JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
(A LIMITED PARTNERSHIP)

Consolidated Financial Statements with
Independent Auditor's Report

December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Partners of
JAMESTOWN Co-Invest 5, L.P. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of JAMESTOWN Co-Invest 5, L.P., a Georgia limited partnership, and Subsidiaries (the "Partnership"), which comprise the consolidated statement of net assets, including the consolidated schedule of investments, as of December 31, 2021, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Partnership as of December 31, 2021, and the consolidated results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Moore, Colson + Company, P.C.

Atlanta, Georgia
April 15, 2022

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
(A LIMITED PARTNERSHIP)

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JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF NET ASSETS
DECEMBER 31, 2021

Assets:	
Real estate investments, at fair value:	
Real estate (cost: $400,588,806)	$ 725,000,000
Unconsolidated real estate partnership (cost plus equity in undistributed earnings: $16,334,126)	42,236,626
Total real estate investments	767,236,626
Cash and cash equivalents	226,353,111
Restricted cash	1,934,188
Accrued investment income, net of allowance for doubtful accounts of $191,702	3,897,548
Prepaid withholding taxes	1,251,963
Prepaid expenses and other assets	212,799
Total assets	1,000,886,235
Liabilities:	
Mortgage loan payable, at fair value	421,967,006
Accrued distributions	6,648,876
Accrued real estate expenses and taxes	4,736,212
Accrued estimated withholding taxes	97,358,008
Accrued capital and leasing costs	5,770,199
Accrued interest expense	598,599
Tenant security deposits	2,032,507
Due to related parties, net	1,484,635
Deferred income	2,817,066
Total liabilities	543,413,108
Commitments and contingencies (see Note 11)	
Net assets:	
JAMESTOWN Co-Invest 5, L.P.	306,935,975
Noncontrolling interests	150,537,152
	$ 457,473,127

See notes to consolidated financial statements.

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
DECEMBER 31, 2021

Real Estate Investments	Ownership*	Ownership Percentage	City, State	Type	Rentable Square Feet (unaudited)	Cost	Fair Value	Percent of Fair Value
Real Estate								
JAMESTOWN Ponce City Market, L.P. ("Ponce City Market")	CJV	50.5%	Atlanta, GA	Mixed-Use	1,169,000 (259 residential units)	$ 400,588,806	$ 725,000,000	94.5 %
					Total real estate	$ 400,588,806	$ 725,000,000	94.5 %
Unconsolidated Real Estate Partnership								
Georgetown Renaissance, L.P. ("Shops in Georgetown")	EP	48.0%	Washington, DC	Mixed-Use	427,000 (17 residential units)	$ 16,334,126	$ 42,236,626	5.5 %
					Total unconsolidated real estate partnership	$ 16,334,126	- $ 42,236,626	5.5 %
					Total real estate investments	$ 416,922,932	$ 767,236,626	100.0 %

CJV - Consolidated Joint Venture Partnership

EP - Partnership accounted for under the equity method

See notes to consolidated financial statements.

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Revenues:	
Revenue from real estate	$ 47,298,122
Other revenue from real estate	7,355,228
Equity in income from unconsolidated real estate partnerships	11,107,717
Other income	85,969
Total revenues	65,847,036
Expenses:	
Real estate operating expenses	23,273,775
Real estate taxes	923,367
Interest expense	15,539,963
Supervisory management fees	2,190,768
Asset management fees	3,057,884
Fund administrative expenses	271,762
Total expenses	45,257,519
Net investment income	20,589,517
Realized and unrealized gains (losses):	
Realized gain from sale of real estate	202,871,843
Less: Previously recorded unrealized gain on real estate	(159,030,242)
Net realized gain from sale of real estate	43,841,601
Realized gain from sale of unconsolidated real estate partnership interest	150,478,861
Less: Previously recorded unrealized gain on unconsolidated real estate partnership	(109,290,046)
Net realized gain from sale of unconsolidated real estate partnership	41,188,815
Realized loss from settlement of interest rate swap	(1,315,300)
Less: Previously recorded unrealized loss on interest rate swap	4,227,592
Net realized gain from settlement of interest rate swap	2,912,292
Change in unrealized gain on real estate	26,445,609
Change in unrealized gain on unconsolidated real estate partnership	9,787,413
Net realized and unrealized gain	124,175,730
Increase in net assets resulting from operations	144,765,247
Portion attributable to noncontrolling interests	12,866,862
Increase in net assets resulting from operations attributable to Jamestown Co-Invest 5, L.P.	$ 157,632,109
Amounts attributable to Jamestown Co-Invest 5, L.P.:	
Net investment income	$ 24,043,975
Net realized and unrealized gain	133,588,134
Increase in net assets resulting from operations attributable to Jamestown Co-Invest 5, L.P.	$ 157,632,109

See notes to consolidated financial statements.

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Partner	Limited Partners	Noncontrolling Interests	Total
Beginning balance - December 31, 2020	$ 76,452,660	$ 562,892,930	$ 10,150,000	$ 649,495,590
From operating activities:				
Net investment income (loss)	—	24,043,975	(3,454,458)	20,589,517
Net realized and unrealized gain (loss)	56,106,940	77,481,194	(9,412,404)	124,175,730
Increase (decrease) in net assets resulting from operations	132,559,600	664,418,099	(2,716,862)	794,260,837
From capital transactions:				
Contributions	—	—	3,507,758	3,507,758
Distributions	(38,829,466)	(451,212,258)	(10,150,000)	(500,191,724)
Partnership interest transfer	—	—	159,896,256	159,896,256
Increase (decrease) in net assets resulting from capital transactions	(38,829,466)	(451,212,258)	153,254,014	(336,787,710)
Ending balance - December 31, 2021	$ 93,730,134	$ 213,205,841	$ 150,537,152	$ 457,473,127

See notes to consolidated financial statements.

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:		
Increase in net assets resulting from operations	$	144,765,247
Adjustments to reconcile decrease in net assets resulting from operations to net cash flows provided by operating activities:		
Net realized and unrealized gain		(124,175,730)
Amortization of deferred financing costs		415,710
Financing fee expense		7,946,502
Equity in income from unconsolidated real estate partnerships, net of return on capital from distributions from unconsolidated partnerships		168,651,799
Bad debt expense		524,921
Changes in assets and liabilities:		
Accrued investment income		(245,815)
Prepaid withholding taxes		8,660,380
Prepaid expenses and other assets		(61,548)
Accrued real estate expenses and taxes		3,237,546
Accrued estimated withholding taxes		97,358,008
Accrued interest expense		(69,938)
Tenant security deposits		204,329
Due to related parties, net		419,097
Deferred income		2,183,671
Net cash provided by operating activities		309,814,179
Cash flows from investing activities:		
Additions to real estate		(25,007,259)
Proceeds from sale of real estate		251,341,856
Net cash provided by investing activities		226,334,597
Cash flows from financing activities:		
Distributions to noncontrolling interest		(10,150,000)
Contributions from noncontrolling interest		3,507,758
Distributions to limited partners		(483,595,690)
Distributions to General Partner		(44,182,284)
Proceeds from mortgage loan payable		421,967,006
Principal payments on mortgage loans payable		(215,000,000)
Payment of financing costs		(7,946,502)
Net cash used in financing activities		(335,399,712)
Net increase in cash, cash equivalents and restricted cash		200,749,064
Cash, cash equivalents and restricted cash, beginning of year		27,538,235
Cash, cash equivalents and restricted cash, end of year	$	228,287,299

See notes to consolidated financial statements.

