



PROPFUND
Germany

Investing in
PROPFUND GERMANY 2 GMBH & CO. KG

Prospectus issued on 8 March 2012

„When factor times factor becomes
an asset.“



„WHEN FACTOR TIMES FACTOR BECOMES AN ASSET.“

Dear Investor,



“Factor times factor equals product.” The ancient Egyptians were already familiar with the four basic arithmetical operations. However, multiplication was done by repeatedly doubling the numbers to be multiplied.

Looking at the real estate market in many parts of Europe today, one might well think that people have forgotten how to do basic arithmetic, or that what they choose to remember is the Egyptians’ concept of doubling. “Real estate prices will double” – that has too often been the motto, so why should a loan be paid off gradually when it can be redeemed in one go from the proceeds of a subsequent sale. But who will pay these kinds of prices later on if everything always doubles in value?

A successful businessman once told me: all intended business deals should include a plannable profit margin of approximately 30% for the next buyer. Investors aiming at 100% profit now will have trouble reselling later because their investments will no longer be of any interest for the next potential buyer. And sales of this type, if they do indeed take place, only serve to overheat the market. Sadly, this seems to have become the reality of the last twenty years in many countries.

But factor times factor equals a very fine product indeed if the ingredients are selected with care. In Germany, a vacant piece of real estate is not much better than a ruin, and it is seldom worth much. However, if a building is well rented out, then it generates an income and its value can be measured. Income multiplied by a factor therefore equals a value for the property. The question is: what factor is the right one?

While the first factor represents the income from the real estate, the second depends on location and demand.

If you buy a condominium apartment in Germany, you can easily reach a factor of 20 in regions where demand is high. But if you choose an environment where only institutional investors are operating, then you can expect factors between 10 and 13. In other words: in a strong community you can buy in the same market for nearly half the price. Now isn’t that exactly what my business partner meant?

“Let the next guy make a profit too!”

For years now, German banks have been assessing residential and office buildings according to the following formula: net rental income times factor equals loan value. This kind of valuation is a consistent market rule, a constant that serves above all to bring consistency to the market. Both buyers and sellers are aware of how value is calculated, and their ultimate aim is to boost the rent revenue of their property.

The rents that tenants can be expected to pay in future

are the expression of the potential of an investment to appreciate in time. This means that an investor needs only to analyse the market to see where rents are likely to rise.

If we compare rent levels in large European capital cities, it becomes rapidly obvious that trendy, groovy Berlin is way down at the bottom of the ranking. Average rents in Berlin are currently 5.71 EUR/m². By way of comparison: in Munich today you can expect rents around 12.35 EUR/m².

This is due in part to Berlin’s special history, but it is also a consequence of the city’s well-established laws to protect tenants’ rights. In the last few years, increasing demand for housing has led to steep rises in rents in large German cities. Rents in Berlin rose by an average of 9.4% in 2011, and experts predict further increases.

For us this means that one factor (rent) is in motion while the second factor (location) is becoming more and more attractive. These are good reasons for us to invite you to exploit these market opportunities with the help of a professional team.

Put your trust in my team’s logic, and put your bets on the product PropFund:

factor times factor = your asset.

Best regards from Berlin,
 Your team at PropFund Germany 2

Marco Knoblauch
 Managing Director of EURIX Asset Management GmbH
 as managing limited partner of PropFund Germany 2 GmbH
 & Co. KG

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IMPORTANT NOTICE

The accuracy of the statements made in this prospectus is not subject to verification by the German Financial Supervisory Authority.

A RESPONSIBILITY FOR THE CONTENT OF THIS PROSPECTUS

PropFund Germany 2 GmbH & Co. KG is responsible for the content of this entire prospectus. PropFund Germany 2 GmbH & Co. KG is also the party offering this investment.

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Managing directors: Detlef Martin and Marco Knoblauch

Court of registration: Berlin-Charlottenburg Local Court
HRB 115219 B

Within the scope of its responsibility for the present prospectus, the issuer – PropFund Germany 2 GmbH und Co. KG – warrants that, to the best of its knowledge, the information provided in this sales prospectus is accurate and that no material circumstances have been omitted. The issuer is represented by Marco Knoblauch in his capacity as managing director of the managing limited partner, EURIX Asset Management GmbH, and of the general partner, EURIX Development GmbH, as well as by Detlef Martin in his capacity as managing director of the general partner EURIX Development GmbH.

Date of issue: Berlin, 8 March 2012



Marco Knoblauch
Managing director of EURIX Asset Management GmbH
Managing limited partner of PropFund Germany 2 GmbH & Co. KG



Detlef Martin
Managing director of EURIX Development GmbH

B TARGET GROUP OF THIS OFFER

This offer is directed at long-term investors who wish to purchase shares in PropFund Germany 2 GmbH & Co. KG and thus participate in a real estate fund in order to increase the overall performance of their invested capital. PropFund Germany 2 GmbH & Co. KG is a fund which manages investors' assets. Investors in the fund benefit

from the appreciation of the real estate, from steady rental revenues and from tax-free profits from sales if properties are held for a minimum of 10 years.

C OVERVIEW OF OFFER

1 Introduction

The purpose of the company is to purchase and administer properties in Berlin and surrounding area as well as in German cities with at least 50,000 inhabitants in their catchment areas. Properties are purchased in special situations such as insolvencies, bank disposals or compulsory auctions as well as in ordinary sales transactions. Minor repairs and constructional measures likely to have a positive effect on property value are carried out so as to achieve the best possible selling price and the best possible rental income. Real estate holdings are intended to be kept for a minimum of ten years.

2 Purpose of the company

The purpose of the company is the purchase, sale, rental, lease and management of developed and undeveloped properties as well as equivalent rights of any kind. The purpose of the company applies exclusively to assets owned by the company and held in the company's own name.

The company is entitled to enter into any and all business transactions and to take any and all measures for the direct or indirect furtherance of the company's purpose, to the extent that such transactions or measures require no administrative permits. In particular, it may for this purpose establish or purchase identical or similar undertakings or hold interests in such undertakings.

The company may choose to take the actions necessary or expedient to achieve its purpose on its own initiative, or cause such actions to be taken by third parties.

3 Type of holding

The capital provider (hereinafter: investor) invests in PropFund Germany 2 GmbH & Co. KG by way of subscription to a limited partnership share which is then held in trust; the investor is therefore a co-entrepreneur in the legal form of an internal limited partner (trustor).

4 Amount of participation

Investors can participate in PropFund Germany 2 GmbH & Co. KG by making minimum investments of EUR 30,000. The investment amount must be deposited to the investment account in a single instalment within fourteen days of the company's request for payment. Investors participate in the profits and losses of PropFund Germany 2 GmbH & Co. KG. PropFund Germany 2 GmbH & Co. KG aims to achieve an investment capital of EUR 10,000,000.

5 Non-profit-related withdrawals

Investors are entitled to an annual non-profit-related withdrawal of initially 7.0% of the invested amount, beginning in the year after joining the fund. 1/12 of 7.0% is calculated for distribution for each full month invested during the issuing period. Non-profit-related withdrawals depend on the company's liquidity situation and cannot be guaranteed. They are limited to the amount of an investor's contribution.

6 Tax-related aspects

PropFund Germany 2 GmbH & Co. KG represents a traditional form of asset management. The company's investment properties are intended to be sold after having been held for the ten-year period stipulated under tax law. The fund therefore aims to sell its properties tax-free after ten years. As limited partners, investors are considered by tax law to be co-entrepreneurs who earn revenues from rents and leases as well as from capital assets. Profits and losses generated by the holding are subject to taxation in Germany.

7 On-going profits and end of holding

Investors participate in the results of the company over the entire term of their holding. During this time, returns from rent income are used for management, for debt service and as liquidity reserves. The remaining profit is distributed by virtue of a resolution taken by the company's executive management. Once the ten-year holding period for the property acquired last has passed, the company will be dissolved. If the fiscal framework changes, the managing partner may recommend an extension or shortening of the duration of the company. The participation can be terminated after a period of notice of six months at the earliest ten years after the last property has been purchased. The investment company can be dissolved at the end of a financial year, at the earliest after all investment properties have been sold; it will be wound up by the general partner or by a liquidator appointed by virtue of a partners' resolution. In the course of liquidation, hidden reserves will be disclosed and profits that have not already flowed to the company and been allocated to the investors as a result of on-going sales will be realised.

D INVESTMENT RISKS

The following section presents all the main de facto and de jure risks of which the offerer is aware at the date of issue of the prospectus. Risks referred to here may occur simultaneously and mutually intensify each other. Other risks of which the offerer is not aware may result from an investor's individual situation. Investors should therefore seek professional advice before making investment decisions. Unless otherwise specified, the risks presented here are risks that can lead to a weaker than expected development of the investment company. The economic development of the investment company depends on the excess liquidity to be achieved from the properties which the company will purchase.

Some of the risks described here are even more threatening: they can jeopardise the entire investment and lead to a partial or complete loss of the capital contributed by an investor (investment risks), or they can even jeopardise an

investor's other assets (investor risks).

The risk chart lists various risks that are described in the pages that follow it. Risks cannot always be unequivocally categorised or classified as prognosis risks, investment risks or investor risks. The consequences of the individual risk groups are:

- a) Prognosis risks: threats to an investor's forecast payouts.
- b) Investment risks: threats to an investor's contribution, maximum risk being the total loss of an investor's contribution to the fund.
- c) Investor risks: threats endangering an investor's other assets.

RISK CHART

Risk	Prognosis risks	Investment risks	Investor risks
1 Corporate risks	•	•	
2 Forecasts	•		
3 Liquidation risk	•	•	
4 Rent development	•	•	
5 Inflation assumptions	•	•	
6 Maintenance - rehabilitation	•	•	
7 Site development	•		
8 Residual contamination - constructional defects	•	•	
9 Insurance risk	•	•	
10 Capital appreciation	•	•	
11 Decision-makers - partners	•	•	
12 Outside capital - follow-up financing	•	•	
13 Risk arising from the pledge of rent revenues and creation of mortgages	•	•	
14 Interest on credit balances	•		
15 Share financing			•
16 Partner resolutions	•	•	
17 Creditworthiness risk		•	
18 Risk of tenants/users with low credit standing	•	•	
19 Assertion of claims	•	•	
20 Tax risks	•	•	•
21 Liability	•	•	
22 Fungibility – sale of shares		•	
23 Risk of lack of control of resources allocation	•	•	

1 Corporate risks

Participation in the investment company creates a corporate stake that involves entrepreneurial risks resulting predominantly from the management and rental of residential and commercial properties. How the value of the properties develops and how much revenue they generate depends significantly on future economic, legal and fiscal circumstances. It must be kept in mind that changes in market structures and in the competitive situation may require significant adjustment of expenditure and thus negatively impact the future economic success of the holding. In the worst case, as in any other entrepreneurial participation in the equity capital of a company, investors may lose the amount of their contribution plus any share premium paid.

Maximum risk

Individual risks or the interaction of several risks can lead to the total loss of an investor's contribution and share premium. In addition to total loss of the contribution and share premium, investors who take out loans to finance their investment will also have to redeem these loans and make interest payments from their private assets. If these liabilities exceed an investor's private assets, the investor may have to declare private insolvency. Investors are at risk of an unfavourable tax assessment, with the consequence that additional costs and taxes might reduce their earnings. In the worst case, changes in fiscal assessment can so severely impair the investment company's result that investors lose their contribution plus premium and can be forced to declare insolvency if they cannot make these additional tax payments to the fiscal authorities.

Maximum risk is therefore the total loss of an investor's contribution in connection with the danger of having to declare private insolvency.

2 Forecasts

All the forecasts made in this prospectus are prognoses for the future development of the investment company based on the offerer's experience. They are to be viewed only as estimates, and the actual development of the investment company may diverge from the forecast. The offerer has done its best to make forecasts as realistic as possible. They are based on assumptions regarding future costs and revenues. Capital expenditure on the basis of the source and application of resources plan has been taken into account. However, the actual course of events can diverge

from the forecast as a result of significant influences, e.g. real estate market trends in the pertinent micro and macro locations or changes in the investment company's cost structure; the forecasts should therefore be understood as serving no more than orientation. The forecasts made in the prospectus do not constitute a guarantee of specific payouts. If and insofar as forecast revenues are lower and/or actual costs higher than assumed, forecast payouts might be lower; in the worst case, the entire contribution plus premium might be lost.

3 Liquidation risk

If, by the end of the placement phase, the investment company has not attracted a sufficient number of investors to be able to make the investments planned on the basis of the investment criteria, and if not enough equity can be realised through outside financing, there is a risk that the activity of the investment company may have to be wound back. This would mean liquidation of the investment company. In this case, investors have no entitlement to reimbursement of their invested capital. In a liquidation, liabilities vis-à-vis third parties and other claims must be satisfied first. Only then can the remaining proceeds be distributed to the limited partners in the ratio of their contributions. In such a situation it cannot be guaranteed that investors would recover their invested capital in full or in part.

4 Rent development

Changes in the quality of a location, overall deterioration of the economic situation or downward trends in the rental market could lead to loss of rent income, vacancies or deterioration of rental conditions. If tenants become insolvent, forecast rent revenues could be lost or rent revenues could be lower than forecast. The same applies when new tenants have to be found. At the end of leases, fixtures installed by tenants may need to be redeemed. In addition, estate agent fees may be due in connection with subsequent rentals, and extensive renovation or modernisation measures may be needed as a result of new tenants' requirements. Incidental rental expenses have increased above average in the last few years. It must be assumed that this trend will continue. Constant and disproportionately high increases in incidental costs can reduce leeway for increases in net rents. Individual provisions of a lease might be ineffective or cause legal disputes. This can lead to lower rent revenues or to

additional costs. Lower rent revenues and extraordinary costs can reduce forecast payouts and, in the worst case, lead to the loss of an investor's contribution.

5 Inflation assumptions

How an investment performs also depends on future inflationary trends in Germany. Much in the same manner as the company's costs are directly or indirectly impacted by future price trends, future rent revenues also depend on future price increases.

It cannot be ruled out that rent revenues stay lower than the expected forecast if prices rise more slowly than assumed in the forecast, or in the case of a deflation. As rent levels in the last ten years have often developed differently from the inflation rate, it is also possible that rents in the overall market might fall in spite of a general increase in prices. Both rent revenues that are lower than forecast and lower market rents can negatively impact the value of the property and the achievable sale price. This would cause a negative development of payouts paid out to investors and affect the overall liquidation result through lower proceeds from sales, which in turn would mean a lower final distribution for each investor.

6 Maintenance – rehabilitation

An annual amount of 0.5% of the total purchase price of the fund's properties is calculated for repairs as well as for maintenance and refurbishment costs. Additional maintenance and rehabilitation measures – for instance to adapt to changes in competitive and demand structures – cannot be ruled out. Higher than forecast expenditure would have to be covered by loans or at the expense of either payouts or the liquidity reserve. This would affect overall liquidity and reduce planned payouts.

