agrees that the Bank will not be liable to the Debtor for complying with any direction of the Secured Party even if Debtor notifies the Bank that a default had not occurred and/or that the Secured Party was not justified in issuing an Initial Instruction or Disposition Instruction.

(b) Secured Party shall have the right from time to time to delegate all or some of its rights and obligations hereunder to a loan servicer ("*Servicer*"); provided that (i) such delegation shall not relieve Secured Party of its obligations hereunder, (ii) Secured Party will provide written notice of such designation to Bank, in a form and substance satisfactory to Bank, (iii) Secured Party shall be liable for any breach of the terms of this Agreement by Servicer, and (vi) Servicer will provide a written certificate of authority to Bank, in a form and substance satisfactory to Bank, which shall designate which individuals are permitted to act on behalf of the Servicer in connection with this Agreement.

4. **Exculpation of the Bank**.

(a) Notwithstanding the Bank's agreements in Sections 2 and 3, the Bank will not be liable to any other party for:

(i) failing to follow an Initial Instruction (A) before the Outside Time, (B) that does not have attached to it a fully executed copy of this Agreement, (C) that is not in substantially the form of Exhibit B, (D) that does not specify the address to which the Initial Instruction was to have been sent, (E) that the Bank determines would result in the Bank's failing to comply with a statute, rule or regulation, or an Order or Process, binding upon the Bank (in the event of which Bank may require an appropriate Order or Process acceptable to the Bank to proceed), (F) for which the Bank has not received evidence reasonably required by the Bank as to the authority of the person giving the Initial Instruction to act for the Secured Party (in the form of an incumbency certificate of the Secured Party or other authorizing form satisfactory to the Bank), or (G) that is not otherwise completed, or, as a result of any such defect in the Initial Instruction, continuing to comply with the Debtor's Disposition Instructions;

(ii) failing to follow a Disposition Instruction originated by the Secured Party: (A) before the Outside Time, (B) that does not have attached to it a fully executed copy of this Agreement, (C) that is not in substantially the form of Exhibit A, (D) that does not specify the address to which the Disposition Instruction was to have been sent, (E) that requires the disposition of the funds in the Deposit Account by a method not available to the Debtor under the Deposit-related Agreements, (F) that the Bank determines would result in the Bank's failing to comply with a statute, rule or regulation, or an Order or Process, binding upon the Bank (in

the event of which Bank may require an appropriate Order or Process acceptable to the Bank to proceed), (G) that requires the disposition of funds that are not immediately available in the Deposit Account, (H) that directs the disposition of less than all the funds in the Deposit Account or directs that the funds be sent to more than one recipient, (I) for which the Bank has not received evidence reasonably required by the Bank as to the authority of the person giving the Disposition Instruction to act for the Secured Party (in the form of an incumbency certificate of the Secured Party or other authorizing form satisfactory to the Bank), (J) that requires the disposition of the funds in the Deposit Account by a method other than by automatic standing ACH transfers, or (K) that is not otherwise completed.

(iii) complying with the Debtor's Disposition Instructions, or otherwise completing a transaction involving the Deposit Account, that the Bank or an affiliate had started to process before the Outside Time; or

(iv) after the Bank becomes aware that the Secured Party has sent the Initial Instruction, but before the Outside Time, complying with the Initial Instruction or a Disposition Instruction originated by the Secured Party, notwithstanding whether the Initial Instruction or a Disposition Instruction originated by the Secured Party complies with Section 4(a)(i) or 4(a)(ii), as applicable.

(b) The Bank will not be liable to any other party for: (i) wrongful dishonor of any item as a result of the Bank following the Initial Instruction or any Disposition Instruction originated by the Secured Party, (ii) failing to comply or delaying in complying with an Initial Instruction or any Disposition Instruction or any provision of this Agreement due to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, equipment failure, or negligence or default of Debtor or Secured Party, a computer malfunction, interruption of communication or transmission facilities, terrorist attack, or other cause, in each case beyond the Bank's reasonable control, or because such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority, (iii) any other Claim, except to the extent directly caused by the Bank's gross negligence or willful misconduct, or (iv) any indirect, special, exemplary, consequential or punitive damages, including but not limited to lost profits, whether or not the likelihood of such damages was known to Bank, and regardless of the form of the claim or action, or the legal theory on which it is based.

(c) The Bank will have no fiduciary duties under this Agreement to any other party, whether as trustee, agent, bailee or otherwise. The Bank will have no duties to the Secured Party except as expressly set forth in this Agreement. The Bank will have no duty to inquire into or determine the existence or enforceability of the Debtor's obligations to the Secured Party or whether, under any separate agreement between the Debtor and the Secured Party, the Debtor's obligations to the Secured Party are in default, the Debtor may originate a Disposition Instruction, or the Secured Party may originate the Initial Instruction or any Disposition Instruction.

(d) The Bank may act upon any instrument or other writing (including, but not limited to, electronic transmission thereof) believed by it in good faith to be genuine and to have been signed or presented by a person purporting to be the Secured Party, the Debtor, Servicer or a transferee or other successor-in-interest, as the case may be. The Debtor and the Secured Party agree that the procedures set forth in this Agreement, together with the execution of this Agreement, are commercially reasonable for each of them and that no other security procedures are necessary or desired, including, without limitation, those involving any call back to the Secured Party or other methods of verification of authority with respect to the Initial Instruction, any Disposition Instructions or any other writings.

(e) If at any time Bank, in good faith, is in doubt as to the action it should take under this Agreement, Bank shall have the right (i) to commence an interpleader and/or (ii) to take no further action, except, in each case, in accordance with joint instructions from Secured Party and Debtor.

(f) Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Debtor, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Debtor, Bank may act as Bank deems necessary to comply with all applicable provisions of governing statutes and shall not be in violation of this Agreement as a result.

5. **The Bank's Recourse to the Deposit Account**.

(a) Except for amounts referred to in Section 5(b), the Bank (i) subordinates any security interest, lien or other encumbrance against the Deposit Account to the Secured Party's security interest and (ii) will not exercise any right of recoupment, setoff or debit against the Deposit Account. This subordination will not apply to any security interest that the Bank has in an item under UCC Article 4 as a collecting bank.

(b) Notwithstanding Section 5(a), the Bank may charge the Deposit Account for: (i) the face amount of a check, draft, money order, instrument, wire transfer of funds, automated clearing house entry, credit from a merchant card transaction, other electronic transfer of funds or other item (A) deposited in or credited to the Deposit Account, whether before or after the Agreement Date, and returned unpaid or otherwise uncollected or subject to an adjustment entry, whether for insufficient funds or for any other reason and without regard to the timeliness of the return or adjustment or the occurrence or timeliness of any other person's notice of nonpayment or adjustment, (B) subject to a claim against the Bank for breach of transfer, presentment, encoding, retention or other warranty under Federal Reserve Regulations or Operating Circulars, clearing house rules, the UCC or other applicable law, or (C) for a merchant card transaction, against which a contractual demand for chargeback has been made; (ii) normal service charges or fees payable to the Bank in connection with the Deposit Account, DACA fees as noted in Schedule B, or any related services which are all subject to change in Bank's discretion; (iii) any adjustments or corrections of any posting or encoding errors; and (iv) reimbursements for out-of-pocket or

allocable external or internal legal fees and expenses in connection with the negotiation, administration or enforcement of this Agreement by the Bank.

6. **Indemnification and Reimbursement**.

(a) The Debtor indemnifies the Bank, its officers, directors, employees, and agents, and their respective successors and assigns, against all Claims, to which the Bank may become subject, whether commenced or threatened, incurred, sustained or payable by the Bank arising out of or related to this Agreement or the transactions contemplated hereby except to the extent directly caused by the Bank's gross negligence or willful misconduct. Debtor hereby authorizes Bank, without prior notice, from time to time to debit any other account Debtor may have with Bank for the amount or amounts due Bank under this Agreement.