JAMESTOWN CO-INVEST 5, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Supplemental cash flow information:		
Cash paid for interest	$	(7,247,689)
Supplemental disclosure of noncash operating, investing, and financing activities:		
Decrease in accrued distributions	$	(32,383,432)
Increase in noncontrolling interest	$	159,896,256
Increase in accrued capital and leasing costs	$	3,314,182
Increase in accrued capital and leasing costs - related party	$	408,598
Decrease in due to General Partner	$	(5,352,818)
Due from purchaser	$	1,371,649

See notes to consolidated financial statements.

(1) Organization and Purpose

JAMESTOWN Co-Invest 5, L.P. (the Partnership), a Georgia limited partnership, has multiple subsidiaries for its real estate investments (collectively referred to as the Fund). The Partnership was formed in September 2007 for the purpose of acquiring, investing, redeveloping, owning, operating and selling income producing properties with the intention of achieving current income, capital appreciation or both. JAMESTOWN, L.P. (JAMESTOWN), a Georgia limited partnership, is the General Partner.

The Partnership is authorized to have between 100,000,000 and 750,000,000 limited partnership units, each having a subscription price of $1.00. On December 31, 2009, the Fund was closed for further purchase of limited partnership units. At the close of the Fund, 448,921,392 units had been issued.

As a limited partner, on October 1, 2007, affiliates of JAMESTOWN subscribed and paid for 20,000,000 limited partnership units. Certain employees of the General Partner and Jamestown US-Immobilien GmbH, an affiliate of the General Partner, invest in the Partnership as limited partners. The contractual terms and requirements of the employee investors are generally consistent with all third-party investors.

As a General Partner, JAMESTOWN was not required to contribute any capital to the Partnership.

On December 31, 2015, the Agreement of Limited Partnership (herein referred to as the Partnership Agreement, inclusive of all subsequent amendments and restatements) was amended and restated to extend the term of the Partnership from December 31, 2016 to December 31, 2023. The Partnership may also terminate upon the occurrence of certain events as defined in the Partnership Agreement.

The amended Partnership Agreement also allowed for the limited partners to elect to have their Units redeemed effective December 31, 2015, for a redemption price equal to 110% of the Capital Contributions (2015 Redemption), or effective December 31, 2016, for a redemption price equal to the net asset value of the Partnership as of the redemption date (2016 Redemption). The gross 2015 Redemption resulted in 62,789,639 units being redeemed for $69,068,603 on March 31, 2016, net of withholding taxes and other administrative expenses, remitted on behalf of the redeemed partners. The gross 2016 Redemption resulted in 60,857,105 units being redeemed for $81,303,397 on March 31, 2017, net of withholding taxes and other administrative expenses, remitted on behalf of the redeemed partners. The redemption price represented 133.6% of the Capital Contributions. As of December 31, 2021, 323,449,648 units were outstanding.

The Partnership Agreement was further amended on October 1, 2021, to extend the term of the Partnership to December 31, 2027.

The stated objectives of the Partnership are as follows:

a. To preserve and protect the partners' investments in the Partnership;

b. To make distributions to the limited partners of 6% of the Adjusted Capital Contributions each year; and

c. To return to each limited partner at least 110% of their Capital Contributions from (i) Net Proceeds of Sale or Refinancing and (ii) cash reserves existing at the time the Partnership is liquidated.

(1) Organization and Purpose (Continued)

On December 9, 2021, as a result of the sale of the properties owned by WRI-JAMESTOWN Retail Venture, L.P. (Weingarten Retail Portfolio) and JTCI5 Sunny Isles, L.P. (Beach Place Apartments) as well as the sale of 49.5% of the property owned by Ponce City Market and the refinance of the Ponce City Market mortgage loan payable, the Fund returned capital totaling $433,422,528 to the limited partners, which represented approximately 134% of the outstanding units. A portion of the promote shared with the General Partner was also distributed (see Notes 4,5,6 and 9).

All capitalized terms not defined herein shall have the meaning ascribed to them in the Partnership Agreement.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Partnership is considered an investment company under GAAP.

(b) Basis of Consolidation

The consolidated financial statements of the Fund include the accounts of the Partnership and its real estate partnerships for which it has control over the major operating and financing policies. All significant intercompany accounts and transactions among the Partnership and its subsidiaries have been eliminated in consolidation.

Variable Interest Entities (VIEs) are defined as entities in which equity investors (i) do not have the characteristics of a controlling financial interest, and/or (ii) do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The entity that consolidates a VIE is known as its primary beneficiary, and is generally the entity with (i) the power to direct the activities that most significantly impact the VIE's economic performance, and (ii) the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE.

The Fund has determined that Weingarten Retail Portfolio and Shops in Georgetown are not considered VIEs, and since neither equity investor has disproportionate power to direct the activities that most significantly impact the respective entities' performance, the real estate investments are reported under the equity method in the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues, expenses, and realized and unrealized gains (losses) during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment.

Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from those estimates. The most significant estimates and assumptions for the Fund relate to the valuation of the real estate, unconsolidated real estate partnerships and derivative instruments.

Real estate investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates and interest and inflation rates. As a result, determining real estate investment values involve many assumptions. Amounts ultimately realized from each investment may vary significantly from the fair values presented.

(d) Real Estate Investments

<u>Real Estate</u>

Real estate property acquisitions, sales and dispositions are recorded as of the date of closing. Real estate investments are carried at fair value. Costs incurred in connection with the acquisition of the real estate investments are capitalized.

Expenditures that extend the economic life of the property or directly relate to revenues of future periods, including tenant improvements and leasing commissions, are capitalized. Capitalized amounts are not depreciated or amortized since appraisals take into account the estimated effect of physical depreciation. Expenditures for maintenance and repairs are expensed as incurred.

(2) Summary of Significant Accounting Policies (Continued)

(d) Real Estate Investments (Continued)

Unconsolidated Real Estate Partnership

Investment in the unconsolidated real estate partnership is stated at fair value and is presented in the consolidated financial statements using the equity method of accounting, as the control of the investment is not held by the Fund. Under the equity method, the investment is initially recorded at the original investment amount, plus additional amounts invested, reduced by distributions received and adjusted for the Fund's share of undistributed earnings or losses (including realized and unrealized gains and losses) from the underlying partnership. The Fund's share in the net assets of the investment in unconsolidated real estate partnership includes the estimated fair value of the real estate investment, net of the cost of any debt and gives consideration to any preferential return provisions in the applicable partnership agreement. The economic substance of the investment is also taken into consideration in determining the Fund's share of the fair value of the investment. Capital contributions to the Fund's investment in the unconsolidated real estate partnership is recorded as of the date the funds are advanced. Distributions of income and return of capital to the Fund from its investment in the unconsolidated real estate partnership is recorded as of the date funds are received.

(e) Investment Income and Expenses

The majority of the Fund's revenue is earned through the lease of rental space at its underlying properties. These revenues are accounted for as leases under Accounting Standards Codification Topic 840, *Leases* (ASC 840). Other revenues, as a whole, are immaterial to total revenues and are accounted for as revenues from contracts with customers in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606).