7 Site development

As a future owner of real estate properties, the investment company is liable for certain payments in connection with its properties and for local improvement charges dating back to the time of the previous owner. Although these factors are taken into account in the course of purchase negotiations, we cannot rule out that additional payments may become due during the term of the investment fund. This would affect forecast liquidity development and reduce the planned payouts or the investment company's liquidity reserve.

8 Residual contamination – constructional defects

The fund will be investing in existing residential and office buildings. There is a risk that defects of which the company was not aware at the time of purchase may come to light after a property has been bought and cause additional maintenance or repair costs. In spite of careful examination, residual contamination from previous owners or other contaminants may be found on the property after the purchase. In this case, the investment company may be obliged by law or by administrative decree to eliminate such residual contamination or contaminants. Unless the seller can be held responsible in individual cases, the investment company may be liable for the costs of this elimination. Lost rent revenues until successful elimination can jeopardise an investor's investment and lead to total loss of the invested capital.

9 Insurance risk

We cannot rule out that certain risks affecting the fund's properties are not covered by existing insurance policies, or that such risks may not be insurable. This can apply to certain types of natural catastrophes or damage by terrorist activities. Any damage or loss of rent not covered by insurance constitutes a risk for the investment. Furthermore, actual insurance premiums can exceed forecast premiums, or a higher excess amount may be due in the occurrence of damage. This can jeopardise an investor's contribution to the fund. After settling a claim, the insurance company has the right to terminate the insurance contract. There is a risk that the investment company may then have to insure the property at less favourable conditions. This burdens the liquidity of the investment company and could jeopardise an investor's investment in the company.

10 Capital appreciation

Expenses in the investment phase that do not contribute to capital appreciation – for instance costs of raising equity capital, concept costs as well as all incidental purchase costs – must be offset by increases in value before the overall holding as such starts to appreciate. The value of the properties is based largely on their earning power, which in turn depends on the amount of annual rent revenues, on the quality of the building itself and on the assumed locational factor (multiplier). In the forecast calculation it was assumed that properties will be purchased at a factor of 12.5 times the annual net base rent (excluding heating expenses), and that when fund properties are sold they can be sold at a factor of 12.5 times the annual net base rent. A 2.5% rent increase has been assumed for each year. Any reduction in rent revenues and/or deterioration of the locational factor will inevitably result in a lower earning power of the properties. Among other factors, the actually realisable value of a property depends significantly on the development of the real estate market in general and on the regional market for residential real estate, on locational trends and on the development of the condition of the properties. If the markets, the locations or the properties themselves develop poorly, or if markets experience a decline, stagnate or grow at a lesser pace than expected, forecast results may not be achieved. This means that, on the one hand, intended earnings may not be achieved and, on the other, that the capital invested in the properties may not be recovered, either in full or in part. Either of these situations may cause investor losses.

Another factor that can potentially reduce the value of real estate properties could be an oversupply of residential space in the area of the properties managed by the fund. If rent revenues decline, or if a lower factor has to be applied when a property is sold, the settlement to be apportioned among investors on dissolution of the investment company and the share of this settlement which is due to the individual limited partners in the ratio of their compulsory contribution are reduced.

11 Decision-makers – partners

The success of a fund depends on the skill of its management team. Departure from the company of persons whose skills are decisive for its development can have a negative impact on the fund. Similarly, wrong decisions by fund management can lead to loss of revenues or to additional costs, and in either case to a deterioration of the company's

liquidity position. These risks can threaten an investor's participation.

12 Outside capital – follow-up financing

According to the financial and investment plan, part of the forecast financial requirements is to be covered by outside capital. Loan conditions depend in part on the credit standing of the tenants of the properties. Deterioration in a tenant's credit standing during the term of a loan could mean that the lending bank demands additional collateral. If such collateral cannot be provided, the bank is entitled to terminate the loan. Once the fixed interest period of a loan has expired, interest and redemption conditions have to be renegotiated. If interest or redemption rates applying to the follow-up financing are higher than the rates assumed in the forecast, forecast results will deteriorate. This would mean a reduction in payouts.

If follow-up financing is not possible to the intended extent, for instance as a result of vacancies, additional capital would have to be raised. If follow-up financing fails, or if the properties are not able to generate the funds needed to cover contractually agreed interest and loan redemption payments because of unexpectedly low liquidity results, the lending bank may well exercise its right of realisation in respect of the collateral, which would mean a forced sale of the properties. In the worst case, this can lead to the total loss of an investor's capital.

13 Risk arising from the pledge of rent revenues and creation of mortgages

As a consequence of the pledge of all claims arising from the leases to the financing bank, the investment company is at risk of losing its entire rent revenues. Rent revenues can be lost either if they have to be used in their entirety for debt service and for the formation of the reserves required under the terms of the loan, or if loan conditions are infringed and the lender then exercises its right of retention in respect of rent revenues in order to satisfy its claims under the loan agreement. The lender's claims are secured by mortgages on the properties. If, after an infringement of the loan agreement, the lender chooses to enforce its claims against the properties, returns from a forced sale may not be sufficient for payments to be made to the investors once the loan has been repaid.

14 Interest on credit balances

The company places its liquid assets in interest-bearing investments. Risks can occur if income expected from investments cannot be achieved or sustained. If the investment company's liquid assets develop more poorly than forecast, potential interest earnings are lost. This causes a decline in overall liquidity and reduces planned payouts.

15 Share financing

The fund concept explicitly does not involve outside financing of investor contributions. The offerer explicitly advises against investors financing their participation in the investment company by taking out personal loans.

Investors who nevertheless choose to finance their holding in the investment company or part thereof through a personal loan should remember that banks providing loans for share financing generally do not base their loan decisions on the value of the share but on the investor's credit standing. Financing an investment with a personal loan therefore restricts an investor's leeway for future loans. In such loan agreements, investors are personally and unrestrictedly liable with all their assets. Interest and loan redemption payments for personal loans must be made independently of any payouts received from the investment company. If the revenues assumed in the forecast are not achieved, the overall yield from the holding might be lower than the interest an investor has to pay for the loan he has taken out to finance his share. In the event of total loss of contribution and premium, investors who have financed their shares will, in addition to the loss, also have to pay back the loan and interest on the loan from their private assets. Should in this case an investor's liabilities exceed his private assets, he may, in the worst case, be forced to declare private insolvency.

16 Partner resolutions

Experience has shown that only very few investors take part in resolutions or give instructions for votes on motions. It can therefore not be ruled out that, in individual situations, shareholder resolutions taken on the basis of the stipulations of the articles of partnership are in fact taken by a minority of the total invested capital. In principle, groups of investors who together hold at least 30% of voting rights have the right to demand a resolution. As investors normally do not know each other, such a right is difficult to enforce.

But if a large-scale investor joins the company, it is possible for this large-scale investor to hold a voting majority. The trustee normally represents a large number of investors. Unless he is given specific instructions, he can exercise an investor's voting right at his own discretion. Important decisions affecting the performance of the real estate are normally taken by the managing limited partner of the investment company or within the scope of partner resolutions of the investment company. As investors' involvement in the properties themselves is exercised only indirectly through the investment company, the investors themselves have no direct influence.

17 Creditworthiness risk

There is a risk that partners are unable to fulfil their financial commitments vis-à-vis the investment company or that they can fulfil them only partially. This would have a negative impact on the liquidity position and thus on payouts and on the value of the holding.

18 Risk of tenants/users with low credit standing

Particularly when smaller premises are let out, there is a risk that they might be let to users who are not particularly creditworthy. Moreover, it is not impossible for the good credit standing of a tenant/user to deteriorate in the course of time. If poor credit standing leads to delays or default in payment, this could reduce planned payouts.

19 Assertion of claims

Differences of opinion or disputes in the interpretation of existing contractual agreements cannot be ruled out. This could mean judicial litigation to resolve the unsettled interpretation questions. Such judicial clarification can sometimes take a very long time, and a negative outcome of the legal proceedings is possible. The negative outcome of a claim assertion can pose a threat to an investor's contribution to the fund.

20 Tax risks

All forecasts are based on the assumption that fiscal authorities classify the investment company as an asset management company. Future tax changes, including far-reaching tax reforms, are foreseeable. On the basis of current judicial decisions, private sales of properties continue to be tax-free after expiry of the ten-year speculation period. However, it cannot be ruled out that earlier plans to tax

private capital gains on real estate – irrespective of the ten-year speculation period – are taken up again. The risk of changes in tax laws or in their interpretation by the fiscal authorities and the courts is borne completely and solely by the investor. In addition, there is a risk that fiscal authorities may take a different view of the fiscal concept of the fund than the company offering it. This can affect the individual tax risks described below or other fiscal aspects of the participation offer. In taxation procedures, a diverging view of the fiscal authorities can come to bear both when tax assessment notices are issued as well as on the occasion of a tax audit. It is not until after the procedure itself and after possible subsequent objections have been settled or fiscal court proceedings have been concluded that fiscal treatment for the year of assessment is definitively clear. It should be pointed out that tax-related treatment of the transactions of a particular tax year does not mean that the fiscal authorities will reach the same conclusions in subsequent years. No warranty can be given for recognition of the overall concept or parts thereof by fiscal or judicial authorities.

Because more than three properties – as defined in the so-called three-property limit – will be held, the fiscal authorities may, when the properties are later sold, take the view that the company is operating a commercial real-estate business. If investors sell their company shares within ten years of joining the investment company, there is also a risk that the fiscal authorities will treat the participation as a commercial real-estate business and tax potential capital gains. Nor can it be precluded that the fiscal authorities classify the investment company as a commercial company and do not recognise its status as an asset management company.

Investors who transfer their holdings before achieving an overall surplus must expect a special review of their income intentions. Premature transfers (for instance, before the end of the ten-year speculation period) may mean that the transactions are viewed as taxable sales or even that they represent part of a commercial real-estate business. The advice of a tax consultant should be sought in any case if investment shares are to be transferred, even within the scope of anticipated succession arrangements, as the investment company will have taken out loans and therefore the gift of a holding would constitute a partially taxable legal transaction under tax law.

As explained above, outside financing of individual shares

is not envisaged as part of the fund concept. If investors nevertheless choose to finance their shares by loans, interest payments on these loans constitute a special business expense for the individual investors. In order for these and other special business expenses to be taken into consideration in the tax assessment, investors must report them to the fund management team by the due deadline (15 March of the following year). Moreover it must be remembered that the intent to achieve a surplus which is required by the fiscal authorities can also be shown to exist even if these interest payments are reported. Otherwise earlier tax losses may no longer be recognised. Investors' personal share financing should be tailored to their individual tax circumstances and therefore be reviewed by a tax consultant. A subsequent levying of property acquisition tax is possible if the constitution of the group of partners of the investment company changes directly or indirectly by more than 95% within five years.

It cannot absolutely be ruled out that changes in legislation, in tax rulings or in the practice of the fiscal authorities might cause future results to be different from forecast results. This can cause a deterioration of results at the level of the investment company, of the trustor and of the direct limited partners. These risks are borne exclusively by the investor. The investor may be subject to an adverse tax assessment, with the consequence that additional costs and taxes reduce his yield. In the worst case, changes in fiscal assessment can so severely impair the investment company's result that investors lose their contribution plus premium and can be forced to declare insolvency if they cannot make these additional tax payments to the fiscal authorities.

21 Liability

Investors owe the investment company the agreed contribution and the premium. In unfavourable situations, investors may be called on to make additional contributions after their initial contribution and premium payment, however only to the extent that the investment company has paid out amounts to them above and beyond their profit share (non-profit-related withdrawals) and at the same time the investment company has uncovered liabilities.

The liability of a limited partner vis-à-vis creditors of the investment company is limited to the liability amount entered in the Commercial Register; the liability of the trust limited partner is limited to EUR 1,000. All investors participating

indirectly via the trust limited partner are therefore liable only up to this amount. Investors who purchase a direct limited partner's share after joining the company are liable vis-à-vis creditors up to 10% of their individual subscription amount per investor; the amount of their liability must be entered in the Commercial Register. Once the contribution has been made up to the liable amount, liability vis-à-vis creditors of the investment company ends. It can be revived if the contribution falls below the liability amount as a result of capital repayments. Pursuant to Section 161 (2) of the German Commercial Code in connection with Section 160 of the German Commercial Code, limited partners, after leaving the investment company, are liable to creditors of the company in a ratio corresponding to their share for liabilities created until their departure; this liability applies for a period of up to five years.

22 Fungibility – sale of shares

Real estate ownership – either in the form of a direct investment or by participating in a fund – is generally speaking a long-term form of capital investment. As a rule, economic success is achieved only if investors take the long-term nature of the investment seriously and do not seek to recover their capital at short notice. Closed-end real estate funds involve special risks because of the restricted saleability of the holding. Even though a participation can in principle be sold at any time, it should be noted that there is so far no organised secondary market – in the sense an exchange – for shares in property management companies. This means that there is no guarantee that investors wishing to sell their share will find buyers. Nor are there any objective price benchmarks. This means that investors run the risk of having to sell their holding below its value. This applies particularly in periods of high interest rates.

23 Risk of lack of control of resources allocation

No resources allocation control agreement has been planned for the investment company. There will therefore be no special external monitoring by a competent third party to ensure that the resources of the investment company are used in compliance with what is described in the present sales prospectus.

Negative statement

The offerer is not aware of any further material, actual, legal or fiscal risks in connection with this investment.





E INFORMATION ON INVESTMENT OBJECTIVES AND INVESTMENT STRATEGIES

1 Fund design / Investment objective

An old commercial saying claims that “Profits are made at the point of purchase”. And this is precisely where PropFund Germany 2 GmbH & Co. KG focuses its attention in its efforts to develop profit potentials for its investors. Situations such as compulsory auctions, insolvencies and liquidity bottlenecks experienced by large investors whose balance sheets must be improved for “cosmetic reasons” open up excellent purchase opportunities for residential and commercial properties. There are several undervalued properties or projects in the German market where targeted investment can achieve value increases in the short term. Rent levels in Germany are among the lowest in Europe. We are convinced that there has never been a better time to achieve value increases based on current purchasing prices. This is the start of a wonderful business story written by a team with more than fifteen years of real estate experience – and it is a story in which investors can participate.

Description of our investment strategies

The objective of PropFund Germany 2 GmbH & Co. KG is to make real estate investments on the basis of the present offer and in the issue volume described in this prospectus. Investment objective: PropFund Germany 2 GmbH & Co. KG will invest in the operational real estate and rental business; its operations will also include partial refurbishment of older buildings. The focus will not be on radical refurbishment activities, but rather only on measures required to maintain building condition or improve occupancy. The funds required for this purpose will be generated not only through the assumption of debt but primarily through privately invested capital (= limited partner equity) in PropFund Germany 2 GmbH & Co. KG. PropFund Germany 2 GmbH & Co. KG is reacting to the current advantageous real estate market situation with a capital market issue of EUR 10 million. An equity base of this magnitude will allow the company to act quickly and efficiently when market opportunities open up. Now is the right time to purchase properties at attractive prices in order to realise long-term high revenues through effective

and valuable rentals – properties which can then be sold at higher prices, turning future increases in the value of real estate into capital assets. Now is also the right time to build up a real estate portfolio with real long-term value.

