

Certain Risk Factors



While presenting the opportunity for monetary gain, an investment in GTIS Qualified Opportunity Fund LLC (the "Fund") will involve a high degree of risk and is suitable only for investors that have no immediate need for liquidity of the amount invested and can withstand a loss of their entire investment in the Fund. When analyzing an investment in the Fund, prospective investors should consider, without limitation, the following risks, and should also carefully review the more thorough discussion of risk factors and potential conflicts of interest contained within the Definitive Documents.

No Assurance of Investment Return; Possible Loss of Entire Investment

GTIS cannot provide any assurance that it will be able to choose, make and realize investments in any particular asset or portfolio of assets. Similarly, there can be no assurance that the Fund overall will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of assets the Fund will be targeting. There can be no assurance that any investor will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. Prospective investors are cautioned that past performance of investment entities associated with GTIS or their respective affiliates is not necessarily indicative of future results and provides no assurance of future success.

Returns May Not Be Equivalent to Those of Prior Funds

There can be no assurance that the Fund's returns will approach the individual or collective historical performance of other GTIS funds. Past GTIS deal flow is not necessarily indicative of future deal flow with respect to the Fund. The loss of all or a portion of the amount invested in any of the Fund's investments is possible.

Unspecified Investments

The Fund has not identified any of its investments at this time. Investors must rely on the Fund's management team and the Fund's investment committee to make all portfolio investment decisions and will not have the opportunity to independently evaluate any investments.

Limited Liquidity; Illiquid Investments

An investment in the Fund will be highly illiquid and requires a long term commitment, with no certainty of return. GTIS anticipates a long time period between the initial capitalization of the Fund and the time when the Fund's investors may receive distributions, if any. Additionally, the types of assets in which the Fund intends to invest are illiquid and will remain so for an indefinite period. Depending on market activity, volatility, applicable laws and other factors, the Fund may not be able to promptly liquidate its investments at an attractive price or at all. The sale of any such investments may be subject to delays and additional costs and may be possible only at substantial discounts.

Dependence on Key Personnel

The success of the Fund will be dependent on the financial and managerial expertise of GTIS and its personnel. There can be no assurance that current GTIS personnel will continue to be associated with GTIS or its affiliates throughout the life of the Fund. Similarly, there can be no assurance that the members of the Fund's investment committee will remain the same during the life of the Fund. If the Fund's management team cannot agree on decisions affecting the Fund, it may adversely impact investment results of the Fund, or the loss of personnel. Additionally, GTIS personnel may be engaged in other activities besides management of the Fund.

General Risks of Real Estate

All real estate investments are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, may tend to limit the Fund's ability to promptly adjust the Fund's portfolio in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by the Fund will not decrease in the future or that the Fund will recognize full value for any investment that the Fund is required to sell for liquidity reasons. Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates and changes in the availability, costs and terms of mortgage funds, energy prices, changes in the relative popularity of properties, the ongoing need for capital improvements, cashflow risks, construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of the Fund or the management team.

Risks Relating to the Uncertainty of and Compliance with the QOF Rules

The Fund was formed for the purpose of benefiting from the QOF program, and presently intends to conduct its operations so that it is treated as a QOF within the meaning of Subchapter Z of the U.S. Internal Revenue Code. However, no assurances can be provided that the Fund will qualify as a QOF or that, even if it does qualify, the tax benefits related to the QOF program will be available to any particular investor in the Fund. In addition, complying with QOF regulations could have a material adverse effect on the Fund's performance. The Fund may change its acquisition program, its strategies, and the investments or types of investments it may make at any time and from time to time in order to comply with any additional legislation or administrative guidance from Congress or the Treasury.