(2) Summary of Significant Accounting Policies (Continued)

(e) Investment Income and Expenses (Continued)

The Fund categorizes its primary sources of revenue as follows:

- Lease revenues: income arising from lease or license agreements which may include base rent, percentage rent, parking rent or reimbursements from tenants for real estate taxes, insurance, and other operating expenses. Base rent and parking rent is recognized when due in accordance with the terms of the respective agreements. The Fund recognizes the reimbursement of expenses from tenants as the related expenses are incurred. Percentage rents are recognized once the thresholds are achieved and the amounts become determinable. In addition, termination fees arise from contractual agreements with tenants and are considered lease modifications. The Fund recognizes the income upon execution of the agreement. Lease revenues are accounted for in accordance with ASC 840 and are included in revenue from real estate on the accompanying consolidated statement of operations.

- Parking fees: income from parking fees at Ponce City Market where the parking garage is not leased to an operator. The Fund recognizes the income when the service is performed or over the term of the contract, if applicable, in accordance with ASC 606. Parking fee income totaling $6,262,364 is included in other revenue from real estate on the accompanying consolidated statement of operations.

- Short-term residential rentals: income from occupancy of short-term residential rentals is recognized over the term of the stay in accordance with ASC 606. Income from short-term residential rentals totaling $1,076,357 is included in other revenue from real estate on the accompanying consolidated statement of operations.

- Sponsorship income: income arising from sponsorship agreements in exchange for various promotional considerations related to a stated event. The Fund recognizes the income on the date the sponsored event occurs in accordance with ASC 606. Sponsorship income totaling $16,507 is included in other revenue from real estate on the accompanying consolidated statement of operations.

- Equity in income from the Fund's unconsolidated real estate partnerships represents the Fund's share of the unconsolidated real estate partnerships' net investment income.

Expenses are recognized when incurred.

(2) Summary of Significant Accounting Policies (Continued)

(f) COVID-19 Lease Concessions

In April 2020, the Financial Accounting Standards Board (FASB) staff issued a question and answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of a global pandemic of a novel strain of coronavirus (COVID-19). Under existing lease guidance, the Fund would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). Although the original lease modification guidance in ASC 840, Leases, remains appropriate to address routine lease modifications, the Lease Modification Q&A established a different framework to account for certain lease concessions granted in response to the COVID-19 pandemic. The Lease Modification Q&A allows the Fund, if certain criteria have been met, to bypass the lease by lease analysis, and instead make an accounting policy election to account for COVID-19-related lease concessions as either a lease modification or a negative variable adjustment to rental revenue. Such election is required to be applied consistently to leases with similar characteristics and similar circumstances.

The Fund has elected to apply such relief and will not perform a lease by lease analysis for the lease concessions that were (1) granted as relief due to the COVID-19 pandemic and (2) result in the cash flows remaining substantially the same or less than the original contract. The Lease Modification Q&A has no material impact on the Fund's consolidated financial statements as of December 31, 2021. However, its future impact to the Fund is dependent upon the extent of lease concessions granted to tenants as a result of the COVID-19 pandemic in future periods and the elections made by the Fund at the time of entering such concessions. The Fund has made the following accounting policy elections by the type of concession agreed to with the respective tenants:

> Rent Deferrals – The Fund will account for rent deferrals that will be paid back within 24 months of the deferral date using the receivables model as described within the Lease Modification Q&A. Under the receivables model, the Fund will continue to recognize lease revenue in a manner that is unchanged from the original lease agreement and continue to recognize lease receivables and rental revenue during the deferral period.
>
> Rent Abatements – The Fund will account for rental abatements using the negative variable income model as described within the Lease Modification Q&A. Under the negative variable income model, the Fund will recognize negative variable rent for the current period reduction of rental revenue associated with any lease concessions provided.

Additionally, in light of the recent and ongoing COVID-19 pandemic, the Fund is closely monitoring changes in the collectability assessment of its tenant receivables as a result of certain tenants suffering adverse financial consequences. The Fund has applied a reserve during the period to account for collectability estimates and tenant concessions that the Fund expects to provide. The Fund's reserve is recognized as a component of real estate operating expenses in the statement of operations.

(2) Summary of Significant Accounting Policies (Continued)

(g) Fair Value of Assets, Liability and Derivative Instrument

The Fund reports the fair value of its real estate investments, its derivative instrument and the mortgage loan payable of Ponce City Market on the consolidated financial statements. During 2021, due to the refinance of the Ponce City Market mortgage loan payable (see Note 6), the Fund elected the fair value option for the new mortgage loan payable associated with its consolidated joint venture partnership (see Note 3 and 6).

(h) Cash, Cash Equivalents and Restricted Cash

		December 31, 2021
Cash and cash equivalents	$	226,353,111
Restricted cash		1,934,188
Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	$	228,287,299

The Fund classifies short-term, highly liquid investments with original maturities of approximately 90 days or less and money market accounts as cash equivalents. These investments are stated at cost, which approximates fair value. The Fund invests its cash primarily in deposits and money market funds with commercial banks. At times, cash balances may exceed federally insured amounts. Management believes it mitigates credit risk by depositing cash in and investing through major financial institutions.

Restricted cash consists of tenant security deposits.

(i) Accrued Investment Income - Allowance for Doubtful Accounts

In the normal course of business, the Fund extends unsecured credit to its tenants. The Fund performs on-going credit evaluations of its tenants and maintains an allowance for doubtful accounts when considered necessary. Accounts receivable are generally due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable do not bear interest.

Bad debts are provided using the allowance for doubtful accounts method based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. The allowance for doubtful accounts was $191,702 as of December 31, 2021.

Accrued investment income also includes amounts due to the Fund from the 3rd party that acquired the non-controlling interest at Ponce City Market (see Note 4).

(2) Summary of Significant Accounting Policies (Continued)

(j) Prepaid Withholding Taxes

Amounts remitted on behalf of limited partners for withholding taxes are recognized as an asset that will be recovered from future distributions to those limited partners. Estimated withholding tax payments made could exceed the final taxes due and the Fund would either apply this excess to future tax liabilities or receive a refund from the taxing authority.

(k) Financial Instruments

Accrued investment income, net, prepaid withholding taxes, prepaid expenses and other assets, accrued distributions, accrued real estate expenses and taxes, accrued estimated withholding taxes, accrued capital and leasing costs, accrued interest expense, tenant security deposits, due to related parties, net, and deferred income are all short-term in nature; as such their carrying amounts approximate fair value.

(l) Income Taxes

No provision for income taxes is required by the Fund since the partners report their respective share of the taxable income or loss of the Fund in determining their individual taxable income.

Section 1446 of the Internal Revenue Code (IRC) requires that a partnership with nonresident partners remit withholding tax payments directly to the Internal Revenue Service. The withholding tax payments are based upon the nonresident partners' allocable share of the Fund's consolidated income that is effectively connected with a U.S. trade or business times the highest marginal income tax rate as determined by the classification of income. The withholding tax payments are creditable against the individual partner's income tax liability and, to the extent the payments exceed the partner's actual income tax liability for the year, the excess will be refunded to the partner upon the filing of a U.S. income tax return. The Fund also remits creditable withholding taxes directly to the state taxing authorities of Georgia and Virginia.

The Fund accounts for income taxes in accordance with FASB Accounting Standards Codification 740, *Income Taxes* (ASC 740). ASC 740 prescribes a recognition threshold and measurement attribute for recognizing tax return positions in the consolidated financial statements as those which are "more likely than not" to be sustained upon examination by the taxing authority. ASC 740 also provides guidance on derecognition, classification, interest, penalties, accounting for income tax uncertainties in interim periods and the level of disclosures associated with any recorded income tax uncertainties. Management has concluded that it has no material uncertain tax liabilities to be recognized as of December 31, 2021. The Fund files U.S. federal, state and local tax returns. The 2018 through 2021 tax years of the Fund remain subject to examination by U.S. federal, state and local tax authorities.