(b) The Secured Party agrees to reimburse the Bank for any charge against the Deposit Account under Section 5(b) for which there were insufficient funds in the Deposit Account to satisfy the charge except to the extent directly caused by the Bank's gross negligence or willful misconduct. Such reimbursement will be limited to the aggregate amount transferred from the Deposit Account as a result of the Bank's acting upon Disposition Instructions originated by the Secured Party or pursuant to Section 9(b). The Bank may not make a Claim for reimbursement under this subsection unless (i) the Debtor fails to satisfy the Claim within fifteen (15) days after the Bank makes a demand on the Debtor under Section 6(a) or (ii) the Bank is enjoined, stayed or prohibited by operation of law from making the demand on the Debtor.

(c) The Secured Party indemnifies the Bank, its officers, directors, employees, and agents, and their respective successors and assigns, against all other Claims, to which the Bank may become subject, whether commenced or threatened, incurred, sustained or payable by the Bank arising out of or related to the Bank following an Initial Instruction or a Disposition Instruction originated by the Secured Party, or from the Bank's remittance of funds pursuant to Section 9(b), except to the extent directly caused by the Bank's gross negligence or willful misconduct.

7. **Representations and Warranties; Agreements with Other Persons**. The Bank represents and warrants to the Secured Party that the Bank (a) is an organization engaged in the business of banking, and (b) maintains the Deposit Account as a demand deposit account or accounts in the ordinary course of the Bank's business. The Bank has not entered into any currently effective agreement, nor will the Bank enter into any agreement, with any person under which the Bank may be obligated to comply with Disposition Instructions originated by a person other than the Debtor or the Secured Party. Bank makes no express or implied representations or warranties with respect to its obligations under this Agreement, except for those expressly set forth herein.

8. **Deposit Account Information**. If the Secured Party so requests in writing, to the extent that the Bank has the operational ability to do so, the Bank will provide to the Secured Party, whether by Internet access or otherwise, a copy of each periodic account statement relating to the Deposit Account ordinarily furnished by the Bank to the Debtor. The Bank's liability for failing to provide the account statement will not exceed the Bank's cost of providing the statement. The Debtor authorizes the Bank to provide to the Secured Party, whether by Internet access or

otherwise, any other information concerning the Deposit Account that the Bank may agree to provide to the Secured Party at the Secured Party's written request.

9. **Termination; Closure of the Deposit Account**.

(a) Neither the Debtor nor the Bank will close the Deposit Account prior to termination of this Agreement. This Agreement may not be terminated by the Debtor except by a notice to the Bank given jointly with the Secured Party. This Agreement may be terminated (i) by the Secured Party at any time by sending a Termination Notice to the Bank and (ii) by the Bank (A) immediately upon notice to the other parties if the Bank becomes obligated to terminate this Agreement or to close the Deposit Account under any statute, rule or regulation, or any Order or Process, binding upon the Bank, (B) upon five (5) Business Days' notice to the other parties if any other party is in material breach of any of the Deposit-related Agreements or this Agreement, and (C) otherwise upon thirty (30) days' notice to the other parties.

(b) If the Bank terminates this Agreement pursuant to clause (A) of Section 9(a)(ii), the Bank will remit any funds in the Deposit Account on the date of termination (i) at the direction of the Secured Party if the direction is received by the Bank prior to the date of termination of this Agreement or (ii) if no such direction is received by the Bank prior to such date, by check mailed to the address of the Secured Party for receiving communications under this Agreement. If the Bank terminates this Agreement pursuant to clause (B) or (C) of Section 9(a)(ii), the Bank will remit any funds in the Deposit Account on the date of termination at the direction of the Secured Party only if the direction is received by the Bank prior to the date of termination of this Agreement. Any obligation of the Bank to remit any funds to or at the direction of the Secured Party under this subsection is subject to Section 4(a).

(c) Except as provided in Section 9(b) and in any event if the Secured Party has communicated to the Bank that the Secured Party does not wish to receive or direct the disposition of the funds, the Secured Party will not receive from the Bank any remittance of funds from the Deposit Account upon termination of this Agreement by the Bank.

(d) The termination of this Agreement will not affect any rights created or obligations incurred under this Agreement before the termination. Sections 4 and 6 will survive the termination of this Agreement for actions taken or omitted before the termination. Sections 9(b) and (c) will survive the termination of this Agreement, and Section 5 will survive the termination of this Agreement solely for any funds to be remitted to or at the direction of the Secured Party pursuant to Section 9(b).

10. **Communications**. All communications from one party to another must be in writing, must be delivered to Debtor, Secured Party and/or Bank at their contact addresses specified after their signatures to this Agreement, or any other address of any party communicated to the other parties in writing, and will be effective on receipt. Receipt of an Initial Instruction, a Disposition Instruction or any other communication sent to the Bank does not occur until it is received by the Bank's department specified on the "attention" line on the signature page hereto, or any other address communicated to the other parties in writing. Bank is authorized by Secured Party and Debtor to act on any instructions or notices received by Bank if (a) such instructions or notices

purport to be made in the name of such party, and (b) Bank reasonably believes that they are so made.

11. **Successors and Transferees**.

(a) This Agreement will inure to the benefit of, and be binding upon, the parties and their respective successors and other transferees permitted under this Section. Except as provided in this Section, a voluntary transfer of a party's rights or duties under this Agreement without the written consent of the other parties will be void.

(b) The Bank may transfer its rights and duties under this Agreement to a transferee to which, by contract or operation of law, the Bank transfers substantially all of its rights and duties under the Deposit-related Agreements.

(c) The Secured Party may transfer its rights and duties under this Agreement to (i) a transferee to which, by contract or operation of law, the Secured Party transfers substantially all of its rights and duties under the financing or other arrangements between the Secured Party and the Debtor for which the Deposit Account acts as collateral security or (ii) if the Secured Party is acting as a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest is created or provided for, a transferee that is a successor trustee, indenture trustee, agent, collateral agent, or other representative. Secured Party will not be released from its obligations under this Agreement unless and until Bank receives evidence in writing of such transferee's binding agreement to assume all of Secured Party's obligations hereunder.

(d) No transfer under this Section will be binding upon a non-transferring party until the non-transferring parties are notified of the transfer in a writing, signed by the transferring party and the transferee, that identifies the transferee, gives the transferee's address for communications under this Agreement, and states that the transferee is a successor of the transferring party and is entitled to the benefit of the transferring party's rights and has assumed all of the transferring party's duties and obligations under this Agreement.

(e) A non-transferring party need not request proof of any transfer or that the transferee is a successor of the transferring party. If requested by a non-transferring party, however, the transferring party and the transferee will provide reasonable proof thereof. If the Bank, as a non-transferring party, requests such proof, then the effectiveness of the notification of transfer will be suspended until the proof is provided, to the satisfaction of the Bank.

(f) When a transfer becomes binding on the non-transferring parties, the transferring party will not be entitled to exercise any rights, and will be relieved of its obligations, accruing under this Agreement from and after that time. Those rights may be exercised, and those obligations will be incurred by the transferee.

(g) The provisions of subsections (d) and (e) do not apply to the Bank as the transferring party if the transfer is by operation of law.

12. **Entire Agreement; Relation to Other Agreements**.

(a) This Agreement, together with any Schedules and Exhibits attached hereto, constitutes the entire agreement of the parties, and supersedes all previous and contemporaneous negotiations, understandings and agreements, with respect to its subject matter, all of which have become merged and finally integrated into this Agreement.

(b) If this Agreement conflicts with any of the Deposit-related Agreements, this Agreement will control. However, this Agreement will not (i) derogate from any Claim or defense that the Bank may have against the Debtor under any of the Deposit-related Agreements or (ii) create any third-party beneficiary rights under any of the Deposit-related Agreements in favor of the Secured Party or any other party.

(c) This Agreement does not amend or otherwise modify any of the agreements between the Debtor and the Secured Party or provide any rights for the Debtor to originate a Disposition Instruction in contravention of any agreement between the Debtor and the Secured Party.

