

IN ADDITION, NOTWITHSTANDING ANYTHING IN THIS PRESENTATION OR THE MEMORANDUM TO THE CONTRARY, THE MANAGING MEMBER MAY DETERMINE, AT ANY TIME, TO CEASE MANAGING ANY PARALLEL LLC IN A MANNER DESIGNED TO QUALIFY SUCH PARALLEL LLC AS A QOF AND/OR TO SEEK TO PROVIDE CERTAIN OR ALL INVESTORS IN THE FUND WITH THE TAX BENEFITS OF THE TCJA RELATING TO QOFS. AS A RESULT OF THE FOREGOING, THERE CAN BE NO GUARANTEE THAT INVESTORS WILL BE ABLE TO TAKE ADVANTAGE OF ANY OF THE POTENTIAL TAX BENEFITS DESCRIBED HEREIN

REAL ESTATE OWNERSHIP IN GENERAL

EACH PARALLEL LLC'S INVESTMENTS WILL BE SUBJECT TO THE RISKS GENERALLY INCIDENT TO THE OWNERSHIP, OPERATION AND DEVELOPMENT OF REAL PROPERTY. 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 THE FUND'S INVESTMENTS. PROPERTY CASH FLOWS AND THE MARKETABILITY AND VALUE OF REAL PROPERTY ARE AFFECTED BY A NUMBER OF FACTORS, SOME OF WHICH ARE BEYOND THE CONTROL OF THE FUND, INCLUDING, RISKS RELATED TO THE DEVELOPMENT AND REDEVELOPMENT OF PROPERTIES, COMPETITION FOR ACQUISITIONS AND TENANTS, AND THE POTENTIAL LACK OF DIVERSIFICATION OF THE FUND'S INVESTMENTS:

- CHANGES IN THE GENERAL AND LOCAL ECONOMIC CLIMATE;
- CHANGES IN SUPPLY OF AND DEMAND FOR COMPETING PROPERTIES IN AN AREA (AS A RESULT, FOR INSTANCE, OF OVERBUILDING);
- THE QUALITY AND PHILOSOPHY OF MANAGEMENT;
- ATTRACTIVENESS, LOCATION AND PHYSICAL CONDITION OF THE PROPERTIES;
- COMPETITION BASED ON RENTAL RATES;
- FINANCIAL CONDITION AND RESOURCES OF TENANTS, BUYERS AND SELLERS OF PROPERTIES;
- QUALITY OF MAINTENANCE, INSURANCE AND MANAGEMENT SERVICES;
- CHANGES IN REAL ESTATE AND OTHER TAXES, OPERATING COSTS AND EXPENSES;
- CHANGES OR PROMULGATION AND ENFORCEMENT OF GOVERNMENT REGULATIONS (INCLUDING THOSE GOVERNING LAND USE, IMPROVEMENTS, ZONING, ENVIRONMENTAL, OCCUPATIONAL AND SAFETY MATTERS, RENT CONTROL AND TAXES);
- ENERGY AND SUPPLY SHORTAGES;
- VARIOUS UNINSURED OR UNINSURABLE RISKS;
- CHANGES IN INTEREST RATES, CAPITALIZATION RATES AND CREDIT MARKET DISLOCATION;
- AVAILABILITY OF FINANCING WHICH MAY RENDER THE SALE OR REFINANCING OF PROPERTIES DIFFICULT OR IMPRACTICABLE;
- NATURAL DISASTERS, ACTS OF WAR OR TERRORISM AND OTHER FACTORS THAT ARE BEYOND THE CONTROL OF THE FUND, THE MANAGING MEMBER, OR THE MANAGER; AND
- RISKS ASSOCIATED WITH THE BURDENS OF OWNERSHIP OF REAL PROPERTY;
- THE MANAGING MEMBER MAY NOT BE ABLE TO LOCATE AND COMPLETE INVESTMENTS THAT ENABLE EACH PARALLEL LLC TO INVEST ALL OF ITS CAPITAL IN OPPORTUNITIES THAT SATISFY THE FUND'S INVESTMENT OBJECTIVES AND THAT MEET THE REQUIREMENTS OF THE TCJA RELATING TO QOFS, REALIZE THE VALUE OF THESE INVESTMENTS OR FULLY INVEST THE CAPITAL CONTRIBUTIONS TO THE FUND.

IF A PARALLEL LLC'S INVESTMENTS DO NOT GENERATE SUFFICIENT REVENUES TO MEET ITS OPERATING EXPENSES, INCLUDING DEBT SERVICE AND CAPITAL EXPENDITURES, SUCH PARALLEL LLC'S CASH FLOW AND ABILITY TO PAY DISTRIBUTIONS TO THE INVESTOR MEMBERS WILL BE ADVERSELY AFFECTED. ADDITIONALLY, ALL REAL ESTATE AND REAL ESTATE-RELATED INVESTMENTS ARE SUBJECT TO THE RISK THAT A GENERAL DOWNTURN IN A FOREIGN ECONOMY OR THE NATIONAL OR LOCAL ECONOMY WITHIN THE U.S. WILL DEPRESS REAL ESTATE PRICES. FLUCTUATION IN INTEREST RATES OR OTHER FINANCIAL MARKET VOLATILITY MAY RESTRICT THE AVAILABILITY OF FINANCING FOR FUTURE PROSPECTIVE PURCHASERS OF A PARALLEL LLC'S INVESTMENTS AND COULD SIGNIFICANTLY REDUCE THE VALUE OF SUCH INVESTMENTS.