(2) Summary of Significant Accounting Policies (Continued)

(l) Income Taxes (Continued)

The Fund's policy is to record tax related interest and penalties as a component of fund administrative expenses in the consolidated financial statements. Under the tax regulations in the United States of America, any liability for payment of federal and state income taxes on the Fund's earnings will be the responsibility of its partners, rather than that of the Fund. Net income (loss) allocated to partners on the Fund's income tax returns will differ from the accompanying consolidated financial statement amounts due to differences between GAAP and the federal income tax basis of accounting.

(m) Risks and Uncertainties

In the normal course of business, the Fund encounters economic risk, including interest rate risk, credit risk, and market risk. Interest rate risk is the result of movements in the underlying variable component of the mortgage financing rates. Credit risk is the risk of default on the Funds' real estate investments that results from an underlying tenant's inability or unwillingness to make contractually required payments. Market risk reflects changes in the valuation of real estate investments held by the Fund.

As the COVID-19 pandemic continues it is not possible to reliably estimate the length or severity of this pandemic and hence its financial impact, the Fund could be materially and possibly adversely affected by the risks, or the public perception of the risks, related to the pandemic. The extent of the impact of COVID-19 on the Fund's operational and financial performance will depend on future developments, including the duration and spread of the pandemic and its impact on the Fund's tenants. Additionally, the impact could vary by geographic region and property type. As a result, valuations and incomes in the future may change more rapidly and significantly than under standard market conditions.

(n) Recently Issued Accounting Standards

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASU 2016-02), establishing Accounting Standards Codification Topic 842 (ASC 842). Lessor accounting will remain substantially similar to the current accounting; however, certain refinements were made to conform the standard with ASC 606, Revenue from Contracts with Customers. ASC 842 requires all lessees to record a lease liability at lease inception, with a corresponding right of use (ROU) asset, except for short-term leases. ASC 842 was effective for the Fund on January 1, 2022. The Fund elected to use the practical expedient package, which allows the Fund not to reassess prior conclusions about lease identification, lease classification, and initial direct costs. The Fund does not expect any material adjustments to the opening balance of retained earnings upon adoption given the nature of the impacts and the other transition practical expedients elected by the Fund. For leases with a term of 12 months or less, the Fund will make an accounting policy election by class of underlying asset to not recognize lease liabilities and ROU assets.

(2) Summary of Significant Accounting Policies (Continued)

(n) Recently Issued Accounting Standards (Continued)

For leases where the Fund is the lessor, the Fund expects that accounting for lease components will be largely unchanged from existing GAAP; the Fund plans to elect the practical expedient to not separate non-lease components from lease components. The Fund will account for these line items as a single combined lease component, rental revenue, on the basis of the lease component being the predominant component in the contract. The Fund elected to use the practical expedient in transition to not re-evaluate costs that were previously capitalized, including leasing legal costs, under ASC 840.

In addition, ASC 842 establishes a new methodology for assessing the collectibility of accounts receivable, whereby it must be concluded that it is probable that substantially all of the receivable will be collected, if not the Fund must fully reserve the accounts receivable balance. The Fund is currently evaluating the impact of this change.

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments-Credit Losses (Topic 326)*, *Measurement of Credit Losses on Financial Instruments*, establishing Accounting Standards Codification Topic 326 (ASC 326). ASC 326 requires entities to estimate a lifetime expected credit loss for most financial assets, including (i) trade and other receivables, (ii) other long-term financings including available for sale and held-to-maturity debt securities and (iii) loans. Subsequently, the FASB issued Accounting Standards Update 2018-19, Codification Improvements to Topic 326, *Financial Instruments-Credit Losses*, which amends the scope of ASU 2016-13 and clarified that receivables arising from operating leases are not within the scope of the standard and should continue to be accounted for in accordance with the leases standard (ASC 842). ASC 326 will be effective January 1, 2023. Management is currently evaluating the impact of adopting this new accounting standards update on the Fund's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04*, Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting,* establishing Accounting Standards Codification 848 (ASC 848), which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference LIBOR or other reference rates expected to be discontinued because of reference rate reform. This ASU is effective as of March 12, 2020 through December 31, 2022. The Fund has not yet adopted any of the optional expedients or exceptions as of December 31, 2021. Management is currently evaluating the possible adoption of any such expedients or exception during the effective period as circumstances evolve.

(3) Fair Value Measurements

The Fund's real estate investments are reported at fair value in accordance with Accounting Standards Codification 820, *Fair Value Measurements* (ASC 820). ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Fund. Unobservable inputs are inputs that reflect the Fund's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. ASC 820 establishes a three-tier hierarchy to classify fair value measurements. The hierarchy is broken down based on the reliability of inputs as follows:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market, and significant professional judgment is used in determining the fair value assigned to such assets and liabilities.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including the type of instrument, whether the instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Investments in real estate and unconsolidated real estate partnerships are generally classified within Level 3 of the fair value hierarchy. These fair value measurements are based primarily upon judgmental estimates and are based on the current economic and competitive environment, characteristics of the investment, credit, interest, and other factors. Therefore, fair value cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets, and may not be realized in a current sale or immediate settlement of the asset and/ or liability. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including discount rates, liquidity risks, and estimates of future cash flows, could significantly affect the fair value measurement amounts.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified between the levels. There were no reclassifications between levels in 2021.

(3) Fair Value Measurements (Continued)

The following is a description of the valuation techniques used for assets and liabilities measured at fair value:

Real Estate

The fair values of the real estate investments have been determined giving consideration to the income, cost and sales comparison approaches of estimating property value. The income approach estimates an income stream for a property (typically 10 years) and discounts this income plus a reversion (presumed sale) into a present value at a risk adjusted rate. Yield rates and growth assumptions utilized in this approach are derived from market transactions as well as other financial and industry data. The cost approach estimates the replacement cost of the building less physical depreciation plus the land value. Generally, this approach provides a check on the value derived using the income approach. The sales comparison approach compares recent transactions to the real estate investment. Adjustments are made for dissimilarities which typically provide a range of value. Generally, the income approach carries the most weight in the value reconciliation.

As of December 31, 2021, the fair value of each real estate investment was determined using a valuation process which gives consideration to the approaches listed above, as well as other external sources. These sources of market data are used in the valuation process to ensure that the valuation is reasonable. Transaction costs that the Fund will incur as real estate investments are sold are not included in the December 31, 2021 fair value measurements, rather they are recorded in the year that the transactions occur. The Fund’s real estate investments are classified within Level 3 of the valuation hierarchy.

As of December 31, 2021, the fair value for Ponce City Market was determined using the sale price of the asset since the Fund sold 49.5% of its interest in the asset in December 2021.

Unconsolidated Real Estate Partnership

Unconsolidated real estate partnership is stated at the fair value of the Fund’s ownership interest of the underlying partnership. The Fund’s ownership interest is valued based on the fair value of the underlying real estate, any related mortgage loans payable, and other factors, such as ownership percentage, ownership rights, distribution provision and capital call obligations. The underlying assets and liabilities are valued using the same methods the Fund uses for those assets and liabilities it holds directly. The Fund’s investment in the unconsolidated real estate partnership is classified within Level 3 of the valuation hierarchy.