(d) Nothing contained in the Agreement shall create any agency, fiduciary, joint venture or partnership relationship between Bank and Debtor or Secured Party. Debtor and Secured Party agree that nothing contained in this Agreement, nor any course of dealing among the parties to this Agreement, shall constitute a commitment or other obligation on the part of Bank to extend credit to Debtor or Secured Party.

13. **Governing Law and Waiver of Jury Trial**.

(a) Except as otherwise required by Article 9 of the UCC, this Agreement will be governed by the law of the State of New York without giving effect to any choice of law rule that would require the application of the law of another jurisdiction.

(b) **TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, CLAIM OR PROCEEDING (INCLUDING ANY COUNTERCLAIM) OF ANY TYPE ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT**.

14. **Miscellaneous**.

(a) No amendment to this Agreement will be binding on any party unless it is in writing and signed by all of the parties. Any provision of this Agreement benefiting a party may be waived only by a writing signed by that party.

(b) If a provision of this Agreement is held invalid or unenforceable in any respect, the validity or enforceability of the remaining provisions will not in any way be affected, it being understood that the invalidity or unenforceability of an affected provision in a particular jurisdiction will not in and of itself affect the validity or enforceability of the provision in any other jurisdiction.

(c) Delivery of an executed copy of this Agreement may be made by electronic transmission.

(d) This Agreement may be executed in counterparts, each of which shall constitute an original and all of which collectively shall constitute a single agreement.

(e) Any action against Bank by Debtor or Secured Party under or related to this Agreement must be brought within twelve (12) months after the cause of action accrues.

[Remainder of page intentionally left blank]

**Debtor:**

**CIX CASTELLAN AFFORDABLE HOUSING FUND LLC** a **NEW YORK LIMITED LIABILITY COMPANY**

By: _____
Name: **JOEL HAMMER**
Title: _____
Address: C/O CASTELLAN AFFORDABLE HOUSING MANAGER LLC
122 EAST 42ND STREET, SUITE 1903
NEW YORK, NEW YORK 10168

Attention: **JOEL HAMMER**
Telephone Number (for information only):
E-mail Address: **JHAMMER@CASTELLANRE.COM**

[Signature of Secured Party to follow]

**Secured Party:**

CIX ESG AFFORDABLE HOUSING FUND, INC. , a Delaware corporation

By: _____
Name: _____
Title: _____
Address:

Attention:
Telephone Number (for information only):
E-mail Address:

[Signature of Bank to follow]

**Bank:**

**WEBSTER BANK, NATIONAL ASSOCIATION**

By: _____
Name: _____
Title: _____
Address: 360 Hamilton Avenue, 7th Floor
White Plains, NY 10601

Attention: Deposit Operations
Telephone Number (for information only): 914-961-6100
E-mail Address: **daca@websterbank.com**

## Schedule A

## DEPOSIT ACCOUNT

The following account or accounts comprise the Deposit Account [list by account number]:

## Schedule B

## SCHEDULE OF FEES
**Deposit Account Control Agreement (DACA)**
**Applicable to each Deposit Account**

| Description | Price |
|---|---|
| DACA Set-up Fee | $1,500.00[1] |
| DACA Change of Control Fee | $1,500.00 |
| DACA Monthly Maintenance Fee | $150.00[1] |
| DACA Documentation Review Legal Fee | $500.00 |
| DACA Termination Fee | $500.00 |

1 Charges will apply at the inception of the Agreement.

**Exhibit A**

**DISPOSITION INSTRUCTION**

[LETTERHEAD OF THE SECURED PARTY]

[DATE]

[METHOD OF DELIVERY]

Webster Bank
360 Hamilton Ave 7thFloor
White Plains, NY 10601
Attn: Deposit Operations

Re: Disposition Instruction for Deposit Account(s) [ ]:

Ladies and Gentlemen:

This is a Disposition Instruction as defined in the Deposit Account Control Agreement dated [DATE], among you, us and [Debtor] (the "Debtor") (the "Agreement"). A copy of the Agreement as fully executed is attached. Capitalized terms used in this Disposition Instruction have the meanings given them in the Agreement.

We direct you to send the funds in the Deposit Account to the address indicated below. We recognize that, as a condition to your complying with this Disposition Instruction and to the extent that we have not already done so, we must provide to you evidence reasonably required by you as to the authority of the person giving this Disposition Instruction to act for us. We also recognize that your obligation to comply with this Disposition Instruction is subject to the other provisions of the Agreement.

Transfer All Available Funds via Daily ACH to:

Account Number:
Account Name:
Account Address:
Bank Name:
ABA Number:
Bank Address:

[NAME OF SECURED PARTY]

By: _____

[Name:]

[Title:]

**Exhibit B**

**INITIAL INSTRUCTION**

[LETTERHEAD OF THE SECURED PARTY]

[DATE]

[METHOD OF DELIVERY]

Webster Bank
360 Hamilton Ave 7thFloor
White Plains, NY 10601
Attn: Deposit Operations

Re: Initial Instruction for Deposit Account(s) [ ]:

Ladies and Gentlemen:

This is the Initial Instruction as defined in the Deposit Account Control Agreement dated [DATE], among you, us and [Debtor] (the "Debtor") (the "Agreement). A copy of the Agreement as fully executed is attached. Capitalized terms used in this Initial Instruction have the meanings given them in the Agreement.

This Initial Instruction directs the Bank no longer to comply with the Debtor's Disposition Instructions. We recognize that, as a condition to your complying with this Initial Instruction and to the extent that we have not already done so, we must provide to you evidence reasonably required by you as to the authority of the person giving this Initial Instruction to act for us. We also recognize that your obligation to comply with this Initial Instruction is subject to the other provisions of the Agreement.

Very truly yours,

[NAME OF SECURED PARTY]

By: _____

[Name:]

[Title:]

cc: [NAME OF DEBTOR]

**Exhibit C**

**TERMINATION NOTICE**

[LETTERHEAD OF THE SECURED PARTY]

[DATE]

[METHOD OF DELIVERY]

Webster Bank
360 Hamilton Ave 7thFloor
White Plains, NY 10601
Attn: Deposit Operations

Re: Notice of Termination of Agreement re Deposit Account(s) [ ]:

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated [DATE], among you, us and [Debtor] (the "Debtor") (the "Agreement"). A copy of the Agreement as fully executed is attached. You are hereby notified that the Agreement and the security interests of the undersigned in the Deposit Accounts (and all funds therein) are terminated and you have no further obligations to the undersigned pursuant to the Agreement. This notice terminates any obligations you may have to the undersigned with respect to any of the Deposit Accounts. A copy of this notice has also been delivered to all parties.

Very truly yours,

[NAME OF SECURED PARTY]

By: _____

[Name:]

[Title:]

cc: [NAME OF DEBTOR]

**EXHIBIT G**

**FORM OF CASTELLAN SECURITY AGREEMENT**

[See Attached]

# SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of _____, 2022 (this "Security Agreement"), is entered into among CIX ESG Affordable Housing Fund, Inc., a Delaware corporation (the "Secured Party"), CIX Castellan Affordable Housing Fund LLC, a New York limited liability company (the "Debtor"), and CRP Affordable Housing Manager LLC, a New York limited liability company (or any successor or permitted assign, the "Fund Manager").

## RECITALS

A. Reference is made to that certain (i) Subscription Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Subscription Agreement"), between the Debtor and the Secured Party, pursuant to which the Secured Party has agreed to make to make certain financing available to the Debtor (the "Financing"), subject to the terms thereof; (ii) Promissory Note, dated as of the date hereof, made by Debtor in favor of Secured Party, evidencing the Financing (the "Note") and issued pursuant to the Operating Agreement; (iii) Deposit Account Control Agreement, dated as of the date hereof (the "DACA" and, together with the Subscription Agreement and the Note, the "Financing Documents"), among the Debtor, the Secured Party and Webster Bank, National Association; (iv) the Amended and Restated Operating Agreement of CIX Castellan Affordable Housing Fund LLC, dated as of the date hereof (the "Operating Agreement"), by and among the Debtor and the other parties thereto and (v) the Developer Fee Assignment Agreement, dated on or about the date of this Agreement, entered into by and among the Debtor, CRP Affordable Housing and Community Development LLC, a Delaware limited liability company (the "Developer"), and the Fund Manager.