PropFund Germany 2 GmbH & Co. KG will capitalise the many years of experience of its founding shareholders in the area of purchasing, refurbishing and developing Berlin real estate: their business relationships with experts in various trades and good cooperation with collecting companies will enable them to deploy their core competencies in a targeted manner. The issue capital is intended to support an opportunity-oriented and bank-independent purchase strategy that will generate profits from future resales (after ten years) and revenues from the properties in our portfolio. For investors, this means that capital invested in PropFund Germany 2 GmbH & Co. KG will serve to generate new capital and create assets of sustainable value. As fund partners, investors will be participating in these assets.

The investment company wants to invest its capital in various residential and office buildings. The properties that it will purchase constitute the investment. As the investment company has at the present time not yet purchased any properties (investment objects) or concluded any preliminary purchase agreements for such investment objects, the present prospectus cannot include a current description of the investment object(s), as none have been definitively chosen. The expected total costs of the investment objects, in particular acquisition and production costs as well as other costs, have not been specified at the time of preparation of the present prospectus, so that they cannot be broken down into separate cost categories. Only properties corresponding to the investment criteria outlined below will be purchased as investment objects.

The company’s net income is intended to be used for the purchase of residential and commercial buildings that meet the investment criteria described in the following chart.

INVESTMENT CRITERIA

Investment profile:	asset or share deals, preservation of substance, partial refurbishment of buildings and properties offered for sale from insolvencies
Locations:	Berlin and surrounding area as well as German cities with at least 50,000 inhabitants in their catchment areas
Micro-locations:	in stable and well-established city areas
Property sizes:	residential and office buildings with a maximum commercial net rent revenue amounting to 35% of the total net rent
Occupancy rate:	at least 75% rented
Condition:	Properties should be in a proper and professional state of refurbishment so as to ensure sustained rentals. Any refurbishment work needing to be done will be carried out only under the conditions that it helps achieve full occupancy or justifies potential rent increases.
Factor:	The overall factor of the fund portfolio should be 12.5 of annual rent receivable. Properties with higher factors may be purchased if rent trends allow a factor of 12.5 to be forecast for the fund's total portfolio within 18 months, or if a factor of 12.5 can be achieved for the total portfolio through the purchase of other properties having a lower factor.



EXAMPLES OF TRANSACTIONS OF THE EURIX GROUP



Residential and office building, Orankestraße
18 residential units, 2 commercial units

Purchase price:	EUR 950,000
Property:	EUR 300,000
Refurbishment:	EUR 90,000
Total expenditure:	EUR 1,340,000
Annual net rent revenue:	EUR 132,600
Factor:	10.11
Yield:	9.90 %



Residential and office building, Andreasstraße
11 residential units, 13 commercial units

Purchase price:	EUR 1,270,000
Annual net rent revenue:	EUR 142,217
Factor:	8.93
Yield:	11.20 %



Office and commercial building Breite Straße
6 office units, 2 commercial units

Purchase price:	EUR 890,000
Annual net rent revenue:	EUR 92,234
Factor:	9.65
Yield:	10.36 %



Residential and office building, Florastraße
24 residential units, 2 commercial units

Purchase price:	EUR 2,700,000
Annual net rent revenue:	EUR 222,000
Factor:	12.16
Yield:	8.22 %



Residential and office building, Hauptstr. 60
12 residential units, 2 commercial units

Purchase price:	EUR 920,000
Annual net rent revenue:	EUR 85,902
Factor:	10.71
Yield:	9.34 %



Residential building, Haeckelstr. 17
6 Residential units

Purchase price:	EUR 416,700
Annual net rent revenue:	EUR 32,760
Factor:	12.72
Yield:	7.86 %



4 residential buildings, Cottbus Gallinchen
48 residential units

Purchase price:	EUR 2,465,000
Annual net rent revenue:	EUR 240,234
Factor:	10.27
Yield:	9.74 %



3 residential buildings Hessisch-Lichtenau
48 residential units

Purchase price:	EUR 1,795,000
Annual net rent revenue:	EUR 166,000
Factor:	10.81
Yield:	9.25 %

2 Press views on the market in Germany

IVD-Ausblick 2012

According to IVD president Kiessling, "conditions for the purchase of a property remain very good in 2012". Mr Kiessling goes on to explain that continuing low interest rates and moderate property price rises in Germany have contributed to this trend. "The affordability of residential real estate remains high. Residential properties are more affordable today than they have been in a long time", says Kiessling, referring to the affordability index for owner-used single-family dwellings calculated by the IVD for properties across Germany.

"Increases in property acquisition tax are compensated by low mortgage interest rates, so that property acquisition continues to be a worthwhile investment in 2012."

Trendbarometer Immobilienmarkt 2012 – Ernst & Young

99% of all investors assess the attractiveness of the German property market as being "very attractive" or "attractive".

"Germany is seen as the most stable market in the context of the euro crisis."

Tagesspiegel, 30 May 2011

"Rents reach record highs"

Cash.Online, 22 November 2011

"All segments of the residential property market show an upward trend both for rents and purchase prices in the third quarter of 2011."

Frankfurter Allgemeine Zeitung, 9 January 2011

"The Berlin property market is very attractive"

3 Concrete projects and implementation level

Because our business objective is based on a very fast moving market, no concrete real estate projects have been selected for purchase as this prospectus is being prepared. The implementation level of the scheme is therefore "zero". Our situation is that of a "blind pool", a typical scenario for this type of investment. As net proceeds from the placement of the fund will not be sufficient to implement the investment objectives, outside capital will be necessary for their implementation. Net revenues will not be used for any other purpose.

4 Participation of affiliated individuals in the investment objects

As the present prospectus is being prepared there are no investment objects. No statements can therefore be made as to whether title to the investment objects or to significant parts thereof was or is due to the same persons or companies who have assumed responsibility for the content of the sales prospectus, to the foundation partners of the issuer or to the executive management team of the issuer or trustee. Nor can any statements be made as to the extent to which such persons or companies have in rem entitlement to the investment objects for other reasons.

5 In rem encumbrances of the investment objects

The intention of the company is to purchase investment objects using its own capital base. Depending on circumstances in the capital market, it may be necessary to borrow outside funds up to a maximum amount of eleven times the annual net base rent (excluding heating expenses) applicable at the time of purchase, calculated on the basis of full occupancy. If funds are borrowed, the lending banks will secure the purchased properties with land charges. Land charges are in rem encumbrances on properties, condominium apartments or commercial part ownership. They are registered in the pertinent Land Register maintained by the competent local court. Registration confers public legitimacy. In contrast to a mortgage, this type of encumbrance represents an independent in rem encumbrance claim to be considered separately from the corresponding credit relationship. It may be used as collateral for all types of financing and represents a valuable bank security if there are no prior encumbrances or only relatively small ones. As there are no investment objects at the time of preparation of the present prospectus, no statements can be made as to whether there are any in rem encumbrances of the investment objects.

6 De jure and de facto restrictions affecting the use of the investment objects

There are no investment objects as the present prospectus is being prepared. No statement can therefore be made as to whether de jure or de facto restrictions exist in respect of the use of the investment objects, particularly in view of the investment objective.

7 Necessary administrative permits

The company's only business activities are activities that require no authorisation under the terms of Section 34c of the Industrial Code [Gewerbeordnung, GewO].

The following administrative permits may be necessary for the purchase of suitable investment objects:

a) Properties may be subject to rights of pre-emption of towns and/or other public authorities who must then declare the non-exercise of their rights.

b) Pursuant to the Regulations on Real Estate Transactions [Grundstücksverkehrsordnung, GVO], notarised property agreements involving investment objects in Germany's eastern states are subject to authorisation. One of the prerequisites for entry of a property agreement in a Land Register is authorisation pursuant to the GVO. Before authorisation can be granted, the authorising authority must apply to the competent State/Federal Office for the Settlement of Open Property Issues to verify whether the property being sold under the terms of the contract is subject to an application for retransfer pursuant to the Law on Assets [Vermögensgesetz]. GVO authorisation is granted if there are no pecuniary claims to prevent it. If verification reveals that the property is subject to unsettled claims, the GVO authorisation process required for the property contract must be postponed until a decision having full legal force has been taken by the competent Office for the Settlement of Open Property Issues.

c) In areas formally specified as urban rehabilitation areas, special approval of the municipality is required for projects, legal acts and property divisions. This authorisation obligation in urban rehabilitation areas applies specifically to

- construction projects and important or significant modifications of properties or building installations in respect of which no authorisation, approval or notification is required,
- the partitioning of properties,
- utilisation agreements in respect of properties or

buildings for specific periods of time that are longer than one year,

- the legally binding sale of a property and the creation and sale of a hereditary building right,
- the creation of a right encumbering the property (easement, land charge, mortgage); the creation of these rights requires no authorisation if it is in connection with construction or modernisation measures being carried out to achieve the objective of the rehabilitation.

d) Charges due when investment objects are purchased include property acquisition tax. Pursuant to Section 18 of the Property Acquisition Tax Act [Grunderwerbsteuergesetz, GrEStG], notaries are obliged to submit a notification of sale to the competent property acquisition section of the tax office together with the notarised purchase agreement. Once the buyer of a property or a condominium apartment has paid the property acquisition tax, a fiscal clearance certificate confirming this payment is issued by the tax office. Although payment of property acquisition tax is not a prerequisite for transfer of title, land registry offices are instructed not to register transfer of title unless a clearance certificate from the fiscal authorities has been submitted. As a result, entry of transfer of title in a Land Register is impossible if property acquisition tax has not been paid. At the time of preparation of the present prospectus no administrative permits are required as no investment objects have been purchased.

8 Agreements regarding the acquisition or production of the investment objects

At the time of preparation of the present prospectus, the issuer has concluded no agreements regarding the acquisition or production of investment objects or substantial parts thereof (because of the "blind pool character"). The purchase of properties always requires notarisation or adjudication of contract in a forced sale.

9 Appraisals of investment objects

Every property being purchased by the fund will be subjected to a market value appraisal pursuant to the German Building Code and to the Valuation Guideline. When a property is purchased at a forced sale, the appraisal will be based on the report of the expert appointed by the court. No separate appraisal will be prepared for the feasibility of the investment strategy and the objectives followed. At the time of preparation of the present prospectus, no appraisals for investment objects have been prepared.

10 Services and products provided by associated persons

As liable general partner of the company, EURIX Development GmbH assumes full liability for the issuer and receives compensation for this liability in the form of an annual remuneration of 0.36% of the limited partner equity acquired by the fund. After full placement, this will correspond to an annual amount of EUR 36,000. The partners of EURIX Development GmbH are the founding partners Detlef Martin and Marco Knoblauch – each of them holding a 50% share.

As limited partner of the issuer, EURIX Asset Management GmbH will assume executive management tasks and be remunerated with an administrative expenditure compensation of EUR 24,000 p.a. during the placement phase and 4% of the rent revenues achieved by the fund starting on first of the month following closure of the placement phase, which in the case of full placement in

2013 will correspond to approximately EUR 80,000 p.a. For the preparation of the concept, EURIX Asset Management GmbH receives a one-time remuneration of EUR 50,000. The partners of EURIX Asset Management GmbH are EURIX Holding GmbH, with a 51% share, and Marco Knoblauch with a 49% share.

The founding partner Detlef Martin is responsible for assuming trusteeship of trustor holdings, and for this service he receives an annual remuneration of EUR 6,000.

The following persons or companies have not provided and will not provide any additional services or goods of more than minor importance: the authors of the prospectus, the founding partners of the issuer, the members of the executive management team of the issuer or trustee.



11 Total costs of the investment objects

SOURCE AND APPLICATION OF RESOURCES (FORECAST)

A, Application of resources / Investment plan			as % of overall expenditure	as % of equity capital
1,	Expenditure for the purchase or production of the investment objects, including incidental costs *)			
1,1,	Properties and buildings in Berlin	8,172,029 €	25.48%	81.72%
1,2,	Properties and buildings outside Berlin	19,068,067 €	59.44%	190.68%
1,3,	Property acquisition tax in Berlin	408,601 €	1.27%	4.09%
1,4,	Property acquisition tax outside Berlin	953,403 €	2.97%	9.53%
1,5,	Object reviews / Appraisals	36,000 €	0.11%	0.36%
1,6,	Object acquisition / Brokering costs	972,471 €	3.03%	9.72%
1,7,	Notary, Land Register, other incidental purchase costs	296,917 €	0.93%	2.97%
		29,907,490 €	93.23%	299.07%
2,	Issuing costs in the placement phase			
2,1,	Remunerations			
	Raising equity capital	1,200,000 €	3.74%	12.00%
	Concept	98,000 €	0.31%	0.98%
	Marketing	202,000 €	0.63%	2.02%
		1,500,000 €	4.68%	15.00%
2,2,	Incidental costs			
	Loan brokerage / Processing fees *)	213,129 €	0.66%	2.13%
		213,129 €	0.66%	2.13%
3,	Other costs	0 €	0.00%	0.00%
4,	Liquidity reserve	393,152 €	1.43%	4.58%
	Total investment costs in the placement phase	32,078,369 €	100%	320.78%
B, Source of resources / Financing commitments				
1,	Equity capital			
	Managing limited partner	1,000 €	0.00%	0.01%
	Trust limited partner	1,000 €	0.00%	0.01%
	Trustors / Limited partners	9,998,000 €	31.23%	99.98%
	Rent surpluses during the placement phase	286,292 €	0.90%	2.86%
		10,286,292 €	32.07%	102.86%
2,	Outside capital			
	Loans / Permanent financing	21,792,077 €	67.93%	217.92%
	Total capital, placement phase	32,078,369 €	100%	320.78%

*) Forecast

11.1 Costs of the investment objects

The present scheme concerns not only one investment object but rather a portfolio of multiple properties (investment objects) which is to be developed by continued purchases of suitable properties. Total costs consist of the notarised purchase price plus property acquisition tax of 5% for properties in Berlin (since 1 April 2012) or 3.5% to 5% for properties in the rest of Germany, notary fees of approximately 1 – 1.5% or auction fees of approximately 0.5%, Land Register fees and land charge creation fees of approximately 0.5%, and maximum property acquisition costs / brokerage fees of 7.14 %. All these costs are based on notarised purchase prices. Where no market value appraisal is available, the company will commission its own market value appraisal. Appraisal costs will be invoiced to the company in accordance with the Fee Schedule for Architects and Engineers [Honorarordnung für Architekten und Ingenieure, HOAI]. Alternatively, costs for a simplified appraisal process are approximately 0.15 to 0.30% of the market value. For properties purchased in forced sales, the company is not required to prepare an appraisal, since an official market value appraisal is already available. On average, total incidental purchase costs are therefore approximately 14% of the purchase price for the property. Production costs only apply to the extent that measures to ensure the safety of persons and vehicles may be required or work that would significantly increase the loan value or market value of the property and hence its usability. No outright construction projects are envisioned. There are no investment objects as the present prospectus is being prepared. Any statement of total costs of the

investment objects broken down into acquisition and production costs and other costs, can only be viewed as a forecast.