(3) Fair Value Measurements (Continued)

Mortgage Loan Payable

The fair value of mortgage loan payable is determined by discounting the difference between the contractual loan payments and estimated market loan payments at an equity discount rate based on asset appraisals that reflect how a typical third-party investor would value the cash flows. Market loan payments are derived from overall market lending rates, debt origination and assumption transactions in the market, and property specific factors, including loan to value and cap rate changes. Deferred financing costs are included as a component of interest expense and are not deferred. The Fund's mortgage loan payable is classified within Level 3 of the valuation hierarchy.

The significant unobservable inputs used in the fair value measurement of the Funds's mortgage loan payable are the selection of certain market interest rates and implied equity discount rates. Management reviews the valuation of the mortgage loan payable annually. The difference in the calculated fair value and the balance outstanding is the market valuation adjustment.

As of December 31, 2021, the fair value of the mortgage loan payable for Ponce City Market was assumed to be equal to the outstanding principal balance, as the loan was originated on December 7, 2021.

Derivative Instrument

The fair value of the interest rate swap was based on the notional, payment frequency, day count fraction, fixed and floating rates, and other factors, including the credit strength of both counterparties. The present value of expected cash flow differences is calculated based on prevailing market and contractual interest rates and credit spreads. The valuations were performed by an independent appraiser consistent with market standards for valuing derivatives. Management reviews the valuation of the interest rate swap as needed but no less frequently than once per year. The Fund's derivative instrument was classified within Level 2 of the valuation hierarchy. The Fund's derivative instrument was settled on December 7, 2021, in conjunction with the refinance of the Ponce City Market loan.

(3) Fair Value Measurements (Continued)

Assets and Liability Measured at Fair Value on a Recurring Basis

The following fair value hierarchy table presents information about the Fund's assets and liability measured at fair value on a recurring basis as of December 31, 2021:

	Significant Unobservable Inputs (Level 3)
Assets:	
Real estate, at fair value	$ 725,000,000
Unconsolidated real estate partnership, at fair value	42,236,626
Total assets	$ 767,236,626
Liability:	
Mortgage loan payable, at fair value	$ 421,967,006
Total liability	$ 421,967,006

(3) Fair Value Measurements (Continued)

Assets and Liability Measured at Fair Value on a Recurring Basis (Continued)

The following table presents additional information about Level 3 assets and liability measured at fair value on a recurring basis as of December 31, 2021:

	Real Estate	Unconsolidated Real Estate Partnerships	Mortgage Loan Payable	Total Level 3 Assets and Liability
Beginning balance - December 31, 2020	$ 718,800,000	$ 159,912,197	$ —	$ 878,712,197
Additions to real estate	28,730,039	—	—	28,730,039
Proceeds from sale of real estate	(252,713,505)	—	—	(252,713,505)
Proceeds from mortgage loan payable	—	—	(421,967,006)	(421,967,006)
Return on capital distributions received from unconsolidated real estate partnerships	—	(168,651,799)	—	(168,651,799)
Transfer of noncontrolling interest	159,896,256	—	—	159,896,256
Net realized gain from sale of real estate investments	43,841,601	—	—	43,841,601
Net realized gain from sale of unconsolidated real estate partnership	—	41,188,815	—	41,188,815
Change in unrealized gain	26,445,609	9,787,413	—	36,233,022
Ending balance - December 31, 2021	$ 725,000,000	$ 42,236,626	$ (421,967,006)	$ 345,269,620
Change in unrealized gain relating to assets and liability held as of December 31, 2021	$ 26,445,609	$ 9,787,413	$ —	$ 36,233,022

(3) Fair Value Measurements (Continued)

Assets and Liability Measured at Fair Value on a Recurring Basis (Continued)

The following table shows quantitative information about unobservable inputs related to the Level 3 fair value measurements as of December 31, 2021:

Type	Asset Class	Valuation Technique	Unobservable Inputs	Weighted Average
Unconsolidated Real Estate Partnership	Mixed-Use	Discounted cash flow	Discount rate	6.00%
			Terminal capitalization rate	5.25%
Mortgage Loan Payable	Mixed-Use	Discounted cash flow	Market interest rate	2.78%
			Implied equity discount rate	10.04%

Significant increases (decreases) in any of the inputs in isolation would result in a significantly lower (higher) fair value, respectively.

Ponce City Market has been valued using the agreed upon sale price (see Note 4) and the fair value of the mortgage loan payable was assumed to be equal to the principal balance outstanding as of December 31, 2021, as the loan was originated on December 7, 2021 (see Note 6). No unobservable inputs have been applied to Ponce City Market.

As of December 31, 2021, approximately 76% and 24% of the Fund’s investments at fair value, were located in the South and East regions of the United States, respectively, as defined by the National Council of Real Estate Investment Fiduciaries. The non-controlling interest in real estate is 100% in the South region.

(4) Real Estate

On April 1, 2021, the Partnership acquired the existing non-controlling interest in Ponce City Market, for a purchase price of $10,150,000.

On December 7, 2021, the Partnership contributed a 50.5% interest in Ponce City Market into a new joint venture and sold the remaining 49.5% interest, to a third party for a gross sales price of $725,000,000. The net proceeds totaled $147,664,131 after an offset for the refinanced mortgage loan payable of $420,000,000, transaction expenses of $3,257,675, as well as other purchase price adjustments such as capital expense credits, prorations and reimbursement for certain leasing and capital costs, in accordance with the Contribution Agreement (see Note 6). The Contribution Agreement allowed for the transaction costs and purchase price adjustments to be trued up post closing, and as of December 31, 2021, $1,371,649 is due from the purchaser of the non-controlling interest and is included in accrued investment income, net in the accompanying financial statements (see Note 2i). Also, the Fund paid a disposition fee of $8,974,451 to the General Partner in conjunction with the sale of the 49.5% partnership interest (see Note 10).

On December 15, 2021, the Partnership sold the property owned by Beach Place Apartments, to a third party for a gross sales price of $110,555,000. The net proceeds totaled $69,995,278 after repayment of the mortgage loan in the amount of 34,570,885, a disposition fee of $2,149,900 paid to the General Partner, and $3,838,937 of sales expenses, prorations, and credits (see Notes 6 and 10).

The Fund's real estate as of December 31, 2021 is comprised of the following:

Real Estate	Cost	Fair Value
Mixed-Use	$ 400,588,806	$ 725,000,000
Total real estate	$ 400,588,806	$ 725,000,000

(4) Real Estate (Continued)

The aggregate minimum future rentals, scheduled to be received on real estate, for noncancelable operating leases in effect as of December 31, 2021, are as follows:

Years Ending December 31,	Amounts Due
2022	$ 23,203,153
2023	21,043,072
2024	18,113,885
2025	15,228,885
2026	11,199,403
Thereafter	43,220,061
Total future minimum lease payments	$132,008,459

The Fund is also entitled to additional rents, which are not included above, which are primarily based upon escalations of real estate taxes and operating expenses over base period amounts. These are included as revenue from real estate in the accompanying consolidated financial statements.

On certain leases, the Fund is entitled to receive additional rents, which are also not included above, equal to a percentage of the tenants' annual gross sales over the minimum amounts specified in the lease agreements. For the year ended December 31, 2021, the Fund earned $6,294,253 in percentage rents from the tenants which are included as revenue from real estate in the accompanying consolidated financial statements.