B. The obligation of the Secured Party to make available the Financing is conditioned upon, among other things, the execution and delivery by the Debtor of this Security Agreement and the DACA to secure (a) the due and punctual payment by the Debtor of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Financing, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed, or allowable in such proceeding), of the Debtor to the Secured Party under this Security Agreement and the other Financing Documents; and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Debtor, the Fund Manager and any of their Affiliates (as defined below) under this Security Agreement or any of the Financing Documents (collectively, the "Obligations").

## ARTICLE I.
## DEFINITIONS

**Section 1.01** **Definition of Terms Used Herein**. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the same meanings set forth in the UCC (as defined below), and any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified. As used herein, the following terms shall have the following meanings:

"Affiliate" means, with respect to a specified entity, (i) an entity or individual that directly or indirectly, through one or more intermediaries, owns more than 25% of the outstanding voting securities of such specified entity, and (ii) an entity that directly or indirectly through one or more intermediaries, is controlled by the specified entity, in each case where the term "control" means possession, directly or

indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract interest or otherwise.

"Collateral" has the meaning set forth in Section 3.01.

"Debtor" has the meaning set forth in the Preamble.

"DACA" has the meaning set forth in the Recitals.

"Developer" has the meaning set forth in the Recitals.

"Developer Fees" has the meaning set forth in Section 2.02.

"Developer Fee Agreement" has the meaning set forth in the Recitals.

"Developer Fee Projections" has the meaning set forth in Section 2.01.

"Deposit Account" means the deposit account held by the Debtor with Webster's Bank, N.A., as described in Schedule I hereto[1].

"Event of Default" has the meaning set forth in Section 6.01.

"Financing" has the meaning set forth in the Recitals.

"Financing Documents" has the meaning set forth in the Recitals.

"Fund Manager" has the meaning set forth in the Preamble.

"LIHTC Properties" means investments in (i) rights for the acquisition, rehabilitation and development of affordable rental housing or contractual or other rights to acquire, rehabilitate or develop such properties in each case primarily financed or expected to be financed through low-income housing tax credits and tax-exempt bonds and (ii) interests in businesses that provide services to developers (including the Debtor) within the low-income housing tax credit market.

"Note" has the meaning set forth in the Recitals.

"Obligations" has the meaning set forth in the Recitals.

"Operating Agreement" has the meaning set forth in the Recitals.

"Property" means any property of the Debtor, real or personal, tangible or intangible, including money, any legal or equitable interest in such property and any LIHTC Property, but excluding services and promises to perform services in the future.

"Proceeds" shall mean any consideration received from the disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

[1] NTD: Same Schedule as in DACA.

"Receivables" shall mean and include all of the Debtor's accounts, contract rights, instruments, documents, chattel paper, general intangibles relating to any Developer Fees, including, but not limited to, the rights of the Debtor under the Developer Fee Agreement.

"Secured Party" has the meaning set forth in the Preamble.

"Security Interest" shall have the meaning specified in Section 3.01.

"Subscription Agreement" has the meaning set forth in the Recitals.

"UCC" means the New York Uniform Commercial Code as in effect from time to time.

## ARTICLE II.
## DEVELOPER FEES, DEVELOPER FEE PROJECTIONS

**Section 2.01** **Developer Fees; Developer Fee Projections**. The Fund Manager, in cooperation with its Affiliates, shall develop and maintain projections of anticipated proceeds from the disposition of the rights, interests and Properties acquired by the Debtor, including with respect to LIHTC Properties, and aggregate anticipated developer fees, calculated on a deal-by-deal basis, in respect of each of such rights, interests and Properties owned directly or indirectly by the Debtor together with amounts then held by the Debtor in the Deposit Account (collectively, the "Developer Fee Projections"). The Fund Manager has delivered the current Developer Fee Projections to the Secured Party, as of or about the date of this Security Agreement. The Fund Manager shall provide an updated Developer Fee Projection to the Secured Party from time to time, but not less frequently than the end of every other month commencing October 30, 2022. The Developer Fee Projections shall include the commercial rationale for each transaction to which the Debtor is a party as well as any financial models prepared by the Fund Manager. If the Developer Fee Projections fail to reflect at least a two-to-one (2:1) coverage ratio (i.e., that the projections reflect at least two times the projected interest and outstanding principal on the Note), the Fund Manager shall have forty-five (45) days to take any reasonably necessary action to increase the anticipated proceeds and developer fees and/or to prepay the Note to the extent necessary to restore the two-to-one (2:1) coverage ratio.

**Section 2.02** **Deposit Account; and DACA**. Pursuant to the Developer Fee Agreement, the Developer has (i) assigned to the Debtor the rights to the pro rata portion of developer fees to be paid or that become payable to the Developer or any Affiliate thereof in respect of any LIHTC Properties owned or previously owned, directly or indirectly, by (a) the Debtor or (b) CRP Affordable Housing and Community Development Fund, LLC, a New York limited liability company (such pro rata portion of developer fees, the "Developer Fees"); and (ii) deposit, or cause to be deposited, as the case may be, the Developer Fees in the Deposit Account.

## ARTICLE III.
## SECURITY INTEREST

**Section 3.01** **Security Interest**. As security for the payment or performance, as the case may be, in full of the Obligations, the Debtor hereby grants, bargains, sells, conveys, assigns, sets over, pledges and transfers to the Secured Party, its successors and assigns, a first-priority security interest in and to the following described personal property (the "Security Interest"): (i) all of Debtor's right, title and interest in, to and under (a) the Deposit Account, (b) each other item of property whatsoever (whether cash, Security, Payment Intangibles, and Financial Assets (each such term as defined in the UCC) held in the Deposit Account; and (d) all proceeds of each of the foregoing together with all monies and other properties from time to time on deposit therein and the Proceeds thereof; and (ii) all of the Debtor's right, title and

interest in, to and under the (a) Receivables, and (b) Proceeds, together, in each case, with all accessions thereto and products and replacements thereof (collectively, but subject to Section 3.02, the "Collateral").

**Section 3.02** **Release of Lien**. So long as no Event of Default has occurred and is continuing, at any time that the Debtor transfers or authorizes any transfer of any amount then held in the Deposit Account in accordance with the terms of Deposit Account Control Agreement, the Secured Party will immediately release any and all Security Interest in respect of any such amounts to the extent that such amounts would constitute any part of the Collateral on any date of determination without any further act or consent of any person, including the Secured Party, and any such amounts shall thereafter cease to constitute any part of the Collateral for any reason hereunder.

## ARTICLE IV.
## REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants to the Secured Party that:

**Section 4.01** **Title and Authority**. The Debtor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Secured Party the Security Interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms hereof, without the consent or approval of any other person other than any consent or approval which has been obtained and the performance of the obligations hereunder does not conflict with or result in a material breach of any agreement to which the Debtor is a party.

**Section 4.02** **Validity of Security Interest**. The Security Interest constitutes a legal and valid first priority security interest in all the Collateral securing the payment and performance of the Obligations. The Collateral is owned by the Debtor free and clear of any lien. Except as otherwise provided herein, the Debtor has not filed or consented to the filing of (a) any financing statement or analogous document under the UCC or any other applicable laws covering any Collateral, or (b) any assignment in which the Debtor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect.

## ARTICLE V.
## COVENANTS

**Section 5.01** **Further Assurances**. The Debtor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Secured Party may from time to time reasonably request to assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the filing of any financing statements or other documents in connection herewith or therewith. The Secured Party is authorized to file financing statements signed by the Secured Party instead of the Debtor in accordance with Section 9-402(2) of the UCC.

**Section 5.02** **Use and Disposition of Collateral**. The Debtor shall not make or permit to be made an assignment, pledge or hypothecation of the Collateral or shall grant any other lien in respect of the Collateral. The Debtor and the Fund Manager shall not modify the terms and conditions of or amend the Developer Fee Agreement without the prior written consent of the Secured Party.