11.2 Equity financing / Outside financing

The intention of the company is to purchase properties with existing equity capital in order to be able to make quick purchase decisions. The objective is then to refinance these properties with up to eleven times annual net base rent on the basis of full occupancy so as to create a new equity base that will allow us to continue to react to market conditions. A loan brokerage fee of 1.0% applies to financing efforts. This service will be performed by FinConsultix. There are no plans to make use of discounts. Mortgage loans will be collateralised for the ten-year holding period of the property. This will keep the average overall interest load lower than for short-term mortgage loans. Financing banks generally demand a one-time payment of approximately 0.5 to 1.0% of the loan amount for managing the loan and verifying the loan value. At the time of preparation of the present prospectus, there are no binding loan agreements regarding bridging or permanent financing and the investment company has no liabilities vis-à-vis third parties.

11.3 Other costs

Other costs include costs for the placement of equity capital plus statutory VAT and costs of on-going operation (see Section G 10.2).

F INFORMATION REGARDING THE INVESTMENTS

1 Type, number and total amount of investment

1.1 Type of investment

The investor will be participating in PropFund Germany 2 GmbH & Co. KG through a trust limited partner of the company. The company will purchase residential and office buildings in Berlin and the so-called "Speckgürtel" (the area inside the A 10 motorway ring) as well as in German cities with populations of more than 50,000 inhabitants in their catchment areas. The following criteria are intended to form the basis of our property purchases:

- properties must be located in stable and well-established city areas

- properties must be residential and/or office buildings with a maximum commercial use amounting to 35% of total net rent
- occupancy rate at the time of purchase should be 75%
- properties should be in a proper and professional state of refurbishment so as to ensure sustained rentals
- any refurbishment work needing to be done will be carried out only under the condition that it helps achieve full occupancy or justifies potential rent increases.

1.2 Number of shares and total value of the fund

Minimum participation in PropFund Germany 2 GmbH & Co. KG is EUR 30,000. The total investment amount offered is EUR 10,000,000. On the basis of the total equity amount of EUR 10,000,000 to be raised by PropFund Germany 2 GmbH & Co. KG and the planned minimum subscription amount of EUR 30,000, there can be a maximum number of 334 investors in the investment company. No dormant holdings are offered.

2 Legal structure

Investors have the option to participate in the investment company as internal limited partners through the trust limited partner of PropFund Germany 2 GmbH & Co. KG. Under property law, the internal limited partners (investors) have the same status as direct limited partners. Internally, the trust limited partner assumes and administers the limited partner's holdings that are held for the investors

(internal limited partners).

Externally, the trust limited partner holds the limited partner's holdings as a single shareholding (register trustee). The trustee is obliged to provide the trustor (investor), at the latter's request, with any information that the trustee himself is entitled to in his role as limited partner under the terms of the Partnership Agreement. The trustee exercises his right of information vis-à-vis the company and notifies the trustor of the result. For the administration of the trustee holding, the trust limited partner will be remunerated in accordance with Section 10.4 of the Partnership Agreement. The Trust Agreement concluded between the investor, the investment company and the trust limited partner is subject to German law; a copy of this agreement can be found in point 2 of Annex P.



2.1 Joining the company

The investor commissions and authorises the trust limited partner, releasing him from the restrictions of Section 181 of the German Civil Code [Bundesgesetzbuch, BGB] (ban on contracting with oneself), to create a limited partnership holding (trustor) in the amount of the investment as stated in the declaration of accession. The Trust Agreement is created by virtue of the trustee's acceptance declaration as evidenced by a countersignature on the declaration of accession, even though the trustor may not receive a copy of the Trust Agreement. The agreement comes into force on the day on which the declaration of accession is signed by the trustee. As trustor, the investor has an indirect holding through the trust limited partner, and he participates in the assets and in the on-going results of the company. The use of a trust limited partner is viewed by many investors as a convenient solution that reduces personal administrative work. In addition, many investors prefer not to have their names entered as shareholders in the Commercial Register. Under the Trust Agreement, the trust limited partner – to the extent that this is permissible under corporate law – must transfer to the trustors all rights and obligations arising from his shareholder position. All the rights of the trustors correspond to those of a direct limited partner. For instance, trustors / direct limited partners have the right to give instructions to the trust limited partner, they are entitled to withdrawals, and they are entitled to a settlement when leaving the company. On the basis of an authority granted by virtue of the Trust Agreement, trustors are also entitled to exercise the voting right that applies to their holding in their own name at annual general meetings.

Trustors / direct limited partners may also – without the approval of the trust limited partner – delegate their voting right to persons subject to professional confidentiality obligations (only lawyers, tax consultants, auditors). A copy of the Trust Agreement concluded between the investor, the investment company and the trust limited partner can be found under point 2 of Annex P; it constitutes an integral part of the present issue prospectus.

2.2 Amount of the holding, term, premium

With the exception of the trust limited partner, investors participate in the company by contributing a minimum investment of EUR 30,000. Higher investment amounts must be divisible by 1,000.

The public offer begins one working day after publication of the sales prospectus and ends when full placement has been achieved or by resolution of the managing limited partner.

In view of the minimum holding period (speculation period) of ten years for its portfolio of properties, the investment company will be dissolved once the ten-year period for the last purchased investment object has expired. However, the managing limited partner is authorised to extend the term of the company up to three times by periods of one year each. To do so, the managing limited partner must notify the other limited partners of the prolongation of the company at the last ordinary partners' meeting before the expected date of termination.

Forecasts of planned non-profit-related withdrawals (payouts) until dissolution of the fund / divergences from the forecast

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Negative divergence from forecast	3.53 %	4.01 %	4.44 %	5.09 %	5.75 %	6.64 %	7.12 %	7.56 %	8.01 %	8.47 %	9.08 %
Forecast	7.00 %	7.00 %	7.00 %	7.00 %	7.25 %	7.25 %	7.50 %	7.75 %	8.00 %	9.00 %	10.00 %
Positive divergence from forecast	9.13 %	9.36 %	9.82 %	10.29 %	10.78 %	11.27 %	11.78 %	12.29 %	12.83 %	13.37 %	13.91 %

Withdrawals during the term of the holding are limited to the amount of an investor's liable capital contribution (capital account I).

2.3 Distribution of results

The results generated by the company will be distributed among the investors of PropFund Germany 2 GmbH & Co. KG. This distribution will be carried out according to the ratio of the balance of capital accounts I to III of all shareholders minus issuing costs and capital reserve amounts that are subject to profit allocation. The basis for the distribution of results to shareholders is the profit or loss as reported in the profit and loss account of the annual financial statements, taking into account the profit share due to the company under the present contract before consideration of the distribution of results as per the present paragraph.

The following applies to participation in profits/losses:

- (1) In the event that the profit and loss account shows a loss, this loss is distributed among the investors (trustors) in the ratio of their actually deposited capital to the company's total deposited capital.
- (2) If the profit and loss account shows a profit, the pertinent amount of company tax must first be deducted from the profit. The remaining profit is then disbursed to investors in the ratio of their actually deposited capital to the total deposited capital until all partners' capital accounts II are squared to offset any previous loss allocation.
- (3) In the year of full placement, the balance of capital account I as per 31 December will be taken into account. In the following years, the balance of capital account I as per 31 December of each financial year will form the new basis.

2.4 Non-profit-related withdrawals

Starting in the year of full placement or closure of the fund's subscription period, investors can take advantage of an annual non-profit-related withdrawal – subject to the company's liquidity situation – in the amount of 7.0% of deposited capital. Depending on liquidity, these withdrawals will be effected as annual one-time withdrawals.

The company may decide to make disbursements to investors from freely available liquid funds even prior to the dissolution of the company, provided that no further investments are likely until the end of the holding. If a holding is terminated as per ordinary provisions, i.e. after expiry of the minimum contractual term and in compliance with the period of notice pursuant to Section 18 of the Partnership Agreement, a settlement takes place between the investor (trustor) and the investment company under the terms of which the investor is entitled to receive a settlement amount from the company. The investor's

settlement amount consists of two parts. The first part of the settlement consists of the investor's share of the hidden reserves created since his accession and of the corporate value (earning power / goodwill) of PropFund Germany 2 GmbH & Co. KG. This settlement will be disbursed in the ratio of the investment deposited by the exiting internal limited partner to the total amount of deposits of all investors participating in the company. Above and beyond the pro-rated settlement amount, the second part of the settlement consists of the balance of an investor's capital account. If, when an investor leaves the company, disbursements and apportioned losses exceed the deposited investment and the profit shares, the resulting negative capital account is offset to the level of the (positive) settlement value. There is no obligation to provide additional payments even if a negative balance remains vis-à-vis the company. The annual balance sheet of the year prior to the effective date of termination constitutes the basis for determining the settlement balance. In addition, disbursement of the settlement depends on the investment company having sufficient liquidity. Further details can be found in Section 19 of the Partnership Agreement, a full copy of which is included in the P 1 Annex of the prospectus.

2.5 Partners' accounts

(1) An investor's liable capital contribution is credited to capital account I. No capital account I is set up for the managing limited partner or for the trust limited partner (in respect of his initial liable capital contribution pursuant to Section 4 (2)). Capital account I is not subject to change, and it must always be shown separately. It is the account which – pursuant to the provisions of Section 10 – is used as the basis for determining investors' holdings in the company's assets and in the on-going result as well as their participation in votes. Capital Account I is a fixed account and does not bear interest. Any change to this fixed capital account requires a unanimous resolution of the partners' meeting.

(2) As long as and to the extent that capital account I has not reached the amount of the fixed capital share, profit shares of individual investors will be credited to capital account I. If and insofar as the loss carryforward account is negative, further profit shares are initially to be credited to this account. Any further profit shares are credited to the investor's private account.

(3) In addition to capital account I, a capital account II will be created to show the part of an investor's compulsory contribution that exceeds the liable capital contribution. The trust limited partner's initial liable / compulsory contribution will be shown in capital account II. Capital account II does not bear interest.

(4) Any losses will be reported in a loss carryforward account which will be set up for every investor if needed. The loss carryforward account is a no-interest account.

(5) Finally, a private account will be held for every investor. Withdrawable profit shares, payouts and remuneration for activities will be shown on this account, as will be interest and payment transactions with the company. Private accounts may have negative balances if and insofar as payouts are due without the company having achieved a surplus for the year. Private accounts do not bear interest.

2.6 Resolutions / Shares

Every EUR 1,000 capital share (Section 9 (1) of the Partnership Agreement, cf. P 1) grants one vote.

2.7 Information and monitoring rights

(1) Together with the invitation to the ordinary partners' meeting, every investor receives an annual report of the company's activities, which is to be drawn up by the managing limited partner. The annual report must contain at least:

- the annual accounts,
 - a description of the investments made in the financial year just ended and
 - a description of the development of all investments, to the extent that such information is available and that there are no justified interests against reporting
- Section 131 (3) German Stock Corporation Act [Aktiengesetz, AktG] applies accordingly).

This provision applies mutatis mutandis if a resolution is passed in writing in lieu of the ordinary partners' meeting being held (Section 13 (6)).

(2) Furthermore, the partners may also request information on issues concerning the company from the managing limited partner. For the scope and content of the right of information, Section 131 (1) to (3) of the German Stock Corporation Act applies mutatis mutandis.

(3) The partners' meeting may move to have a special audit effected by virtue of the provisions of Sections 142 ff. and Sections 258 ff. of the German Stock Corporation Act.

(4) Partners' rights pursuant to the provisions of Sections

164 and 166 of the German Commercial Code remain unaffected.

2.8 Reimbursement obligation in the case of withdrawals

If, when the fund is terminated in the liquidation phase, the capital appreciation achieved in the course of the holding is not sufficient to offset a negative capital account (balance of capital accounts I to III) resulting from withdrawals or losses in the early stages of the scheme, investors will be obliged to reimburse withdrawals up to a maximum amount of the 10% liable capital.

2.9 Liability, obligation to make subsequent contributions

Externally, the economic liability risk of limited partners is limited to the loss of the compulsory contribution / subscription amount. If investors have made their liable capital contribution (10% of the subscription amount) and this amount has not been withdrawn, they are not personally liable to the creditors of the company. If the limited partner makes withdrawals and thus reduces his capital share to levels below the liable capital contribution, limited partner liability is revived up to an amount equal to the liable capital contribution (10% of the subscription sum). No obligation for investors to make subsequent contributions can be created without the consent of all partners, not even by means of a majority vote.

2.10 Transfer of holding

Under the terms of the investment company's Partnership Agreement, a holding may be transferred to third parties within the scope a non-gratuitous sale or gratuitously as a gift. Transfer are effected by way of assignment and assumption of the rights and obligations of the Trust Agreement concluded between the trustor and the trust limited partner.

Partial transfer of a holding is possible if both the original holding and the new holding are at least EUR 30,000 and if their amount can be divided exactly by 1,000.

The company and the trust limited partner must be notified of the transfer in an appropriate manner. Until such notification, rights and obligations continue to be vested in the original investor. Payouts can be made to the original investor with full effect.

The managing limited partner must consent to the transfer. Consent will be deemed granted once the new partner has been notified in writing that consent has been given. There is no regulated secondary market for holdings related to asset management. Even though transfer of a holding is possible in principle, there is no guarantee that investors will find potential buyers for their holdings (cf. D section 22 page 17).

3 Fundamental principles of the fiscal design of the investment fund

3.1 Introduction

Section 180 (2) of the German Fiscal Code [Abgabenordnung, AO] stipulates that a partnership's income from rentals, leases and capital assets must be determined by way of separate and uniform assessment by the tax office at the location of the partnership and this information passed on ex officio to the local tax offices of the partners.

These notifications are binding to local tax offices in their assessment procedures. Any objections against the resulting assessment must be asserted vis-à-vis the tax office at the location of the partnership. Independently of the aforementioned procedure, investors can submit their annual income tax declaration to their local tax office. No special declarations or applications are necessary.

If the investor has incurred personal expenses in connection with the holding (e.g. interest payment relating to loans for the investment, travel expenses for participation in shareholders' meetings etc.), these must be reported as special business expenses in the results of the holding company. Every year, the holding company or its tax consultant will ask investors whether they have incurred such personal costs. If investors makes an incomplete or belated report of their special business expenses, this expenditure cannot be taken into account in the uniform tax return and is therefore lost for the individual investor. Investors cannot claim such expenditure later on in their personal income tax assessments.