Ponce City Market executed a Land Use Restriction Agreement with the Atlanta Development Authority on July 11, 2011. Under this agreement, during the rent affordability period, which commenced in October 2014 and will continue until October 2029, at least 20% of the residential units must be designated as affordable units and be leased or available to be leased to residents which meet certain qualifications. Management believes Ponce City Market complies with the requirements specified in the agreement related to these affordable units.

(5) Unconsolidated Real Estate Partnership

On October 1, 2021, the Partnership sold its share of the property owned by Weingarten Retail Portfolio, to the third party joint venture partner for a gross sales price of $425,750,000. The net sales proceeds from the sale of the partnership interest totaled $171,997,135 after an offset for the mortgage loan payable of $170,000,000, sales expenses of $157,526 and other purchase price adjustments such as capital expense credits and prorations, in accordance with the Purchase and Sale Agreement. Also, the Fund paid a disposition fee to the General Partner in the amount of $7,149,625 (see Note 10).

The Fund's investment in the unconsolidated real estate partnership as of December 31, 2021 is comprised of the following:

Unconsolidated Real Estate Partnership	Cost	Fair Value
Mixed-Use	$ 16,334,126	$ 42,236,626
Total unconsolidated real estate partnership	$ 16,334,126	$ 42,236,626

The following is 100% of the condensed combined financial statements of the unconsolidated real estate partnership as of and for the year ended December 31, 2021:

Condensed Statement of Net Assets

Assets:	
Real estate, at fair value (cost $149,725,910)	$ 247,040,000
Other assets	11,178,593
Total assets	258,218,593
Liabilities:	
Mortgage loans payable	164,186,320
Deferred financing costs, net	(676,362)
Mortgage loans payable, net of deferred financing costs	163,509,958
Interest rate swap, at fair value	1,779,091
Other liabilities	4,260,211
Total liabilities	169,549,260
Net assets	$ 88,669,333
Fund's share of net assets	$ 42,236,626

(5) Unconsolidated Real Estate Partnership (Continued)

Condensed Statement of Operations

Revenues	$	21,311,496
Expenses		16,362,438
Net investment income		4,949,058
Change in unrealized gain on real estate investment		17,759,306
Change in unrealized loss on interest rate swap		2,193,798
Increase in net assets resulting from operations	$	24,902,162
Fund's share of the increase in net assets resulting from operations	$	12,162,961

The Shops in Georgetown mortgage loan payable contains guarantees of non-recourse carve-out stipulations provided by the Partnership (see Note 11).

The following table summarizes the principal amounts outstanding on these mortgage loans payable and the calculated fair values as of December 31, 2021:

Loan Collateral		Principal Outstanding December 31, 2021		Fair Value December 31, 2021 (1)
Shops in Georgetown	$	164,186,320	$	163,042,651
	$	164,186,320	$	163,042,651

(1)The Shops in Georgetown carries its mortgage loans payable at cost as permitted by the Fair Value Option of ASC subtopic 825-10. This information is provided as it relates to the disclosure of fair value of mortgage loans payable.

The lender for Shops in Georgetown retains any excess cash flow from the property until the required interest coverage ratio is met, as defined in the loan agreement.

On December 10, 2021, 3104 M Street, L.P., a property included in Shops in Georgetown, extended the maturity date of its loan to January 1, 2024.

Contributions, distributions and allocations of profits and losses from the unconsolidated real estate partnership will be funded, distributed and allocated to the partners in accordance with the provisions of the related partnership agreements and in proportion to their respective ownership percentages. The fair value of the Fund's ownership interest is based on the fair value of the net assets of the unconsolidated partnership and considers the distribution provisions of the related partnership agreement. The Fund had no unfunded capital commitments to the unconsolidated real estate partnership as of December 31, 2021.

(5) Unconsolidated Real Estate Partnership (Continued)

The Fund's share of net assets and its share of the increase in net assets resulting from operations include related party transactions, as the General Partner may retain one or more of its affiliates (Affiliate) to perform services for the unconsolidated real estate partnerships. These services include property management, leasing, construction management, sustainability consulting and other services. The Affiliate may receive fees and cost reimbursements, including expenses related to employee time and travel, related to the services. As of December 31, 2021, the Fund's share of fees and cost reimbursements paid to the Affiliate was approximately $183,000.

(6) Mortgage Loan Payable

Mortgage loan payable as of December 31, 2021 consists of the following:

Loan Collateral	Interest Rate	Scheduled Maturity	Principal Outstanding December 31, 2021	Fair Value December 31, 2021
Ponce City Market (1)	SOFR +2.0% (2)	December 5, 2025	$ 421,967,006	$ 421,967,006
			$ 421,967,006	$ 421,967,006

(1) Interest only loan.

(2) 1-month SOFR was 0.05% as of December 31, 2021.

On December 7, 2021, the Ponce City Market mortgage loan payable was refinanced with a mortgage loan totaling $630,000,000. Initial proceeds in the amount of $420,000,000 were received at the time of the refinance. The remaining balance of the loan proceeds, in the amount of $210,000,000, may be advanced from time to time to finance capital improvements, upon satisfaction of the requirements stated in the mortgage loan agreement. In December 2021, $1,967,006 was advanced in accordance with the agreement.

On December 15, 2021, the Beach Place Apartments' mortgage loan payable was repaid in conjunction with the sale of the property (see Note 4).

The Ponce City Market mortgage loan payable may be prepaid without penalty in accordance with the loan agreement. For the year ended December 31, 2021, the Fund incurred $415,710 of amortization related to financing costs of the original loan, which is included as a component of interest expense in the accompanying consolidated financial statements. For the year ended December 31, 2021, the Fund incurred financing costs of $7,946,502 which is included as a component of interest expense in the accompanying consolidated financials statements. For the year ended December 31, 2021, the Fund incurred interest expense related to the mortgage loans payable of $4,220,617. The loan agreements contain certain financial and nonfinancial covenants. The Fund was in compliance with all covenants as of December 31, 2021.

(6) Mortgage Loan Payable (Continued)

On July 11, 2011, a subsidiary of the Partnership entered into a contingent loan agreement with The Atlanta Development Authority relating to Ponce City Market. The contingent loan of $11,500,000 bears interest at a rate of 3%. Contingent payment calculations are required to be performed quarterly and upon capital transaction dates to determine eligible funds available for payment of principal and interest, as defined by the agreement. The eligible funds are contingent on the overall returns to the investors, as defined by the agreement, and if the defined thresholds are not met, no payment is due. The agreement terminates on the earliest of all principal and interest being paid in full or December 31, 2041. The contingent loan agreement is guaranteed by the Partnership. Due to the contingent nature of the agreement, the outstanding principal and interest are not presented in the accompanying consolidated financial statements.

Scheduled annual payments of principal on the mortgage loan payable as of December 31, 2021 are as follows:

Years Ending December 31,	Principal Due
2022	$ —
2023	—
2024	—
2025	421,967,006
Thereafter	—
Total future minimum principal payments	$ 421,967,006

(7) Derivative Instrument

To limit the Fund's exposure to interest rate fluctuations on its variable rate debt, the Fund entered into an interest rate swap agreement on the prior Ponce City Market mortgage loan payable. The prior loan was paid in full and the interest rate swap agreement was terminated December 7, 2021. For the year ended December 31, 2021, the Fund incurred $2,957,134 in interest expense related to the derivative which is included as a component of interest expense in the accompanying consolidated financial statements.