## ARTICLE VI.
## EVENNT OF DEFAULT

**Section 6.01** **Event of Default**. As used herein, the term "Event of Default" shall include:

(i) the assignment, voluntary or involuntary conveyance of legal or beneficial interest, mortgage, pledge or grant of a security interest in any of the Collateral;

(ii) the filing or issuance of a notice of any lien, warrant for distraint or notice of levy for taxes or assessment against the Collateral (except for those that are being contested in good faith and for which adequate reserves have been created);

(iii) the entry of an order for relief as to the Debtor or the Fund Manager under the United States Bankruptcy Code, Title 11 of the United States Code, whether arising in connection with voluntary or involuntary bankruptcy proceedings; or

(iv) a default of the Debtor or Fund Manager's obligations hereunder or under any of the Financing Documents to the extent that any such default shall be continuing and uncured after any applicable period for cure as set forth in any such Financing Document.

**Section 6.02** **Power of Attorney**. The Debtor irrevocably makes, constitutes and appoints the Secured Party (and all officers, employees or agents designated by it as such) the Debtor's true and lawful agent and attorney-in-fact, and in such capacity the Secured Party shall have the right, with power of substitution for the Debtor and in the Debtor's name or otherwise, for the use and benefit of the Debtor and the Secured Party, to (i) notify any third party to make payments of Developer Fees directly to the Secured Party and into the Deposit Account in accordance with the terms of this Security Agreement; and (ii) after the occurrence of an Event of Default to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Security Agreement, as fully and completely as though the Secured Party were the absolute owner of the Collateral for all purposes.

## ARTICLE VII.
## REMEDIES

**Section 7.01** **Remedies upon Default**. Notwithstanding anything herein to the contrary, upon the occurrence and during the continuance of an Event of Default, the Secured Party may make withdrawals from the Deposit Account in accordance with the DACA to set-off any and all amounts due and unpaid to Secured Party under the Note (whether due by acceleration or otherwise) or other amounts due and unpaid in connection with the Obligations, and it is agreed that the Secured Party shall have the right to take any of or all the following actions at the same or different times: (a) with or without legal process and with or without prior notice or demand for performance, subject to the terms of the DACA, to take possession of any Collateral and, generally, to exercise any and all rights afforded to a secured party under the UCC or other applicable law.

**Section 7.02** **Conditions to Exercise of Remedies**. The Secured Party represents, warrants and agrees that it will not issue any Initial Instruction (as defined in the DACA) unless and until an Event of Default has occurred and is continuing for not less than forty-five (45) days. The parties acknowledge and agree that the Debtor would suffer irreparable damage in the even that the Secured Party were to act in breach of the foregoing agreement and, in such circumstance, the Debtor shall be entitled to seek specific

performance, or an injunction to prevent or effectuate a retraction of any purported Initial Instruction delivered in breach, of the foregoing agreement of the Secured Party.

## ARTICLE VIII.
## MISCELLANEOUS

**Section 8.01** **Notices**. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in the Subscription Agreement.

**Section 8.02** **Security Interest Absolute**. All rights of the Secured Party hereunder, the Security Interest and all obligations of the Debtor hereunder shall be absolute and unconditional regardless of (a) any lack of validity or enforceability hereof or of any other Financing Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any other Financing Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Debtor in respect of the Obligations or this Security Agreement.

**Section 8.03** **Survival of Agreement**. All covenants, agreements, representations and warranties made by the Debtor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Security Agreement shall be considered to have been relied upon by the Secured Party and shall survive the making by the Secured Party of the Financing, and the execution and delivery to the Secured Party of the Note, regardless of any investigation made by the Secured Party or on its behalf, and shall continue in full force and effect until this Security Agreement shall terminate.

**Section 8.04** **Binding Effect**. This Security Agreement shall become effective as to a party when such party has executed and delivered a counterpart hereof to the other parties, and shall inure to the benefit of the parties and their respective successors and assigns, except that the Debtor and the Fund Manager shall not have the right to assign or transfer their respective rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Security Agreement.

**Section 8.05** **Successors and Assigns**. Whenever in this Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any party hereto that are contained in this Security Agreement shall bind and inure to the benefit of their respective successors and assigns.

**Section 8.06** **Secured Party's Fees and Expenses; Indemnification**. The Debtor agrees to pay upon demand to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Secured Party may incur in connection with the exercise, enforcement or protection of any of the rights of the Secured Party hereunder or the failure of the Debtor to perform or observe any of the provisions hereof. Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Financing Documents. The provisions of this Section 8.06 shall remain operative and in full force and effect regardless of the termination of this Security Agreement or any other Financing Document, the consummation of the transactions contemplated hereby and thereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Security Agreement or any other Financing Document, or any investigation made by or on behalf of the Secured Party. All amounts

due under this Section 8.06 shall be payable on written demand therefor and shall bear interest at the rate specified in the Note.

**Section 8.07** **Waivers; Amendment**. (a) No failure or delay of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder and under the other Financing Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Security Agreement or any other Financing Document or consent to any departure by the Debtor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Debtor in any case shall entitle the Debtor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Security Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Secured Party and the Debtor with respect to which such waiver, amendment or modification is to apply.

**Section 8.08** **WAIVER OF JURY TRIAL; CONSEQUENTIAL DAMAGES. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT OR ANY OF THE OTHER FINANCING DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH SUIT, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT AND THE OTHER FINANCING DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 8.08. NEITHER THE SECURED PARTY, THE SECURED PARTY NOR ANY AFFILIATE OR ATTORNEY FOR THE SECURED PARTY OR THE SECURED PARTY SHALL BE LIABLE TO THE DEBTOR FOR CONSEQUENTIAL DAMAGES ARISING FROM ANY BREACH OF CONTRACT, TORT OR OTHER WRONG RELATING TO THE ESTABLISHMENT, ADMINISTRATION OR COLLECTION OF THE OBLIGATIONS.**

**Section 8.09** **Governing Law; Jurisdiction; Consent to Service of Process**. This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of law principles. Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Security Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party to this Security Agreement irrevocably consents to service of process in the manner as provided for delivery of notices

under the Subscription Agreement. Nothing in this Security Agreement will affect the right of any party to this Security Agreement to serve process in any other manner permitted by law.

**Section 8.10** **Termination**. This Security Agreement and the Security Interest shall terminate when all the Obligations have been indefeasibly paid in full, and the Secured Party has no further commitment to lend under the Note or Subscription Agreement, at which time the Secured Party shall execute and deliver to the Debtor, at the Debtor's expense, all UCC termination statements and similar documents which the Debtor shall reasonably request to evidence such termination. Any execution and delivery of termination statements or documents pursuant to this Section 8.10 shall be without recourse to or warranty by the Secured Party.

**Section 8.11** **Severability**. In the event any one or more of the provisions contained in this Security Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

**Section 8.12** **Headings**. Article and Section headings used herein are for the purpose of reference only, are not part of this Security Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Security Agreement.

**Section 8.13** **Counterparts**. This Security Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

**DEBTOR:**

CRP AFFORDABLE HOUSING FUND LLC

By: CRP Affordable Housing Manager LLC, its Manager

By: Castellan Managing Member LLC, its sole Member

By: Castellan Holdings LLC, its sole Member

By: Castellan Holdings Manager LLC, its Manager

By: _____
Name: John Salib
Title: Managing Member

**FUND MANAGER:**

CRP AFFORDABLE HOUSING MANAGER LLC

By: Castellan Managing Member LLC, its sole Member

By: Castellan Holdings LLC, its sole Member

By: Castellan Holdings Manager LLC, its Manager

By: _____
Name: John Salib
Title: Managing Member

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the day and year first above written.

**SECURED PARTY:**

CIX ESG AFFORDABLE HOUSING FUND, INC.