3.2 Assessment method

Income tax assessment and assumption of profits and losses by the partners is effected on the basis the Fiscal Code in the form of a so-called separate and uniform assessment procedure. This binding procedure is conducted by the tax

office which is responsible for PropFund Germany 2 GmbH & Co. KG, in this case the Berlin-Mitte tax office. Based on the tax return submitted by PropFund Germany 2 GmbH & Co. KG, this tax office will determine a) the amount of the loss or profit and b) its allocation among investors. A so-called base assessment notice will then be issued, which has a binding character for the local tax offices of the individual investors, who will then be issued pertinent income tax assessments.

3.3 Income tax

The results forecast for the company (total surplus at the end of the period being considered) clearly demonstrate an intent to achieve revenues, and this intent therefore constitutes the basis for a fiscally relevant activity. Profits by investors (trustors) must therefore be taxed. This also applies to withdrawals to the extent that they lead to a negative capital account of the dormant partner (Section 15 a Subsection 3 (1) of the Income Tax Act [Einkommensteuergesetz, EStG]).

3.4 Income tax on termination or sale of holding

If dormant partners leave the holding by way of termination or sale of their holdings, the profit obtained from the termination or sale is subject to income tax. Based on current fiscal jurisprudence, sales profits from real estate investments which involve the administration of assets are tax-free after ten years.

3.5 Trade tax

Revenue generated for investors from rental and leasing activities constitutes revenue from rentals and leases in line with Section 2 (1) no. 6 in connection with Section 21 (1) of the Income Tax Act. Since administration of its own assets by the fund KG does not constitute a commercial activity, and since the company is not itself commercial in character as defined in Section 15 (3) no. 2 of the Income Tax Act, no revenues from commercial activities as defined in Section 15 of the Act are generated. According to existing jurisprudence, PropFund Germany 2 GmbH & Co. KG is therefore not subject to trade tax.

3.6 Property acquisition tax

The purchase of properties by the investment company is subject to 5% property acquisition tax for Berlin properties whose sales are notarised as of 1 April 2012, and 3.5% to 5% for properties in the other parts of Germany, applied

to the respective purchase prices. Amounts due can be determined only after the properties have been purchased, as individual states apply varying property acquisition tax rates. Property acquisition tax may also apply if the constitution of the group of partners of PropFund Germany 2 GmbH & Co. KG changes by 95% or more, either indirectly or directly, within a five-year period, which results in a fictitious property sale as per Section 1 (2a) in connection with Section 1 (3) of the Property Acquisition Tax Act.

3.7 Property tax

The investment company must pay annual property taxes (local rates) for the properties in its portfolio. The municipalities where the fund properties are located are entitled to reset their property tax rates at any time, so that amounts due in property taxes may change on a yearly basis. Model contracts for the rental agreements to be concluded with tenants generally provide for apportionment of property tax to tenants. The effect of possible changes / new regulations of property tax legislation on our holding concept cannot be assessed in advance.

3.8 Wealth tax

Wealth tax was abolished on 1 January 1997 and therefore does not apply.

3.9 Turnover tax

The investment company will opt for a taxed treatment of rental revenues that are normally tax-free (Section 9 (1) of the Turnover Tax Act [Umsatzsteuergesetz, UStG]). This option applies only to transactions effected by the investment company vis-à-vis other companies for their companies. The investment company will be renting fund properties mainly to private individuals, so that in this respect input tax deduction will not be possible. For mixed-use fund properties, the investment company will exercise a permissible partial option limited to rentals to businesses whose own transactions are subject to turnover tax. The partial option in respect of turnover tax enables the investment company to take advantage of a pro-rated input tax deduction.

3.10 Limitation of tax-reducing loss accounting

Any start-up losses incurred in the early years can be applied against tax obligations only up to an amount of the investment contribution made each year. According to the provisions of Section 15 a of the Income Tax Act (exclusion of

tax-reducing loss accounting in the case of negative capital accounts), this results in a limitation of the loss potential as recognised on a tax basis to 100% of the total investment (nominal investment).

3.11 Other types of income

The 1999/2000/2002 Tax Relief Act of 24 March 1999 (Federal Gazette I, p. 402), which went into effect on 1 January 1999, may, under the terms of Sections 2 (3) and 2b of the Income Tax Act, have a partially limiting effect on the option of making tax claims for losses from holdings such as limited partnerships. According to the new Section 2 of the Income Tax Act, losses from holdings can no longer be offset against profits or income from other income sources (e.g. income from rentals and leases, income from entrepreneurial sources, income from capital assets) if losses are the result of a holding in a company whose main objective is to achieve tax advantages. Whether and when this might apply to a corporate holding in the form of a limited partner is only rudimentarily shown by Section 2b of the Act. Since the competent tax office has some leeway in evaluating this situation, it is not possible to make a final and binding assessment as to how losses incurred by this investment company will be treated. PropFund Germany 2 GmbH & Co. KG is not designed as a tax-loss allocation company. However, the competent tax office may view the application of Section 2b of the Income Tax Act as binding, so that investors cannot offset losses from their holdings against profits or income from other income sources. In either case, investors can carry these losses forward to the next year and hence offset them against future profits from the holding. Insofar as losses from the holding are not treated in accordance with Section 2b of the Income Tax Act, they can be offset against all income from other income sources, so that in principle little would change even under the new legislative environment.

3.12 Tax payments to be made by the investor / Withholding tax

Based on current interest rate levels, interest on the investment company's unrestricted liquidity reserve has been calculated at 0.50% p.a. Since 1 January 2009, interest earnings have been taxed at a lump-sum withholding tax of 25% plus solidarity surcharge. This withholding tax, which replaces earlier interest withholding tax, is withheld directly by the banks and remitted to the tax office. Only if taxpayers are assessed at a lower income tax rate than the

withholding tax rate are taxable amounts offset within the scope of their income tax assessment.

Because of the nature of the investment company, exemption applications by investors cannot be taken into account, as the pertinent credit balances are invested in the name of the investment company. However, individual investors receive a tax certificate in respect of the distribution of the results of the company in the amount of their share of the withheld capital gains tax.

PropFund Germany 2 GmbH & Co. KG makes no tax payments on behalf of investors. The investors themselves are responsible for declaring their income from the fund.

4 Transferability of investment shares

Holdings can be transferred (cf. page 31 section 2.10). The transferor must notify the company of the purchase price he has received so that the tax office can be notified of resulting profits or losses including the purchase price. The company's tax result for the year of transfer is then fully allocated to the legal successor. Before investors transfer their holdings to third parties, they should discuss the fiscal consequences of such a move with a tax consultant. Unrestricted transfers of limited partnership shares are difficult, as there is no established secondary market for the sale of investment holdings (cf. D section 22 page 17).

5 Payment and subscription agent

PropFund Germany 2 GmbH & Co. KG is the payor of amounts due to investors under the terms of the fund. PropFund Germany 2 GmbH & Co. KG is also the party providing the sales prospectus for free distribution.

Declarations of investors (trustors or direct limited partners) wishing to join PropFund Germany 2 GmbH & Co. KG can be submitted only to the party named below:

Offerer: PropFund Germany 2
GmbH & Co. KG
Registered office: Berlin / Germany
Business address: Friedrichstrasse 82,
10117 Berlin

After being requested to do so by the company's executive management, investors make their deposits by way of bank transfer to the account of PropFund Germany 2 GmbH & Co. KG. All deposits and payments of the investment company

are to be transacted exclusively through the investment company's bank account. External financial service providers, their employees or other third parties are not entitled to receive deposits on behalf of and with effect for the investment company.

6 Payment details

Deposits are to be made to the investment company's bank account.

Bank: HypoVereinsbank UniCredit bank AG
Bank address: Leibnizstrasse 100,
10625 Berlin, Germany
Account number: 0019444449
Bank code: 100 208 90
Account holder: PropFund Germany 2 GmbH & Co. KG
IBAN: DE02100208900019444449
SWIFT / BIC: HYVEDEMM488

The purchase price is the subscription amount desired by the investor. There are no additional payment obligations in connection with the purchase of the holding. Payment due date is the deposit date agreed to on the subscription certificate. The company will request payment of the amount of an investor's (trustor or direct limited partner) holding by this date. The investment amount must be deposited to the investment account within fourteen days of the company's request for payment.

7 Subscription period

Subscription begins one working day after publication of the sales prospectus and ends on full placement or by resolution of the managing limited partner closing the placement phase.

Subscriptions, shares or holdings cannot be shortened.

The managing limited partner is entitled to close the subscription phase before the planned total amount of EUR 10,000,000 has been achieved.

8 Partial amounts for offers in different countries

The present investment offer in a total issue volume of EUR 10.0 million is publicly available in the member states of the EU and in the Russian Federation. The offer is directed primarily at Germany, Ireland and England. At the time of preparation of the present prospectus, the partial amounts are not known. While a public offer in other European states

is envisioned, further details cannot be provided at the time of preparation of the prospectus.

9 Purchase price for investment shares

The purchase price is the subscription amount desired by the investor. The minimum purchase price is EUR 30,000. Higher investment amounts must be evenly divisible by 1,000. There is no maximum purchase price.

10 Further costs associated with the acquisition, management and sale of investment fund

Investors may or will have to make the following additional costs in connection with the acquisition, management and sale of their investment fund. Some of these costs depend on an investor's private circumstances. Prior to subscribing, investors should find out what additional costs they will have to pay on the basis their personal circumstances.

10.1 Acquisition costs

Pursuant to Section 5 (5) of the Partnership Agreement, investors failing to make their contributions by the stipulated deadline will be charged default interest of 5 per cent above base interest rate. Further damages may be asserted.

The investment company recommends that holdings should not be financed by loans. Should investors nevertheless choose to finance their holdings, costs incurred will include loan interest, early repayment penalties if applicable, and lender processing fees if applicable. These costs vary in individual cases.

If investors have commissioned the services of a broker, brokerage fees may be due. These costs vary in individual cases.

If an investor chooses direct participation as a limited partner, costs will be incurred for notarisation of the Commercial Register authority and for entry in the Commercial Register. These costs vary in individual cases. Some banks may charge fees for transfers of subscription amounts. More specifically, transaction fees are due if a transfer is made from a foreign account. These costs vary in individual cases.

10.2 Management costs

In the course of the partnership, investors will have to pay travel and accommodations costs as well as communication

costs, for instance to take part in partners' meetings or view properties purchased by the fund. These costs vary in individual cases.

Investors issuing powers of attorney, for instance for proxy votes, may incur costs as a result of fees charged by the parties thus empowered. These costs vary in individual cases.

Investors may incur costs in the course of the exercise of their monitoring rights. These costs vary in individual cases.

10.3 Costs in connection with sale

Pursuant to Section 19 (2) of the Partnership Agreement of the investment company, investors who transfer their shares incur costs of 10% of the amount subscribed. Investors also bear the costs of cancellation from the Commercial Register. These costs vary in individual cases. Investors who have financed their holdings with loans will face costs for interest on the loan, early repayment penalties if applicable, and lender processing fees if applicable. These costs vary in individual cases. If investors have commissioned the services of a broker, brokerage fees may be due.

There are no further costs to investors in connection with acquisition, management and sale of investment fund.

Forecast property portfolio and management costs						
Year	2012	2013	2014	2015	2016	2017
Portfolio of properties	13,620,048 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €
Management costs	233,216 €	345,649 €	377,664 €	382,410 €	387,276 €	392,263 €
Year	2018	2019	2020	2021	2022	2023
Portfolio of properties	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €
Management costs	397,374 €	402,613 €	407,984 €	413,488 €	419,131 €	424,914 €

11 Further obligations of purchaser; specifically, further payment obligations

Investors have no payment obligations vis-à-vis the investment company beyond the agreed compulsory contribution (purchase price). Internally, once the contribution has been made, this claim between the investment company and a limited partner or trustor lapses. The investment company's claim to payment of the compulsory contribution is not revived if deposits are paid back by way of disbursement or in any other manner (internally, there is no additional funding obligation of investors). If however, after payment of the compulsory contribution, the participation share drops below the liable amount as a result of losses, withdrawals or payouts, a limited partner's liability vis-à-vis creditors of the investment company is revived to this extent. This liability may therefore result in an obligation to make pertinent additional payments. Pursuant to Section 161 (2) of the German Commercial Code in connection with Section 160 of the German Commercial Code, limited partners, after leaving the investment company, are also liable to creditors of the company in a ratio corresponding to their share for liabilities created until their departure; this liability applies for a period of up to five years.

The offerer makes no tax payments on behalf of investors. There are no other circumstances under which investors might have further obligations, in particular to make payments.

12 Total amount of commissions

A sales agreement has been concluded with FinConsultix Finanzdienstleistungsvermittlungsgesellschaft mbH & Co. KG (FinConsultix) to cover management activities involving

sales and brokerage of equity capital in PropFund Germany 2 GmbH & Co. KG. This sales agreement can be found in section P 3. During the placement phase, FinConsultix will receive an overriding brokerage commission of 10% of brokered business. In addition to this brokerage

commission, FinConsultix is also entitled to a commission of 2.0% of contributed equity for the support, procurement and training of sales partners and for the settlement of their commissions. In the event of full placement, total brokerage commissions will amount to EUR 1,200,000. After the investment company's first full financial year following the placement phase, the sales partner will receive an annual portfolio commission of 0.5% of the investment company's equity capital. This annual portfolio commission is agreed under the condition precedent that the liquidity position of the investment company allows payment of a minimum payout of 7.0% to investors for the preceding financial year. The maximum amount of the annual portfolio commission is EUR 50,000. The limited partners of FinConsultix are Thomas Burkhardt (50%), Detlef Martin (25%) and Marco Knoblauch (25%). The general partner of FinConsultix is EURIX Development GmbH, whose partners in equal shares are Detlef Martin and Marco Knoblauch. The total amount of commissions is therefore EUR 1,700,000, which corresponds to 5.31% of total capital. If the term of the investment company is extended, the total amount of commissions can increase by a maximum of EUR 50,000 per additional year.