In accordance with Accounting Standards Codification 815, Accounting for Derivative Instruments and Hedging Activities, the Fund has not designated this interest rate swap as a cash flow hedge. Accordingly, the Fund recognizes any changes in fair value as a component of unrealized gains (losses) in the accompanying consolidated financial statements. For the year ended December 31, 2021, the net realized gain from the settlement of the Ponce City Market interest rate swap was $2,912,292, which includes a termination payment of $1,315,300.

(8) Fund Administrative Expenses

Fund administrative expenses can include audit fees, tax preparation fees, compliance fees, legal fees and any other expense related to the business and operations of the Partnership. Certain fund administration expenses were incurred for services performed by an Affiliate (see Note 10). For the year ended December 31, 2021, the expenses incurred by the Partnership were comprised of the following:

		Amount
Audit fees	$	159,000
Legal and professional fees		33,197
Tax and compliance fees		79,565
Total	$	271,762

(9) Partnership Agreement

The Partnership Agreement contains provisions relating to capital contributions, redemptions, distributions of cash flow, distribution of proceeds from capital transactions and allocation of profits and losses.

Net income or net loss for each taxable year (or portion thereof) shall be allocated among the partners in such a manner that if the Partnership were to liquidate immediately after the end of such fiscal year and in connection with such liquidation sell all of its assets for cash for their then book values and satisfy all liabilities according to their terms: (i) the distribution by the Partnership of any remaining cash to the partners in accordance with their respective positive capital account balances would correspond as closely as possible to the distributions to the partners based on liquidating distributions and (ii) any resulting deficit capital account balances would correspond as closely as possible to the manner in which economic responsibility for Partnership deficit balances would be borne by the partners.

<u>Distributions of Operating and Capital Cash Flows</u>

Beginning December 31, 2015, cash flow, as defined by the Partnership Agreement, is to be distributed to the partners, annually on May 30th of the following year, commencing on May 30, 2016 in the following priority:

a) First, 100% to the limited partners in proportion to and the extent of the accrued unpaid preferred distribution as of the end of the preceding year. The preferred return shall be a non-compounding per annum rate equal to $0.0600 per unit beginning on January 1, 2010. The paid preferred distribution for each unit includes previously distributed amounts attributable to each unit. On April 29, 2021, the limited partners received $19,406,979 for the 2019 accrued distribution.

b) Next, the balance, if any, 33.33% to the General Partner and 66.67% to the limited partners, pro rata.

(9) Partnership Agreement (continued)

On December 9, 2021, the Partnership made a distribution related to the sale of Weingarten Retail Portfolio, Beach Place Apartments, and a 49.5% sale of Ponce City Market along with refinance proceeds of the Ponce City Market mortgage loan payable.

Net proceeds from a sale or refinancing are able to distributed as follows:

a) First, 100% to the limited partners, in proportion to and to the extent of the accrued but unpaid preferred distribution as of the date of the distribution. As of December 31, 2021, the limited partners were paid $19,406,979 and $17,789,730 under this provision for the 2020 and final prorated 2021 distributions, respectively.

b) Next, 100% to the limited partners, in proportion to and to the extent necessary to cause the cumulative distributions to each limited partner equal to 110% of the capital contributions. As of December 31, 2021, the limited partners were paid $355,794,612 under this provision.

c) The balance, if any, 33.33% to the General Partner and 66.67% to the limited partners, pro rata. As of December 31, 2021, the limited partners received $77,627,916 equal to a 24% return and the General Partner was paid $38,829,466 under this provision. Additionally, the General Partner was paid $5,352,818 related to amounts due from the unit holders that elected the 2016 Redemption. As of December 31, 2021, the General Partner is estimated to receive an additional $93,730,134 under this provision.

As of December 31, 2021, $6,648,876 remained payable to the investors related to the distributions. The amount that remained payable was primarily related to investors with unsettled estates, and the distributions will be paid once the heirs are confirmed. This balance is included in the distribution payable to limited partners in the accompanying consolidated financials statements.

(10) Related Party Transactions

Note Payable - General Partner

On January 15, 2012, the Partnership entered into a note payable agreement with the General Partner whereby it advances funds up to the Partnership on an as needed basis for acquisitions, working capital and property level capital calls. Interest on the note accrues at the mid-term applicable federal rate published monthly by the Internal Revenue Service. On October 1, 2017, the note was amended to allow for an available balance of $15,000,000 and a maturity date of May 31, 2022. The note may be repaid at any time, without penalty, out of available cash flow. All unpaid principal and interest shall be due by May 31, 2022, or earlier, as defined by the promissory note. During 2021, no advances on the promissory note were funded and no interest expense was incurred. As of December 31, 2021, the balance of the note payable was $0. The Partnership does not anticipate extending the promissory note upon maturity.

(10) Related Party Transactions (Continued)

Due from General Partner

As of December 31, 2021, $59,347 was receivable from the General Partner related to the distribution and is included in due to related parties, net in the accompanying consolidated financial statements.

Due to Affiliate

As of December 31, 2021, $133,880 remained payable to a property related to cost reimbursements and is included in due to related parties, net in the accompanying consolidated financial statements.

Rental Income

JAMESTOWN leases office space at Ponce City Market, pursuant to the terms in the lease. For the year ended December 31, 2021, the Fund earned $1,796,442 in rental income from JAMESTOWN, which is included in revenue from real estate in the accompanying consolidated financial statements.

Supervisory Management Fees

As provided for in the Partnership Agreement, the General Partner is entitled to an annual fee for the administration of the Fund. For the year ended December 31, 2021, the Partnership incurred a fund administration fee of $1,908,264 and is included in supervisory management fees in the accompanying consolidated financial statements.

The General Partner was also entitled to a fee equal to all interest payments received by the Partnership or its underlying properties. This fee was a minimum of 0.1% of the limited partner capital and could not exceed 0.3% of the limited partner capital. Effective October 1, 2021, the annual fee is equal to $161,000, payable monthly. For the year ended December 31, 2021, the General Partner fee was $282,504 and is included in supervisory management fees in the accompanying consolidated financial statements. As of December 31, 2021, $4,332 was payable and is included in due to related parties, net in the accompanying consolidated financial statements.

Asset Management Fee

As provided for in the Partnership Agreement, the General Partner is entitled to an annual asset management fee, payable monthly, for the supervision of properties and the management of the affairs of the Fund. Originally the fee was equal to 1.1% of limited partner equity, allocated to each project at the discretion of the General Partner. Effective October 1, 2021, the annual asset management fees were fixed at an amount equal to $901,930 for Ponce City Market and $681,000 for Shops in Georgetown. For the year ended December 31, 2021, the Partnership incurred $3,057,884 in asset management fees, of which $125,039 remained payable and $77,559 remained receivable and are included in due to related parties, net in the accompanying consolidated financial statements.

(10) Related Party Transactions (Continued)

Management Fee

During 2021, a subsidiary of the Partnership earned a management fee related to Ponce City Market, which was to be paid annually from operating cash flow, and any unpaid balance shall accrue and be payable from future cash flows. Any fees received by the subsidiary would be distributed directly to the Partnership. For the year ended December 31, 2021, the Partnership incurred $254,746. The balances related to this fee have been eliminated in consolidation. As of April 1, 2021, this management fee for Ponce City Market was terminated in conjunction with the acquisition of the non-controlling interest.