By: _____
Name:
Title:

**EXHIBIT H**

**FORM OF PORTFOLIO NOTE**

[See Attached]

**THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THIS NOTE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT AS TO THIS NOTE UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (B) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.**

# SECURED PROMISSORY NOTE

**$15,960,000.00 (MAXIMUM AMOUNT)**

As of _____ ___, 2022

FOR VALUE RECEIVED, **CIX ESG AFFORDABLE HOUSING FUND, INC.,** a Delaware corporation (hereinafter referred to as "Maker"), promises to pay to **CIX CAPITAL INTERNATIONAL DESIGNATED ACTIVITY COMPANY,** a company organized and existing in accordance with the laws of Ireland (hereinafter referred to as "Payee"), at such office, or at such other place as may be designated, from time to time, in writing by Payee, the principal sum of **FIFTEEN MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS ($15,960,000.00)** (or, if less, the aggregate unpaid principal amount of all advances made by the Payee to the Maker (which aggregate unpaid principal amount shall be equal to the amount set forth opposite the date last appearing on Schedule A attached to this Note) in lawful money of the United States of America, with total interest at a rate of twelve percent (12%) per annum thereon from the date of this promissory note (this "Note") to and including the Maturity Date (as defined below) in the manner hereinafter set forth, as follows:

A. The Maker and the Payee have entered into that Subscription Agreement, dated as of the date hereof (the "Subscription Agreement"), setting forth the terms and conditions under which Payee agreed, among other things, to make a loan to Maker in the maximum amount of US $15,960,000 (the "Loan"), which Loan is evidenced by this Note.

B. The Maker shall use the proceeds of the Loan to fund a debt investment (the "Castellan Loan") in CIX Castellan Affordable Housing Fund, LLC, a New York limited liability company (the "Castellan Fund"), which Castellan Loan will be evidenced by a secured promissory note made by the Castellan Fund in favor of the Debtor (the "Castellan Note").

C. The terms of the Maker's investment in the Castellan Fund by means of the Castellan Loan are described in that certain Confidential Private Placement Memorandum of the Maker, a copy of which Payee has received and reviewed (the "PPM").

1. Definitions. All capitalized terms used herein shall have the respective meanings assigned to them in this Note or, if not defined herein, in the Subscription Agreement or the PPM, as applicable.

2. Payments. Payments due under this Note shall be payable as follows:

(i) Commencing upon the date hereof and continuing until the date that is two (2) years from the date of this Note (the "Maturity Date") interest at the rate of twelve percent (12%) per annum (compounded annually) shall accrue on the outstanding principal balance of this Note from time to time as described in Schedule A to this Note ("Principal Balance"), and such accrued interest shall be due and payable on the Maturity Date.

(ii) The entire Principal Balance, together with all interest accrued and unpaid thereon calculated in the manner set forth above and all other sums due under this Note, shall be due and payable on the Maturity Date.

3. Interest Rate. Interest on the Principal Balance of this Note shall be computed from the date hereof and shall be calculated on the basis of the actual number of days elapsed over a 365-day year (or, if any portion of the such interest period falls in a leap year, the sum of (i) the actual number of days in that portion of such interest period falling in a leap year divided by 366; and (ii) the actual number of days in that portion of the interest period falling in a non-leap year divided by 365).

4. Security. Payments of all amounts owing to Payee under this Note are secured by a pledge of all of Maker's rights, title and interest in (i) the Castellan Note; (ii) that certain Deposit Account Control Agreement entered into among Maker, the Castellan Fund, the Fund Manager, and Webster's Bank N.A., of even date herewith, securing the Castellan Loan; and (iii) that certain Security Agreement entered into among the Debtor, the Castellan Fund and the Fund Manager. Maker has made and delivered to Payee that certain Security Agreement of even date herewith (the "Security Agreement"), which documents the pledge of the above-described collateral and sets forth certain other rights and remedies of Payee.

5. Prepayment. Maker shall have the right to prepay this Note in whole or in part, without prepayment penalty upon giving thirty (30) days written notice to Payee of such prepayment.

6. Extension of Maturity Date. Payee may extend the Maturity Date for twelve (12) months ("Extension Term") if the Castellan Fund has notified Maker that it will extend the maturity date of the Castellan Loan pursuant to the terms of Maker's debt investment in the Castellan Fund, as further described in the PPM, *provided, however,* that no Event of Default under the Castellan Note or hereunder exists at the time of the request or at the time of expiration of the then existing Maturity Date.

7. Acceleration; Late Payment.

(i) It is hereby expressly agreed that the entire unpaid Principal Balance, together with all interest accrued and unpaid thereon and all other sums due under this Note (hereinafter referred to as the "Debt"), shall without notice become immediately due and payable at the option of Payee if an Event of Default (as defined in the Security Agreement) occurs.

(ii) If any sum payable under this Note is not paid on the date on which it is due, Maker shall pay upon demand an amount equal to two percent (2.0%) of such unpaid sum

as a late payment charge. For the avoidance of doubt, the amount payable under this paragraph 7 is in addition to, and not lieu of, the interest charged under this Note.

8. Default Rate. In addition to any late payment charge which may be due under this Note, the entire unpaid Principal Balance shall bear interest until paid at the lesser of (a) eighteen percent (18%) per annum or (b) the maximum interest rate permitted by applicable law, if any, (the "Default Rate") after the occurrence and during the continuation of any Event of Default (regardless of whether Payee has demanded payment of this Note); provided, however, that after judgment such sums shall bear interest at the greater of the Default Rate or the rate prescribed by applicable law for judgments.

9. Waiver. Maker hereby waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note, and agrees to pay all costs of collection when incurred, including reasonable attorneys' fees (which costs may be added to the amount due under this Note and be receivable therewith), and to perform and comply with each of the terms, covenants and provisions contained in this Note on the part of Maker to be observed or performed. No release of any security for the principal sums due under this Note or extension of time for payment of this Note, or any installment hereof, and no alteration, amendment or waiver of any provision of this Note shall release, discharge, modify, change or affect the liability of Maker under this Note.

10. Governing Law; Venue. The terms of this Note shall be governed by and construed under the laws of the State of Delaware, without giving effect to rules governing conflicts of law. Maker irrevocably consents to the non-exclusive jurisdiction of the state and federal courts of the State of Delaware for the purposes of any suit, action, or proceeding relating to or arising out of this Note (a "Related Proceeding") and irrevocably waives, to the fullest extent it may effectively do so, (i) any objection it may have to the laying of venue of any Related Proceeding in any such court, and (ii) the defense of any inconvenient forum to the maintenance of any Related Proceeding in any such court.

11. Records. Maker shall keep, as part of its books and records, a register which reflects the name and address of the Payee (or current registered holder, if this Note is transferred as provided herein) and the amount owed. Additionally, (i) this Note may not be transferred except as provided below; (ii) as long as Payee or current registered holder, as the case may be, shall file with the Maker, and keep current, a Form W-8BEN-E or such substitute forms as may be required from time to time by the United States Internal Revenue Service ("IRS") and the interest hereunder otherwise qualifies for exemption from United States withholding tax as "portfolio interest", it is the expectation that no withholding tax will be required on payments of interest to Payee hereunder; (iii) Maker shall deliver to Payee on request a copy of the IRS Form W-9 or such substitute forms as may be promulgated by the IRS.

12. Usury. It is the intention of the parties hereto to comply with all applicable usury laws; accordingly, it is agreed that notwithstanding any provisions to the contrary in this Note or in any other documents securing payment hereof or otherwise relating hereto, in no event shall this Note or such other documents be deemed or imputed to require the payment or permit the collection of interest in excess of the maximum amount permitted by such laws. If any such excess of interest is deemed or imputed to be contracted for, charged or received under this Note or under the terms of any other document securing payment hereof or otherwise relating hereto,

or in the event the maturity of the indebtedness evidenced hereby is accelerated in whole or in part, or in the event that all or part of this Note shall be prepaid, so that under any of such circumstances the amount of interest deemed or imputed to be contracted for, charged or received under this Note shall exceed the maximum amount of interest permitted by the applicable usury laws, then in any such event, (i) the provisions of this paragraph shall govern or control, (ii) neither the Maker nor any other person or entity now or hereafter liable for the payment of this Note shall be obligated to pay the amount of such deemed or imputed interest to the extent that is in excess of the maximum amount of interest permitted by the applicable usury laws, (iii) any such excess which may have been collected shall be either applied as a credit against the then unpaid payments hereof or refunded to the Maker, at the Payee's option, and (iv) the rate of interest deemed to apply or imputed to this Note shall be automatically reduced to the maximum lawful rate allowed for this Note under the applicable usury jurisdiction thereof.