13 Overview of remuneration amounts during the entire term of the investment company

	Type	Basis of calculation and amount
1.	(1) The general partner receives the following remuneration:	a) for assuming liability pursuant to Section 4 (1) of the present agreement, an annual remuneration of EUR 36,000, which corresponds to 0.36 % of the limited partner equity. For every sub-participation, the personally liable general partner receives a liability remuneration of EUR 1,000 from the pertinent holding company; this amount is already included in the overall remuneration of EUR 36,000.
2.	(2) The managing limited partner (EURIX Asset Management GmbH) receives the following remuneration:	<p>a) a one-time remuneration of EUR 50,000 for the preparation of the concept.</p> <p>b) an annual expense allowance of EUR 24,000 including statutory turnover tax for the placement phase.</p> <p>c) Starting in the financial year of the sale of the property portfolio of the investment company, EURIX Asset Management GmbH will receive a 10% share of the annual result.</p> <p>d) For its on-going management activities, the managing limited partner receives a remuneration equivalent to 4% of the fund's rent revenues p.a.; this corresponds to approximately EUR 80,000.</p>
3.	(3) FinConsultix Finanzdienstleistungsgesellschaft mbH & Co. KG (FinConsultix) receives the following remuneration:	<p>a) a commission of 12% of the raised equity capital for equity brokerage;</p> <p>b) a commission for providing on-going support to investors and to their brokers as of the first closed business year which follows the placement phase: 0.5% p. a. of the investment company's equity, payable after it has been assured that the investment company's liquidity position allows a minimum payout of 7% to be paid out to investors.</p>
4.	4) Trustee remuneration	a) The trust limited partner receives a remuneration of EUR 6,000 p.a. for assuming trusteeship of trustor holdings.
5.	(5) Other costs: For legal and tax consulting costs, costs of expert opinions and other costs relating to normal business management:	a) a budget amount of approximately EUR 55,000 p.a. including turnover tax.

G OPPORTUNITIES

PropFund Germany 2 GmbH & Co. KG's strong equity base and the possibility of rapidly refinancing properties in the capital markets will put the company in a position to make quick purchase decisions that are initially independent of any banking considerations. No elaborate bank assessment process will be required, so that in the short term PropFund Germany 2 GmbH & Co. KG can prevail against its competitors in the buyer's market. At the moment, opportunities to purchase properties in the German real estate market are immensely favourable. The fact that compulsory auctions have doubled in the last few years is exerting pressure on sale prices, with purchases in this market often concluded below assessed market values. Investors will participate in revenues from rentals and leases of the properties in the portfolio for the duration of the fund, and, at the end of the fund term, in the profit made on the sale of these properties after the ten-year holding period. This profit will be based on the competitive purchase prices achieved for properties in special situations and on the value-adding measures carried out while the property is held. Management has a great deal of flexibility to react to market situations: it can adjust to future market developments by realigning corporate strategy so that yields remain guaranteed. Partially financing purchase prices will create an additional leverage effect. This means that, in individual cases,

yields above and beyond the amount of equity capital may be generated, as this considerably increases investment volumes. The company's strong equity base secures favourable financing terms, even after the introduction of the Basel II guidelines. This will continue as of 2013 with the gradual introduction of Basel III. The minimum contract period of ten years after purchase of the last investment property, which is laid down in the accession declaration and may be extended three times by periods of one year, allows PropFund Germany 2 GmbH & Co. KG to optimally plan and monitor its economic result. The agreed minimum contract period gives investors a clearly defined participation term in a comprehensive real estate development concept. The growing number of compulsory auctions and bank disposals is a consistently favourable source of properties being sold under their real market value. On the basis of a high initial rental yield resulting from purchases at competitive prices and efficient marketing of the property, PropFund Germany 2 GmbH & Co. KG will exploit all main areas where value is created that investors can participate in. The distribution of investments over various properties and locations across Germany creates a higher level of security for this form of participation. The strong competence of PropFund Germany 2 GmbH & Co. KG management is based on the team's many years of experience in German real estate.



H INFORMATION ON THE ISSUER

1 Company name, registered office and business address

Company name: PropFund Germany 2 GmbH & Co. KG
 Registered office: Berlin / Germany
 Business address: 10117 Berlin,
 Friedrichstrasse 82
 Germany

2 Date of creation and duration of business

PropFund Germany 2 GmbH & Co. KG was established on 14 February 2012. The company has been created for a specific period of time; it will end its operations ten years after the last investment object has been acquired. However, the managing limited partner is authorised to extend the term of the company up to three times by periods of one year each. To do so, the managing limited partner must notify the other limited partners (investors) of the prolongation of the company at the last ordinary partners' meeting before the expected date of termination or by written notification pursuant to Section 13 (6).

3 Legal system and legal form

PropFund Germany 2 GmbH & Co. KG is subject to German law. Legally, the issuer is a limited partnership in the special form of a GmbH & Co. KG. (limited partnership with a limited liability company as general partner).

4 Information on the structure of the general partner

The company's personally liable partner (general partner) is EURIX Development GmbH. The purpose of the company is to manage closed-end real estate funds and assume personal liability in these funds. In principle, the general partner of a limited partnership bears unrestricted liability. In this case, the general partner is a limited partnership (Kapitalgesellschaft) which is therefore liable for its company assets only to a limited extent. The general partner's share capital amounts to EUR 25,000; it is fully paid in. The partners and managing directors of EURIX Development GmbH are Marco Knoblauch and Detlef Martin. The general partner makes no contribution and has no share in the partners' assets.

5 Purpose of the company

5.1 The purpose of the Company is the purchase, sale, rental, lease and management of developed and undeveloped properties as well as equivalent rights of any kind. The purpose of the Company applies exclusively to assets owned by the Company and held in the Company's own name.

5.2 The Company is entitled to enter into any and all business transactions and to take any and all measures for the direct or indirect furtherance of the Company's purpose, to the extent that such transactions or measures require no administrative permits. In particular, it may for this purpose establish or purchase identical or similar undertakings or hold interests in such undertakings.

5.3 The Company may choose to take the actions necessary or expedient to achieve its purpose on its own initiative, or cause such actions to be taken by third parties.

6 Court of registration and number

Court of registration: Berlin-Charlottenburg Local Court
 Address of registration: Amtsgerichtsplatz 1, 14057 Berlin
 Register number: HRA 46422 B

7 Consolidation

The issuer is not part of a consolidated structure, nor is it a member of a group of companies. PropFund Germany 2 GmbH & Co. KG focuses on the areas outlined in the information on its corporate purpose.

8 Legal provisions

In derogation to legal provisions, the liable general partner, EURIX Development GmbH, has no executive management duties. Executive management tasks are assumed by the managing limited partner, EURIX Asset Management GmbH.

The Partnership Agreement of PropFund Germany 2 GmbH & Co. KG and the statutes of the general partner, EURIX Development GmbH, contain no further provisions diverging from legal stipulations.

I INFORMATION ON THE ISSUER'S CAPITAL

1 Amount of subscribed capital

The issuer's subscribed capital at the time of preparation of the present prospectus amounts to EUR 2,000. Of this amount, EUR 1,000 represent the compulsory and liable contribution of the managing limited partner, EURIX Asset Management GmbH, and EUR 1,000 represent the compulsory and liable contribution of the trust limited partner Detlef Martin.

The company's general partner, EURIX Development GmbH, is a general partner without contribution. There are no outstanding capital contributions.

All of the subscribed capital is limited partner equity.

The minimum planned limited partner equity amounts to EUR 10.0 million. This means that in addition to the two founding limited partner's shares there will be at least one more share, or several more shares, until the minimum amount of EUR 10.0 million has been reached.

Participation in the investment company involves rights and obligations: participation in profits and losses, participation in disbursements and in the company's assets, voting rights as well as the obligation to make the compulsory contribution. The rights of investors associated with the investment fund are to a certain extent different from the rights already vested in the partners existing at the time of preparation of the present prospectus. Arrangements that diverge from the extended rights and duties of the existing partners are:

- the amount of the compulsory and liable contribution of the managing limited partner and the trust limited partner;
- the ratio of liable and compulsory contributions to each other (instead of a ratio of 1:10, the liable capital contributions of the managing limited partner and the trust limited partner are equal to their compulsory contributions);
- assertion of claims for damages in connection with delayed payment of the compulsory contribution as well as, under certain circumstances, exclusion of partner;
- empowerment of the managing limited partner to shorten or extend the placement phase;
- executive management powers and possibility of

- general empowerment of the managing limited partner, exclusion of the trust limited partner and the investors from executive management activities, requirement for the managing limited partner to obtain the authorisation of the partners' meeting for individual measures;
- granting rights of inspection and fulfilling information obligations vis-à-vis investors;
- the duty of the managing limited partner and the trust limited partner to keep a register of investors/trustors, and the right to disclose information from this register to the competent tax office and the financing bank in connection with equity capital financing;
- the rights of the managing limited partner in respect of partners' meetings, e.g. chairing meetings or allowing persons to participate in a partners' meeting whose presence is deemed useful, or the right to call partners' meetings, which investors are entitled to do only under special circumstances;
- distribution of results, which involves a different profit arrangement in the years until the real estate portfolio is sold;
- remuneration claims of the managing limited partner, the trust limited partner and the general partner;
- need for the managing limited partner's authorisation for dispositions in respect of limited partner's shares by the investors;
- differences in partners' liability, as the general partner is released from liability when leaving the company.

Otherwise, the main characteristics of the shares of the current partners are the same as those of the shares of future partners.

2 Overview of investment shares issued so far

The issuer has not until now issued securities or investments as defined in Section 8f (1) of the Prospectus Act.

3 Negative statement

No information needs to be given pursuant to Section 6 sentences 2 and 3 of the Ordinance on the Prospectus for Securities Offered for Sale [Verkaufsprospektverordnung, VermVerkProspV], as the issuer is neither a public limited company nor an association limited by shares.

J INFORMATION ON THE ISSUER'S FOUNDING PARTNERS

1 Founding partners

The founding partners are:

EURIX Development GmbH as general partner

Registered office: Berlin / Germany

Business address: Friedrichstrasse 82,
10117 Berlin

The company's personally liable partner (general partner) is EURIX Development GmbH. The purpose of the company is to manage closed-end real estate funds and assume personal liability in these funds. In principle, the general partner of a limited partnership bears unrestricted liability. In this case, the general partner is a limited partnership (Kapitalgesellschaft) which is therefore liable for its company assets only to a limited extent. The general partner's share capital amounts to EUR 25,000; it is fully paid in. The partners and managing directors of EURIX Development GmbH are Marco Knoblauch and Detlef Martin. The general partner makes no contribution and has no share in the company's assets.

EURIX Asset Management GmbH as managing limited partner

Registered office: Berlin / Germany

Business address: Friedrichstrasse 82,
10117 Berlin

The purpose of the company is the executive management of commercial companies, in particular participation as managing limited partner in limited partnerships whose corporate purpose is the purchase and management of assets invested in real estate and real estate companies. The partners are EURIX Holding GmbH, which holds a 51% share, and whose partners in equal shares are Detlef Martin and Marco Knoblauch, and Marco Knoblauch with a 49% share. The company's managing director is Marco Knoblauch.

Detlef Martin is the trust limited partner.

Business address: Behrenstrasse 27,
10117 Berlin, Germany

2 Type and total amount of contributions made by the founding partners

The following contributions have been subscribed and paid in:

EURIX Development GmbH

as personally liable partner (general partner):

no contribution

EURIX Asset Management GmbH

as managing limited partner: a compulsory and liable capital contribution of EUR 1,000

Detlef Martin

as trust limited partner: a compulsory and liable capital contribution of EUR 1,000

The total amount of contributions subscribed and paid in by the founding partners is EUR 2,000. This is exclusively limited partner equity.

3 Remunerations of all kinds due to the founding partners within the Partnership Agreement and outside its scope

Within the scope of the Partnership Agreement, the founding partners of PropFund Germany 2 GmbH & Co. KG have the following drawing rights, profit shares and other emoluments (cf. also chart on page 37):

(1) The personally liable partner (general partner) shall receive the following remuneration:

a) for assuming liability pursuant to Section 4 (1) of the present agreement, an annual remuneration of 0.36% of the limited partner equity acquired by the fund by the end of the placement phase. At full placement, this will correspond to an amount of EUR 36,000. For every sub-participation, the personally liable general partner receives a liability remuneration of EUR 1,000 from the pertinent holding company. The liability remuneration payable by PropFund Germany 2 GmbH & Co. KG is reduced accordingly by EUR 1,000 per sub-participation.

(2) The managing limited partner (EURIX Asset Management GmbH) shall receive the following remuneration:

a) a one-time remuneration of EUR 50,000 for the preparation of the concept. This remuneration applies in the relationship of the partners to each other as expenditure or

revenue; it contains statutory turnover tax and is due for payment after signature of the Partnership Agreement.

b) For the placement phase, the managing limited partner receives an annual expense allowance of EUR 24,000 including statutory turnover tax.

c) Starting in the financial year of the sale of the property portfolio/shares of the investment company, EURIX Asset Management GmbH will receive a 10% share of the annual result. The loan which will be extended and the originally deployed capital are deducted from the selling price, increased by the liquidity reserve, in order to determine the reference variable for the 10% profit share. EURIX Asset Management GmbH is entitled to receive up to 50% of the anticipated profit share as an advance drawing from the pertinent financial year.

d) Starting on first of the month after closure of the placement phase, the managing limited partner will receive an annual administrative expenditure compensation of 4% of the net rent revenues achieved by the fund from the investment objects. At the time of full placement in 2013, this will correspond approximately to EUR 80,000 p.a.

(3) The trust limited partner receives a remuneration of EUR 6,000 p.a. for assuming trusteeship of trustor holdings.

The founding partner EURIX Asset Management GmbH is the managing limited partner of PropFund Germany 2 GmbH & Co. KG. The partners are EURIX Holding GmbH, which holds a 51% share, and Marco Knoblauch, with a 49% share.

The founding partner EURIX Development GmbH is the general partner of PropFund Germany 2 GmbH & Co. KG, whose partners are Detlef Martin and Marco Knoblauch, each with a 50% share.

The founding partners are entitled to no further profit shares, drawing rights, other emoluments – in particular salaries, profit shares, expense allowances, insurance benefits, commissions or incidental payments of any kind – within the Partnership Agreement and outside its scope.

4 Direct and indirect holdings of the foundation partners in companies entrusted with selling the investment fund

The founding partner Detlef Martin holds a 50% share in EURIX Development GmbH, a 25% limited partner's share in FinConsultix Finanzdienstleistungsges. mbH & Co. KG, a 50% share in EURIX Holding GmbH, which in turn holds 100% of the company shares of EURIX Asset Management GmbH.

FinConsultix Finanzdienstleistungsgesellschaft mbH & Co.

KG (FinConsultix) has been commissioned with selling the investment fund and receives the following remuneration for this task:

a) The company is entitled to pay pertinent remuneration for the procurement of equity capital by self-employed brokers as well as for the organisational support of the brokers by FinConsultix. FinConsultix will receive a commission of 12% of the raised equity capital for equity brokerage. The pro-rated remuneration will be due on accession of each internal limited partner (trustor), if and insofar as payment obligations on the part of the internal limited partner (trustor) have been met and a Trust Agreement has been concluded.

b) a commission of 0.5% p. a. of the investment company's equity for providing on-going support to investors and to their brokers. This commission will be due for the first time one year after the first full financial year following the placement phase; it is agreed under the condition precedent that the company's liquidity position allows a minimum payout of 7% to be paid out to the limited partners.

None of the founding partners are involved, either indirectly or directly, in any further undertakings commissioned with selling the issue.

5 Direct and indirect holdings of founding partners in undertakings that provide the issuer with outside capital

The founding partners are not involved, either indirectly or directly, in ventures that provide the issuer with outside capital.