Disposition Fees

As provided for in the Partnership Agreement, the General Partner is entitled to a disposition fee of 3% of the sales price less the broker fee. For the year ended December 31, 2021, the Fund incurred disposition fees of $18,273,976 related to the sale of Ponce City Market, Beach Place Apartments and Weingarten Retail Portfolio which are included as a component of the net realized gain from sale of real estate and net realized gain from sale of unconsolidated real estate partnership (see Notes 4 and 5).

Real Estate Investment Level Services

The General Partner may retain an Affiliate to perform services for the Fund's real estate investments, including property management, leasing, construction management, sustainability consulting, and other services. During the year, a review of all Affiliate fees is completed to ensure the billing of Affiliate fees is in accordance with the Partnership Agreement. To the extent any differences are identified, an adjustment billing is processed.

An Affiliate serves as the property management company for the real estate investments, and is entitled to receive a monthly management fee and cost reimbursements, as defined by the respective property management agreements. For the year ended December 31, 2021, the Affiliate earned property management fees and cost reimbursements totaling approximately $5,215,000. These amounts are included in real estate operating expenses in the accompanying consolidated financial statements.

The following amounts are either capitalized into the cost basis of the real estate or included in real estate operating expenses in the accompanying consolidated financial statements.

> An Affiliate earns construction management and development fees and cost reimbursements in connection with building or tenant improvements. For the year ended December 31, 2021, the Affiliate earned construction management and development fees and cost reimbursements, including expenses related to employee time and travel, totaling approximately $2,644,000.
>
> An Affiliate provides legal services for certain real estate investments and the Partnership. For the year ended December 31, 2021, the Affiliate billed cost reimbursements, including expenses related to employee time and travel, totaling approximately $330,000.

(10) Related Party Transactions (Continued)

An Affiliate provides services to certain real estate investments, including aesthetics evaluation, design consulting, brand development, public relations coordination, and event coordination. For the year ended December 31, 2021, the Affiliate billed cost reimbursements, including expenses related to employee time and travel, totaling approximately $1,135,000.

An Affiliate provides leasing services to certain real estate investments. For the year ended December 31, 2021, the Affiliate earned commissions and billed cost reimbursements, including expenses related to travel, totaling approximately $773,000.

An Affiliate provides tax services for certain real estate investments and the Partnership. For the year ended December 31, 2021, the Affiliate billed cost reimbursements, including expenses related to employee time and travel, totaling approximately $69,000.

An Affiliate provides services to certain real estate investments for sustainability consulting. For the year ended December 31, 2021, the Affiliate billed cost reimbursements, including expenses related to third party fees, employee time and travel, totaling approximately $9,000.

In addition, an Affiliate was reimbursed for other administrative expenses for certain real estate investments and the Partnership. For the year ended December 31, 2021, the Affiliate billed reimbursements of approximately $148,000.

As of December 31, 2021, $1,358,290 remained payable to various affiliates related to these services and is included in due to related parties in the accompanying consolidated financial statements.

(11) Commitments and Contingencies

In the normal course of business, the Fund may be subject to various litigation and in some instances the amount sought may be substantial. Although the outcome of such claims, litigation, and disputes cannot be predicted with certainty, in the opinion of management based on facts known at this time, the resolution of such matters are not anticipated to have a material adverse effect on the consolidated financial position or results of operations of the Fund.

(11) Commitments and Contingencies

Loan Guarantees

The Partnership has guarantees on certain mortgage loans payable. The following table summarizes the guarantees as of December 31, 2021:

Project Name	Type of Guarantee by Partnership	Lender	Term of Guarantee	Maturity Date	Outstanding Debt as of 12/31/21	Maximum Contingency*	Recovery Recourse Provisions
Shops in Georgetown	Standard Carve-Outs	LBBW	Loan Life	8/1/2023	$160,000,000	Note 1	Non-Recourse
Ponce City Market	Guaranty of Collection	ADA	Loan Life	N/A	—	Note 2	Note 2

*Maximum Contingency does not take into account exposure related to violation of the standard carve-out. Violation of the standard carve-out could potentially result in an amount due up to the balance of the loan.

Note 1: The Partnership and its project partner are jointly and severally liable under a standard carve-out guaranty. The Partnership and its project partner have agreed to make pro rata capital contributions to the project to fund amounts demanded by the lender under the standard carve-out guaranty. If either partner is responsible for the default, that partner will be solely responsible for the obligation.

Note 2: The Partnership is liable for 100% of the unpaid amount of any contingent payments and unpaid interest due, under a guaranty of collection agreement. The underlying contingent loan agreement with the Atlanta Development Authority of $11,500,000 bears interest at a rate of 3%. Contingent payment calculations are required to be performed quarterly and upon capital transaction dates to determine eligible funds available for payment of principal and interest, as defined by the loan agreement. The eligible funds are contingent on the overall returns to the investors, as defined by the loan agreement, and if the defined thresholds are not met, no payment is due. The loan agreement terminates on the earliest of all principal and interest being paid in full or December 31, 2041.

Capital Contributions

The Fund has agreed to make additional capital contributions to certain properties, in accordance with the properties' partnership agreements, to the extent that funds are needed for payment of capital and leasing projects or for operating shortfalls.

Tenant Improvements

As of December 31, 2021, the Fund has additional outstanding unrecorded obligations to fund tenant improvements totaling approximately $3,087,230.

(12) Financial Highlights

The following are certain financial highlights of the Fund for the year ended December 31, 2021 [(1)]:

Investment management expenses:	
Supervisory management fees (2)	0.68 %
Asset management fees (3)	0.95 %
	1.63 %
Net investment income ratio (4)	4.30 %
Total return, before investment management expenses (4)	29.75 %
Total return, after investment management expenses (4)	18.78 %
Limited Partner expected distributions for 2021 (5)	6.00 %
Limited Partner Adjusted Net Asset Value (NAV) per Unit at December 31, 2021 (6)	$0.58

(1) All amounts are shown net of amounts allocated to noncontrolling interests.

(2) Annual fee paid to the General Partner based on limited partner original invested equity. Supervisory management fees, calculated on time weighted net assets of $559,136,837, as required by GAAP, are 0.39%.

(3) Annual fee paid to the General Partner based on limited partner original invested equity. Asset management fees, calculated on time weighted net assets of $559,136,837, as required by GAAP, are 0.55%.

(4) The net investment income ratio is calculated using total net investment income for the year ended December 31, 2021 over the December 31, 2020 net asset value plus any time weighted contributions, distributions and redemptions made during the current year. The total return is calculated using the increase (decrease) in net assets resulting from operations for the year ended December 31, 2021 before and after investment management expenses over the December 31, 2020 net asset value plus any time weighted contributions, distributions and redemptions made during the current year.

(5) Distributions related to 2021 were paid and prorated through 11/30/21.

(6) This non-GAAP measure is calculated by subtracting the General Partner's share of the December 31, 2021 Net Assets and the Limited Partners' share of disposition fees and estimated transaction costs from the December 31, 2021 Net Assets per the Consolidated Statement of Net Assets, divided by the total outstanding units at December 31, 2021.

(13) Subsequent Events

In accordance with accounting standards, the Fund has evaluated events and transactions occurring from January 1, 2022 through April 15, 2022, the date the consolidated financial statements were available for issuance. Management has concluded that there were no significant events requiring recognition and/or disclosure in the consolidated financial statements other than those disclosed herein and below.