13. Transfer. Any transfer of this Note (including any rights to any principal and/or interest represented by this Note) shall require the prior written consent of the Maker, except that any transfer of this Note by Payee to Apex Corporate Trustees (UK) Limited ("Apex") pursuant to that certain Supplemental Security Agreement of even date herewith entered into between Payee and Apex, and acknowledged by the Maker, shall not require Maker's prior written consent, *provided, however,* that any transfer, including to Apex, shall be effective and binding only upon the registration of such transfer on the books and records of the Maker at the office of the Maker, which transfer shall be effectuated by surrender of this Note to the Maker together with a written instrument to transfer and a request for re-issuance, all in a form satisfactory to the Maker, duly executed by the Payee or the current registered holder, as the case may be, or its attorney duly authorized in writing, and delivered to the Maker. The Maker may request an affidavit from the Payee or any assignee thereof in order to ascertain whether or not the interest payable with respect hereto qualifies or continues to qualify for the above-referenced exemption. Any such transfer, surrender and re-issuance of the Note shall be deemed registered by the Maker when re-issued by the Maker to the assignee a written instrument to transfer. This Note is only issuable in registered form and is intended to be in registered form as defined in Treas. Reg. Subsection 5(f).103-1(c). This is the exclusive method of transfer or assignment of this Note and any purported or attempted transfer by any other manner or means is void. Notwithstanding the foregoing, The Maker shall use all commercially reasonable endeavors to do all things necessary to promptly effect a transfer of this Note if requested to do so by the Payee.

14. Termination. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

15. Representations and Warranties. The Maker represents and covenants that: (a) the Maker is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, (b) neither the execution and delivery of this Agreement by the Maker nor the exercise of its rights and the performance of its obligations under this Note are prohibited by law, regulation or order, require any approval, filing, registration or exemption or are prohibited by, constitute an event of default under, or result in an obligation to create security under, any document or arrangement to which it is a party, (c) Maker has full power, authority and legal right to execute and deliver this Note, (d) this Note constitutes a valid and binding obligation of the Maker, (e) the Maker is solvent and (f) the Maker has obtained and will materially comply

and ensure that all its subsidiaries materially comply with all applicable laws and regulations and the terms of all material permits, authorizations and licenses (including, all laws, regulations, permits, authorizations and licenses relating to intellectual property matters) required for carrying on its business in all relevant jurisdictions.

16. WAIVER OF JURY TRIAL. NEITHER THE MAKER NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS NOTE. NEITHER THE MAKER NOR ANY SUCH OTHER PERSON OR ENTITY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THE PROVISIONS HEREOF SHALL BE SUBJECT TO NO EXCEPTIONS. PAYEE HAS NOT IN ANY WAY AGREED WITH OR REPRESENTED TO THE MAKER OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Maker has duly executed this Note as of the day and year first above written.

**MAKER:**

**CIX ESG AFFORDABLE HOUSING FUND, INC.**

By: _____
Name:
Title:

**SCHEDULE A**

**ADVANCES AND PAYMENTS ON ADVANCES**

| Date of Advance | Amount of Advance | Total Outstanding Principal Amount | Name of Person Making the Notation |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

| Date of Repayment | Amount of Repayment | Total Outstanding Principal Amount | Name of Person Making the Notation |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

**EXHIBIT I**

**FORM OF SECURITY AGREEMENT**

[See Attached]

# SECURITY AGREEMENT

SECURITY AGREEMENT dated as of _____, 2022 (this "**Agreement**"), between **CIX CAPITAL INTERNATIONAL DESIGNATED ACTIVITY COMPANY**, an Irish company ("**Secured Party**"); and **CIX ESG AFFORDABLE HOUSING FUND, INC.**, a Delaware corporation (the "**Debtor**").

## RECITALS

**WHEREAS**, Debtor, on the one hand, and the Secured Party, on the other hand, entered into that certain (i) Subscription Agreement dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "**Subscription Agreement**"), pursuant to which the Secured Party has agreed to, among other things, make a loan in the amount of fifteen million nine hundred and sixty thousand U.S. Dollars (US$ 15,960,000.00) to the Debtor (the "**Loan**"); and (ii) Secured Promissory Note, dated as of the date hereof, made by Debtor in favor of Secured Party, evidencing the Loan (the "**Note**", and together with this Agreement and the Subscription Agreement, the "**Loan Documents**");

**WHEREAS**, Debtor intends to use the proceeds of the Loan to fund a debt investment (the "**Castellan Loan**") in CIX Castellan Affordable Housing Fund, LLC, a New York limited liability company (the "**Castellan Fund**"), which Castellan Loan will be evidenced by a secured promissory note made by the Castellan Fund in favor of the Debtor (the "**Castellan Note**"); and

**WHEREAS**, the terms of the Debtor's investment in the Castellan Fund by means of the Castellan Loan are described in that certain Confidential Private Placement Memorandum of the Debtor, a copy of which Secured the Party has received and reviewed (the "**PPM**").

**NOW, THEREFORE**, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Secured Party hereby covenants and agrees as follows:

1. **Definitions**. All capitalized terms used but not otherwise defined in this Agreement shall have the respective meanings given them in the Delaware Uniform Commercial Code (the "**UCC**") or the PPM, as applicable.

2. **Security Interest; Collateral**. For value received, the Debtor hereby assigns and grants to the Secured Party, with full recourse to the Debtor, upon and subject to the terms and conditions set forth in this Agreement, a security interest in and to the following described personal property (the "**Collateral**"):

(a) all of the Debtor's rights, powers, privileges and preferences under that certain (i) Security Agreement entered into as of the date hereof among the Debtor, the Castellan Fund and the Fund Manager (the "**Castellan Security Agreement**"); and (ii) Deposit Account Control Agreement entered into as of the date hereof among the Debtor, the Castellan Fund, the Fund Manager, and Webster's Bank, N.A. (the "**DACA**", and together with the Castellan Security Agreement, the "**Castellan Security Documents**"), including, but not limited to, any proceeds, collateral investment rights, rights to distributions of cash or other property,

allocations, and any other property to which the Debtor may become entitled by reason of the Debtor's rights under the Castellan Security Documents; and

(b) all of the Debtor's rights, title and interest in the Castellan Note, including, but not limited to, (a) all rights of the Debtor to receive monies due or to become due to it thereunder or in connection therewith; (b) all rights of the Debtor to perform and exercise all remedies thereunder; and (c) all proceeds, collections, recoveries and rights of subrogation with respect to the foregoing.

3. **Obligations**. The security interest herein granted (the "**Security Interest**") shall secure full payment and performance of: (a) the due and punctual payment by the Debtor of (i) the principal of, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on, the Loan, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed, or allowable in such proceeding), of the Debtor to the Secured Party under the Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Debtor under or pursuant to the Loan Documents (collectively, the "**Obligations**").

4. **Delivery of Collateral**. After an Event of Default (as defined in Section 8 below), the Secured Party shall have the right, at any time in its discretion and without notice to the Debtor, to assume all rights under or register in its name or in the name of any of its nominees or assignees any or all of the Collateral.

5. **Priority**. The Debtor represents and warrants that the Security Interest is a first-priority security interest in and to all of the Collateral, and there are no liens thereon or security interests therein on the date hereof in existence prior to the Debtor's acquisition of the Collateral.