6 Direct and indirect holdings of the founding partners in undertakings that provide services or goods of more than minor importance in connection with the production of the investment object

The founding partners are not involved, either indirectly or directly, in ventures that provide services or goods of more than minor importance in connection with the production of any of the investment objects.

K INFORMATION ON THE BUSINESS ACTIVITY OF THE ISSUER

1 Most significant business activities

The most significant business activities of the issuer are focused on purchasing real estate for the purpose of building a real estate portfolio, restoring/adding value to purchased real estate with small modernisation measures, managing and leasing this real estate portfolio as well as selling properties after the minimum holding period of ten years (speculation period). These business activities are focused on the territory of the Federal Republic of Germany.

2 Dependency on patents etc.

The issuer's activities do not depend on patents, licenses, contracts or new manufacturing methods.

3 Court or arbitration proceedings

At the time of preparation of the present prospectus there are no pending court or arbitration proceedings that could have a significant effect on the issuer's economic situation.

4 On-going investments with the exception of financial assets

At the time of preparation of the present prospectus there are no such investments.

5 Extraordinary events

There are no extraordinary events that might have had an effect on the issuer's activities.

L INFORMATION ON THE ISSUER'S EXECUTIVE MANAGEMENT, TRUSTEE OR OTHER PERSONS

1 Name, business address, function and overall emoluments of members of executive management

PropFund Germany 2 GmbH & Co. KG is legally represented by its general partner EURIX Development GmbH. The general partner EURIX Development GmbH, whose business address is Friedrichstrasse 82, 10117 Berlin, is a limited liability company (GmbH) established under German law and registered in the Commercial Register of the Berlin Local Court under HRB 115219 B. Its share capital amounts to EUR 25,000; it is fully paid in. The issuer's executive management team consists of Marco Knoblauch as managing director of EURIX Development GmbH and EURIX Asset Management GmbH and Detlef Martin as managing director of EURIX Development GmbH. Both are managing directors of EURIX Development GmbH, each with sole representative authority; their business address is Friedrichstrasse 82, 10117 Berlin. No division of functions has been agreed between the members of the issuer's executive management team. The personally liable partner is exempted from the ban on competition and has made no contribution to the investment company. The general partner's power is subject to instructions from the managing limited partner. The general partner represents the company, but it is excluded from executive management. The investment company is managed by

the managing limited partner, EURIX Asset Management GmbH, whose business address is Friedrichstrasse 82, 10117 Berlin. Executive management tasks are based on the provisions of the Partnership Agreement and on the purpose of the company. Management is responsible for placement of equity, acquisition, purchase and on-going supervision of the real estate investment objects. It is in charge of the on-going management of the investment company. The managing limited partner is not subject to the restrictions of Section 181 of the German Civil Code. The managing partner and the general partner – the former for executive management activities and the latter for legal representation – receive remuneration under the terms Section 10.3 of the Partnership Agreement (Annex P 1); see also page 36.

There are no supervisory or advisory bodies; there is no board of management. As the issuer was not established until 28 February 2012, no full financial year has been completed so far. No statements can therefore be made regarding overall emoluments for members of the issuer's executive management team, in particular salaries, profit shares, expense allowances, insurance benefits, commissions or incidental payments of any kinds for the last complete financial year.

2 Activities for specific companies

Detlef Martin and Marco Knoblauch are managing directors of EURIX Development GmbH, the general partner of FinConsultix Finanzdienstleistungsvermittlungsgesellschaft mbH & Co. KG (FinConsultix), which has been commissioned with selling the investment fund. No division of functions has been agreed between the managing directors. PropFund Germany 2 GmbH & Co. KG has concluded a sales agreement with this company to regulate its activities – raising equity capital – as a silent partner in PropFund Germany 2 GmbH & Co. KG. The sales agreement is printed in P 3 under “essential agreements”. The general partner of FinConsultix is EURIX Development GmbH, whose partners in equal shares are Detlef Martin and Marco Knoblauch.

Marco Knoblauch is sole Managing Director of EURIX Asset Management GmbH. This company is the managing limited partner of PropFund Germany 2 GmbH & Co. KG.

With the exception of the facts described here, the members of the issuer’s executive management team are not, either indirectly nor directly, active in undertakings that provide the issuer with outside capital, are entrusted with selling the investments being offered or provide services or goods of more than minor importance in connection with the production of the investment object.

3 Trustee

3.1 Task

Mr Detlef Martin, whose business address is Behrenstrasse 27, 10117 Berlin, assumes as trust limited partner the management in trust of the limited partner’s shares of investors who invest in the investment company indirectly as internal limited partners (trustors). The trustee is exempt from the ban on competition and has made a contribution of EUR 1,000 to the investment company, which is already completely paid in.

3.1 Legal basis

Management in trust by the trustee is based on the Trust Agreement concluded on 14 February 2012, which can be read in Section P 2 (page 64 ff.). By virtue of their signature and of acceptance of their declaration of accession by the trustee, investors commission the trustee to increase his participation by the pertinent subscription amount on their behalf and to manage the limited partner’s share which the trustee has assumed in trust on the basis of the Partnership

Agreement and the Trust Agreement as well as in the common interest of all investors. The Trust Agreement has been concluded for an indefinite period of time, but it ends in any case at the same time as the dissolution of the investment company. The fiduciary relationship will also lapse if the trustor whose share is held by the trustee leaves the investment company. Trustors may terminate by written declaration with a period of notice of six months to the end of any financial year. The right of extraordinary termination for good cause remains unaffected. In the event that the Trust Agreement is terminated by the trustor, the trustee hereby and now offers to transfer the participation held in trust directly to the trustor. By terminating the agreement, the trustor accepts the offer and undertakes in this context to sign the power of attorney for registry purposes as per Annex 1 of the Partnership Agreement. Internally, transfer is effected at the time of termination of the Trust Agreement, externally by way of pro-rated subrogation subject to the condition precedent of entry of the trustor as limited partner of the company in the Commercial Register on the basis of the power of attorney. The fiduciary relationship lapses upon entry of the trustor in the Commercial Register. The costs, expenses and fees incurred as a result of termination of the fiduciary relationship shall be borne by the trustor.

Under the terms of the Trust Agreement concluded on 14 February 2012, it is the trustee’s task to ensure that the trustor is placed in an economic position equivalent to that of a limited partner entered in the Commercial Register. The trustee must manage the trustor’s share, which he holds as a disinterested administrative trust, in accordance with the Trust Agreement and with the provisions of the Partnership Agreement. The following sentences describe the main rights and obligations of the trustee. Unless otherwise regulated in this agreement, the trustee is obliged to hand over to the trustor anything he acquires on behalf of the trustor. On request, the trustee must pass on to the trustor any information the trustee himself can request in his capacity as limited partner under the terms of the Partnership Agreement. The trustee shall exercise his right of information vis-à-vis the company and notify the trustor of the result. The trustor receives the annual report and the invitation to attend the partners’ meetings and the agenda directly from the company. He also receives any resolutions taken in writing outside partners’ meetings. The trustee will hold and administer the assets acquired within the scope of this fiduciary relationship separately from his own assets. The trustee is obliged to increase his limited

partner's share according to the conditions described in the declaration of accession and by the amounts contributed by the trustor. The tasks and the rights and obligations of the trustee are described extensively in the Trust Agreement in Section 3 of P 2, essential agreements. The trust limited partner receives an on-going remuneration pursuant to Section 10.4 of the Partnership Agreement for managing trustor holdings. Provided that the investment company remains in existence until 31 December 2023 and the Trust Agreement is not terminated prior to this date, the total remuneration amount agreed for these tasks is EUR 60,000. The trustee does not exercise the function of a comptroller of resources allocation.

There are no circumstances or relationships that could give rise to conflicts of interest of the trustee.

4 Other persons who have significantly influenced the publication or content of the sales prospectus or the charges or the content of the offer

Beyond the group of persons for whom information is required under the terms of the Ordinance on the Prospectus for Securities Offered for Sale, there are no further persons or companies who have significantly influenced the publication or the content of the sales prospectus or the offer or its content.



N INFORMATION ON WARRANTIES

No legal person or company has assumed a warranty for interest or repayment amounts in respect of the investment being offered.

O INFORMATION ON THE ASSETS, FINANCIAL AND EARNINGS POSITION OF THE ISSUER

1 Balance sheet as per 14 February 2012

The company was established by virtue of the Partnership Agreement of 14 February 2012 and entered in the Commercial Register under number HRA46422 B on 28 February 2012. The opening balance sheet shows a limited partner equity of EUR 2,000.

Because no transactions and/or changes affecting the balance sheet or the operating results have taken place since the opening balance sheet, no interim summary report has been drawn up.

Opening balance sheet of PropFund Germany 2 GmbH & Co. KG as per 14 February 2012

Assets		Liabilities	
	Euro		Euro
A Outstanding contributions to limited partner equity	0.00	A Equity capital Subscribed capital	2,000
B Current assets Cash on hand, balances with Bundesbank and Postbank	2,000		
	<u>2,000</u>		<u>2,000</u>

Forecast budget figures regarding capital expenditure, turnover and result of PropFund Germany 2 GmbH & Co. KG from 2012 to 2015 under the terms of Section 15 (1) sentence 1 no. 4 of the Ordinance on the Prospectus for Securities Offered for Sale

	2012	2013	2014	2015
Capital expenditure	15,062,705 €	15,062,705 €	0 €	0 €
Sales revenues	653,762 €	1,527,237 €	2,236,303 €	2,291,415 €
Expenses	-963,969 €	-1,553,996 €	-1,284,565 €	-1,271,287 €
Depreciation	-225,941 €	-451,881 €	-451,881 €	-451,881 €
Result from ordinary activities	-536,147 €	-478,640 €	499,857 €	568,247 €
Other taxes	0 €	0 €	0 €	0 €
Earnings after taxes	-536,147 €	-478,640 €	499,857 €	568,247 €

As the issuer is not a production company, no statements can be made in respect of budgeted production figures.

3 Forecast of expected assets, financial position and earnings of PropFund Germany 2 GmbH & Co. KG as per 31 Dec. 2012, 31 Dec. 2013 and 31 Dec. 2014

Budgeted balance sheet – assets		31 Dec. 2012	31 Dec. 2013	31 Dec. 2014
Outstanding partner contributions				
	Trustor			
	Founding limited partners			
Fixed assets				
	Properties	14,836,765 €	29,447,589 €	28,995,707 €
Current assets				
	Liquid funds	457,751 €	610,151 €	586,266 €
BALANCE SHEET TOTAL		15,294,515 €	30,057,740 €	29,581,973 €

Budgeted balance sheet – liabilities		31 Dec. 2012	31 Dec. 2013	31 Dec. 2014
Equity capital				
Subscribed capital				
	Trustor	4,998,000 €	9,998,000 €	9,648,000 €
	Founding limited partner	2,000 €	2,000 €	2,000 €
Profit/loss carryforward		0 €	-536,147 €	-1,014,787 €
Profits/losses, partners		-536,147 €	-478,640 €	499,857 €
Withdrawals, partners		0 €	350,000 €	-525,000 €
Provisions		0 €	0 €	0 €
Total equity		4,463,853 €	8,635,213 €	8,610,070 €
Accounts payable		10,830,662 €	21,422,527 €	20,971,903 €
BALANCE SHEET TOTAL		15,294,515 €	30,057,740 €	29,581,973 €

Budgeted P&L		31 Dec. 2012	31 Dec. 2013	31 Dec. 2014
Proceeds from rent revenues		653,762 €	1,525,445 €	2,233,688 €
Proceeds from premiums		0 €	0 €	0 €
Proceeds from credited interest		0 €	1,792 €	2,615 €
Total revenues		653,762 €	1,527,237 €	2,236,303 €
Management and issuing costs		-833,216 €	-945,649 €	-427,664 €
Depreciation		-225,941 €	-451,881 €	-451,881 €
Loan interest		-130,752 €	-608,348 €	-856,901 €
Total expenditure		-1,189,909 €	-2,005,877 €	-1,736,446 €
Profit after taxes		-536,147 €	-478,640 €	499,857 €

Cashflow statement

Budgeted inflow of funds		31 Dec. 2012	31 Dec. 2013	31 Dec. 2014
Limited partners		5,000,000 €	5,000,000 €	0 €
Premium		0 €	0 €	0 €
Rent revenue		653,762 €	1,525,445 €	2,233,688 €
Interest earnings		0 €	1,792 €	2,615 €
Loans		10,896,039 €	10,896,039 €	0 €
Total inflow of funds		16,549,801 €	17,423,276 €	2,236,303 €
Outflow of funds				
Acquisition costs, properties		-15,062,705 €	-15,062,705 €	0 €
Annual repayment		-196,129 €	-912,521 €	-1,307,525 €
Withdrawal by partners		0 €	-350,000 €	-525,000 €
Management and issuing costs		-833,216 €	-945,649 €	-427,664 €
Total outflow of funds		-16,092,050 €	-17,270,875 €	-2,260,188 €
Amount carried forward from previous year		0 €	457,751 €	610,151 €
Liquidity balance as per 31 December		457,751 €	610,151 €	586,266 €