6. **Title to Collateral**. The Debtor represents, warrants and covenants to the Secured Party that: (a) the Debtor is the owner of the Collateral; (b) no dispute, right of offset, counterclaim or defense to the Security Interest exists with respect to all or any part of the Collateral; and (c) the Debtor will defend the Collateral against the claims and demands of all persons other than any subordinate claims or liens acknowledged by the Secured Party. Prior to the transfer of the Collateral pursuant to the exercise of the Secured Party's remedies under the UCC, the Secured Party shall have no rights as an owner of the Collateral, including the right to control, dispose of or receive any distributions with respect to such Collateral.

7. **Debtor's Obligations**.

(a) At any time and from time to time at the request of the Secured Party, the Debtor shall execute and deliver to the Secured Party any and all UCC-1 Financing Statements and other evidences of the Security Interest that the Secured Party shall determine, in its reasonable judgment, are necessary or desirable to perfect the Security Interest in any one or more jurisdictions. In addition, the Debtor hereby authorizes the Secured Party to file one or

more UCC-1 Financing Statements as the Secured Party may deem necessary or desirable to perfect the Security Interest, without the Debtor's signature.

(b) The Debtor covenants and agrees with the Secured Party that, so long as the Note is outstanding, the Debtor shall (i) not permit any material part of the Collateral to be levied upon under any legal process; (ii) not dispose of any of the Collateral without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld; (iii) not distribute all or any part of the Debtor's assets or engage in any other activity to the extent that such distribution or activity would impair the ability of the Debtor to make any payment when due under the Note; (iv) comply with all applicable federal, state and local statutes, laws, rules and regulations, the noncompliance with which could have a material and adverse effect on the value of the Collateral; and (v) pay all material taxes accruing after the date first set forth above that constitute, or may constitute, a lien against the Collateral, prior to the date when penalties or interest would attach to such taxes; provided, that the Debtor may contest any such tax claim if done diligently and in good faith.

(c) The Debtor hereby represents and warrants to the Secured Party that this Agreement creates in favor of the Secured Party a valid and binding security interest in the Collateral. The Debtor agrees that at any time and from time to time, the Debtor will promptly execute and deliver all further instruments and documents, use reasonable efforts to obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder.

8. **Event of Default**. As used herein, the term "**Event of Default**" shall include (i) nonpayment of any installment of principal or interest upon the date the same shall be due and payable under the terms of the Note, and such default continues for a period of 3 business days; or (ii) subsections (a) and (b) below, if same exists and remains uncorrected on the 10th day after written notice by the Secured Party to the Debtor that certifies such default, or (iii) subsections (c), (d), (e), (f) and (g) below, without an opportunity to cure:

(a) the assignment, voluntary or involuntary conveyance of legal or beneficial interest, mortgage, pledge or grant of a security interest in any of the Collateral;

(b) the filing or issuance of a notice of any lien, warrant for distraint or notice of levy for taxes or assessment against the Collateral (except for those that are being contested in good faith and for which adequate reserves have been created);

(c) the entry of an order for relief as to the Debtor under the United States Bankruptcy Code, Title 11 of the United States Code, whether arising in connection with voluntary or involuntary bankruptcy proceedings;

(d) the merger, reorganization or other consolidation of the Debtor without the prior written consent of the Secured Party, which shall not be unreasonably withheld;

(e) a sale of all or substantially all of the assets of the Debtor to a third party without the prior written consent of the Secured Party, which shall not be unreasonably withheld;

(f) subsequent to the date of this Agreement, (i) the incurrence of any indebtedness for borrowed money, or (ii) the pledge, mortgage or encumbrance of any assets of the Debtor in connection with any such borrowing, in each case, without the prior written consent of the Secured Party, which shall not be unreasonably withheld; or

(g) The occurrence of any default under the terms applicable to any debt of the Debtor and such default shall (i) consist of the failure to pay such debt when due (after the expiration of any applicable grace period), whether by acceleration or otherwise, and (ii) accelerate the maturity of such debt or permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such debt to become due and payable (or require any loan party to purchase or redeem such debt or post cash collateral in respect thereof) prior to its expressed maturity.

9. **Remedies**. Upon the occurrence and during the continuation of an Event of Default as defined herein, the Secured Party, at its option, may exercise any and all rights and remedies that the Secured Party may then have under any of the Loan Documents or under the UCC.

10. **Application of Proceeds by Secured Party**. Any and all proceeds received by the Secured Party from any sale or other disposition of the Collateral, or any part thereof, or the exercise of any other remedy pursuant hereto shall be applied by the Secured Party toward satisfaction of the Obligations; provided, that any proceeds received by the Secured Party under this Agreement in excess of those necessary to fully and completely satisfy the Obligations shall be distributed to the Debtor.

11. **Notices**. All notices under this Agreement shall be in writing and shall be delivered by personal service, by email with receipt confirmation or by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses and/or email addresses set forth on the signature page hereof.

12. **Binding Effect**. This Agreement shall be binding upon the Debtor and the successors and assigns of the Debtor, and shall inure to the benefit of the Secured Party and the heirs, successors, assigns, executors, administrators and personal or legal representatives of the Secured Party. The Debtor hereby represents and warrants to the Secured Party that this Agreement has been duly and validly executed and delivered by the Debtor and constitutes the valid and legally binding obligations of the Debtor enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights and except as enforcement is subject to general equitable principles.

13. **Governing Law; Jurisdiction**. This Agreement will be covered and construed under the laws of the State of Delaware, without giving effect to rules governing conflicts of law. Each of the parties irrevocably consents to the non-exclusive jurisdiction of the state and federal courts of the State of Delaware for the purposes of any suit, action, or proceeding relating to or arising out of this Agreement (a "**Related Proceeding**") and irrevocably waives, to the fullest extent it may effectively do so, (i) any objection it may have to the laying of venue of any Related Proceeding in any such court, (ii) the defense of any inconvenient forum to the

maintenance of any Related Proceeding in any such court, and (iii) its rights to trial by jury in any Related Proceeding arising out of this Agreement or the transactions relating to its subject matter.

14. **Severability**. In the event that any one or more of the provisions contained in this Agreement are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

15. **Scope of the Agreement; Amendment**. This document constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement may not be modified except by an agreement in writing signed by the party against whom the enforcement of any waiver, change, modification or discharge is sought.

16. **Counterparts; Electronic Execution**. This Agreement may be executed in any number of counterparts and signatures may be delivered by facsimile, each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement and instrument. A digital reproduction, portable document format (".pdf") or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by electronic signature complying with the U.S. federal ESIGN Act of 2000 (including signature via *DocuSign, RightSignature* or similar services), electronic mail or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Any counterparts of this Agreement so executed and delivered shall be considered valid, binding and effective for all purposes.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first hereinabove set forth.

**DEBTOR**:

**CIX ESG AFFORDABLE HOUSING FUND, INC.,**
a Delaware corporation

By:_____
Name:_____
Title:_____

Address:
Attention:
Email:

**SECURED PARTY**:

**CAPITAL INTERNATIONAL DESIGNATED ACTIVITY COMPANY**

By:_____
Name:_____
Title:_____

Address:
Attention:
Email:

**ISSUER**

**CIX Capital International Designated Activity Company**
1-2 Victoria Buildings,
Haddington Road,
Dublin 4

**PROGRAMME STRUCTURER**

**CIX Capital International Ltda.**
Avenida Brigadeiro Faria Lima, 2601, 5th Floor
01452-000, São Paulo, SP, Brazil

**TRUSTEE**

**Apex Corporate Trustees (UK) Limited**
Bastion House, 6th Floor
140 London Wall
London EC2Y 5DN

**BACK OFFICE AGENT AND CHARGED ASSETS REALISATION AGENT**

**GWM LTD**
Cedar House 5th Floor
41 Cedar Avenue, Hamilton HM 12
Bermuda

**PROGRAMME COORDINATOR**

**FlexFunds LTD**
4th Floor, Harbour Place,
103 South Church Street
PO Box 10240
Grand Cayman KY1-1002
Cayman Islands

**CALCULATION AGENT**

**Flexfunds ETP, LLC**
1221 Brickell Ave, Suite 1500
Miami, FL 33131
United States of America

**ISSUE AGENT AND PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**
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United Kingdom

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