4 Forecast development of the holdings of PropFund Germany 2 GmbH & Co. KG from 2012 to 2023

Forecast	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions, trustor	5,000,000 €	5,000,000 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Limited partner equity	5,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €	10,000,000 €
Purchase of properties	13,620,048 €	13,620,048 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Portfolio of properties	13,620,048 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €	27,240,096 €
Assumed value at time of sale	14,164,850 €	28,329,700 €	29,037,943 €	29,763,891 €	30,507,989 €	31,270,688 €	32,052,455 €	32,853,767 €	33,675,111 €	34,516,989 €	35,379,913 €	36,264,411 €
Premium	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Rent revenues	653,762 €	1,525,445 €	2,233,688 €	2,289,530 €	2,346,768 €	2,405,438 €	2,465,573 €	2,527,213 €	2,590,393 €	2,655,153 €	2,721,532 €	2,789,570 €
Interest earnings	0 €	1,792 €	2,615 €	1,884 €	1,398 €	1,162 €	1,057 €	1,090 €	1,267 €	1,596 €	1,957 €	2,057 €
Total income	653,762 €	1,527,237 €	2,236,303 €	2,291,415 €	2,348,166 €	2,406,599 €	2,466,630 €	2,528,303 €	2,591,660 €	2,656,749 €	2,723,489 €	2,791,627 €
Outstanding debt	10,896,039 €	21,726,701 €	21,422,527 €	20,971,903 €	20,503,255 €	20,015,861 €	19,508,970 €	18,981,805 €	18,433,552 €	17,863,370 €	17,270,380 €	16,653,670 €
Expenditure												
Management costs	24,000 €	24,000 €	50,381 €	51,641 €	52,932 €	54,255 €	55,612 €	57,002 €	58,427 €	59,888 €	61,385 €	62,919 €
Costs of raising equity	600,000 €	600,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €	50,000 €
Issuing costs	25,000 €	25,000 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Marketing	47,450 €	47,450 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Advertising	53,550 €	53,550 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Executive management /trust limited	0 €	0 €	44,966 €	45,940 €	46,939 €	47,962 €	49,011 €	50,087 €	51,189 €	52,319 €	53,477 €	54,663 €
Property management	24,516 €	73,548 €	100,516 €	103,029 €	105,605 €	108,245 €	110,951 €	113,725 €	116,568 €	119,482 €	122,469 €	125,531 €
Repairs /renovations	22,700 €	68,100 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €	90,800 €
Remuneration for liability	18,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €	36,000 €
Tax consulting and legal advice	18,000 €	18,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €	55,000 €
Interest	130,752 €	608,348 €	856,901 €	838,876 €	820,130 €	800,634 €	780,359 €	759,272 €	737,342 €	714,535 €	690,815 €	666,147 €
Total expenditure	963,969 €	1,553,996 €	1,284,565 €	1,274,287 €	1,257,406 €	1,242,897 €	1,227,733 €	1,211,886 €	1,195,326 €	1,178,023 €	1,159,946 €	1,141,061 €
Depreciation	225,941 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €	451,881 €
Surplus /loss for the year before taxes	-536,147 €	-478,640 €	499,857 €	568,247 €	638,879 €	711,821 €	787,016 €	864,536 €	944,453 €	1,026,844 €	1,111,642 €	1,009,189 €
Redemption	65,376 €	304,174 €	450,624 €	468,648 €	487,394 €	506,890 €	527,166 €	548,252 €	570,183 €	592,990 €	616,709 €	641,378 €
Liquidity result before payouts	-375,583 €	-330,933 €	501,114 €	551,480 €	603,366 €	656,812 €	711,732 €	768,165 €	826,152 €	885,736 €	946,834 €	1,009,189 €
Payout	0 €	350,000 €	525,000 €	700,000 €	700,000 €	725,000 €	725,000 €	750,000 €	775,000 €	800,000 €	900,000 €	1,000,000 €
Payout in %			7.00%	7.00%	7.00%	7.25%	7.25%	7.5%	7.75%	8.00%	9.00%	10.00%
Liquidity	457,751 €	610,151 €	586,286 €	437,745 €	341,111 €	272,923 €	259,655 €	277,820 €	328,972 €	414,707 €	451,541 €	470,730 €

5. Explanation of significant budget figures

The investment company was established on 14 February 2012. This means that there is a difference of less than eighteen months between the foundation date and the date of prospectus publication. For this reason, the present prospectus is subject to Section 15 of the Ordinance on the Prospectus for Securities Offered for Sale. Sections 10, 11 and 13 of the Ordinance therefore do not apply.

The budget figures shown here were prepared with care and diligence by the issuer. They depend on a variety of assumptions, for instance date of investment, purchase price factors and loan interest rates. The investment company will try to invest the deposits it has received in properties as soon as possible. The investment company assumes that it will be investing the limited partner equity evenly throughout the placement phase. In the actual course of business, divergences from these assumptions may lead to changes in the result of the investment company. In particular, purchase price factors and loan interest rates will have a significant impact on actual result. Based on the company's investment criteria, purchase price factors of 12.5 of rent revenue and interest rates of 4% p.a. have been assumed.

As described in Section G point 3.9, PropFund Germany 2 GmbH & Co. KG GmbH will apply for a partial exemption from turnover tax. This notwithstanding, all reported positions are to be understood as gross costs, and the company will not be entitled to deduct significant amounts of input tax.

5.1 Balance sheet

Assets – Outstanding contributions

The contributions of the founding partners of PropFund Germany 2 GmbH & Co. KG have been fully paid in. Investors' contributions (trustors) are intended to be made as one-time deposits. This means that neither the general partner nor the managing limited partner and the trust limited partner are assuming that there will be outstanding deposits.

Assets – Fixed assets

PropFund Germany 2 GmbH & Co. KG will be purchasing properties for asset management purposes. Depreciation on the properties will be claimed. The value of the properties purchased will be reported in the balance sheet as per 31 December of the year. Liquid funds represent the balance from inflow and outflow of funds in a financial year.

Liabilities – Equity capital

The company's equity capital consists of the contributions to be made by the investors (trustors) in an amount of 10 million euro. The tax result of the company is reported for the financial year, and losses are offset against the profits of following years.

Liabilities – Accounts payable

At the time of preparation of the present prospectus, the investment company has no accounts payable. Loans will be taken out within the scope of ordinary business activity.

5.2 Costs in connection with management of the investment objects

On-going management of the investment objects will involve the following costs, which are described in greater detail in point P 1 of the Partnership Agreement:

- placement costs
- management costs
- performance-related remuneration

5.3 Profit and loss account

The company's business plan is to buy properties and, over time, to build up a real estate portfolio. This portfolio will be managed and rented out by the company and sold at the earliest ten years after purchase (minimum holding period / speculation period). The rent revenue of the properties has been calculated at 8% of notarised purchase prices and taken into account on a prorated basis. In the placement phase, management and issuing costs will consist of project concept costs, prospectus costs, marketing and advertising costs, legal and tax consulting costs as well as commissions for the brokering of investment capital. Any undistributed profit will be carried over to the following year. Any liquidity balance will be invested in fixed-interest securities, specifically money market funds, in order to ensure constant liquidity. Any changes in the concept will affect the liquidity balance.

5.4 Turnover and result from 2012 to 2023

The public offer begins one working day after publication of the sales prospectus. The placement phase is intended to last until 31 December 2013. Investors (trustors) providing equity capital in an amount of 10 million euro will be accepted to the fund during this period. Starting on the day of publication of the prospectus, and depending on the inflow of funds, properties deemed suitable to the

company's business purpose will be purchased. The rent

revenues achieved from these properties will accrue to the company as proceeds. To take into account possible maintenance work, the budget includes an amount of 0.33% of purchase costs spread across all properties. Starting in the year following full placement or closure of the fund, non-profit-related withdrawals should be possible as follows: After full placement, investors who have joined the company (trustors) will be entitled to non-profit-related withdrawals of 7.0% p.a. on their contributed capital. In addition to this basic payout of 7.0%, a profit-related bonus will be distributed on the basis of the liquidity situation of the investment company. Issuing costs have been distributed across the placement phase from 2012 to 2013. In the placement phase, issuing costs consist of project concept costs, prospectus costs, marketing and advertising costs, legal and tax consulting costs as well as commissions for the brokering of investment capital. Management of investors, reporting costs, office expenditure and staff costs are combined in the management costs item. As long as the company has no properties in its fixed assets portfolio, no reserves are created for loss of rent or other items. The liquidity reserve which will be created constitutes a sufficient reserve. Within the course of business, the company intends to invest 85% of its liquid funds in properties in order to create maximum value. Because of the blind pool character of the fund, it cannot be guaranteed that sufficient investment opportunities will continue to exist at all times. In doubtful situations, preservation of value will be given precedence over yield, and consequently the liquidity reserve will remain on a fixed-interest account.

5.5 Cashflow statement

The above cashflow statement reflects the forecast course of the company's liquidity development. The issuer is assuming that rent revenues will be achieved right from the placement phase and that by the end of the placement phase some of these revenues will already have been reinvested.

6 Sensitivity analysis and explanation of significant interactions

Budgeted figures are based on the assumption that an investment volume of EUR 10 million will be achieved in the course of the placement phase. If the achieved investment volume is lower, issuing costs will have a negative impact on yields. The business plan assumes that it will be possible to purchase properties at a factor of 12.5 of annual net base rent. It is also assumed that, after a holding period of at least ten years with rents rising during this period, the properties can be resold at a factor of 13.0 of annual net base rent. A lump sum of 0.33% of the purchase price of the properties has been budgeted for maintenance and repairs of the investment properties. No outright construction work is planned; only minor repairs will be carried out. The primary objective of the fund is to achieve proceeds from rent revenues. These revenues have been estimated on the basis of an 8% rent yield combined with an annual rent increase of 2.5% until resale. As of full placement, a non-profit-related withdrawal beginning at 7.0% is planned, plus a profit-related bonus. These withdrawals and bonus payments have been budgeted on the assumption of a positive course of business. Withdrawals and bonus payments will reduce the capital available for subsequent investments and could restrict liquidity. The company will confirm the intended non-profit-related withdrawal and bonus payments at the end of each financial year.

Scenario of divergence from the forecast			
Forecast scenario	Negative divergence from forecast	Forecast	Positive divergence from forecast
Sale at x times the annual net base rent	11,5	13,0	13,5
Maintenance/refurbishment of the properties	0,75 %	0,5 %	0,25 %
Rent revenue in the year of sale as percentage of purchase price	8,19 %	10,24 %	12,29 %

Explanation of the chart:

- **Negative forecast scenario:** negative divergence from forecast involving the worst possible course of business activity and development of the business environment
- **Forecast scenario:** forecast with the assumed course of business activity and development of the business environment
- **Positive forecast scenario:** positive divergence from forecast involving the best possible course of business activity and development of the business environment

7 Forecast sales scenarios – divergences from the forecast in respect of PropFund Germany 2 GmbH & Co. KG for capital expenditure, turnover and result in 2012 to 2023

Sensitivity analysis (divergences from forecast)	Negative divergence from forecast	Forecast of original scenario	Positive divergence from forecast
1. Assumptions in respect of sale			
1.1. Rent yield in the year of sale based on the purchase price of the investment properties	8.19%	10.24%	12.29%
1.2. Forecast net basic rent in 2023 for all properties	2,231,656 €	2,789,570 €	3,347,484 €
1.3. multiplied by an assumed sales factor of	11.50	13.00	13.50
1.4. Selling price	25,664,045 €	36,264,411 €	45,191,036 €
2. Proceeds from the liquidation of the investment company			
2.1. Selling price (1.4.)	25,664,045 €	36,264,411 €	45,191,036 €
2.2. minus redemption of debt	16,012,292 €	16,012,292 €	16,012,292 €
2.3. plus release of liquidity reserve	776,105 €	970,132 €	1,164,158 €
2.4. Proceeds from the liquidation of the investment company	10,427,858 €	21,222,251 €	30,342,901 €
2.5. minus general partner's holding	42,786 €	1,122,225 €	2,034,290 €
2.6. Disbursement to trustors	10,385,072 €	20,100,026 €	28,308,611 €
as % of equity capital excluding premium	103.85%	201.00%	283.09%

These forecast sale scenarios are intended to show investors how the result of the investment company is influenced by changes in assumptions. The chart shows, presented in isolation, the effects on the investment company and its economic efficiency of changes in the parameters considered by the authors of the prospectus to be the most important. It should be noted that change in one parameter can result in changes in several other parameters, which could either compensate or intensify the result of an isolated consideration. With this information, it is hoped that investors will be able to see for themselves the various potential courses their participation can follow.

P ESSENTIAL AGREEMENTS

1 Partnership Agreement of PropFund Germany 2 GmbH & Co. KG

Section 1 Company name, registered office

- (1) The Company is a limited partnership [Kommanditgesellschaft]. Its business name is PropFund Germany 2 GmbH & Co. KG.
- (2) The Company's registered office is located in Berlin, Germany.

Section 2 Purpose of the Company

- (1) The purpose of the Company is the purchase, sale, rental, lease and management of developed and undeveloped properties as well as equivalent rights of any kind. The purpose of the Company applies exclusively to assets owned by the Company and held in the Company's own name.
- (2) The Company is entitled to enter into any and all business transactions and to take any and all measures for the direct or indirect furtherance of the Company's purpose, to the extent that such transactions or measures require no administrative permits. In particular, it may for this purpose establish or purchase identical or similar undertakings or hold interests in such undertakings.
- (3) The Company may choose to take the actions necessary or expedient to achieve its purpose on its own initiative, or cause such actions to be taken by third parties.

Section 3 Term of the Company, financial year

- (1) The Company is being established for a fixed period. Once the ten-year holding period for the property acquired last has passed, the Company will be dissolved. Management may, however, resolve to extend the Company's term a maximum of three times by periods of one year each. To do so, the managing partner must notify the other limited partners (trustors) of the prolongation of the Company at the last ordinary partners' meeting before the expected date of termination or in writing pursuant to Section 13 (6).
- (2) The financial year begins on 1 January of each year and ends on 31 December of the same year.
- (3) Termination of the Company or any other departure from the Company is permitted only in accordance with Section 18 (3), except where there is good cause.

Section 4 General partner, limited partners

- (1) The personally liable partner (general partner) is EURIX Development GmbH. The general partner shall make no contribution and have no share in the Company's assets.
- (2) Until any other limited partners join the Company pursuant to the provisions of Section 5 hereof, the limited partners in the Company shall be EURIX Asset Management GmbH as managing limited partner, with a limited partner's contribution of EUR 1,000, and Detlef Martin as trust limited partner with a liable and compulsory contribution of EUR 1,000, which shall be entered in the Commercial Register at the start of the Company. No premium applies. The trust limited partner can increase his limited partner's contribution in accordance with Section 5.
- (3) The trust limited partner is entitled to hold additional compulsory contributions assumed by him in a fiduciary capacity for third parties (trustors). Until immediately after the last partner has been accepted (closure of the Company as stipulated in Section 5 (4)), the trust limited partner is therefore entitled to increase his compulsory and liable contribution in several steps on the basis of the compulsory / liable contributions of the trustors that he has assumed in a fiduciary capacity. The amount of the liable contribution to be entered in the Commercial Register in each case corresponds to 10% of the compulsory contributions assumed in a fiduciary capacity plus the original liable contribution in the amount of EUR 1,000.
- (4) Upon termination of the fiduciary relationship, trustors may demand that their names be entered in the Commercial Register as limited partners in lieu of the trust limited partner, provided that they have, prior to such time, issued an authority for Commercial Register purposes to the trust limited partner as per Annex 1 of the present Agreement, certified by a German notary or by an equivalent documentary officer; such a demand must be addressed to the trust limited partner in writing. In this case, the liable contribution shall also correspond to 10% of the compulsory contribution assumed.

Section 5 Accession of further partners (investors)

- (1) The partners irrevocably authorise and empower the trust limited partner to bring into the Company

– indirectly, as per the provisions of (3) and (4) hereinafter and without the consent of the remaining partners – any natural person or legal entity (investor) as a further internal limited partner. The compulsory contribution to be furnished in cash by such internal limited partners shall amount to at least EUR 30,000, 10% of which shall constitute a liable contribution; higher investment amounts must be evenly divisible by 1,000. The Company seeks to obtain compulsory contributions totalling EUR 10,000,000. After they have been accepted in the Company, the investors shall remit the compulsory contribution within fourteen days upon request of the trust limited partner.

- (2) Three steps are necessary for investors to become internal limited partners – trustors holding shares in the Company through the trust limited partner – :
- (a) investors must sign and send a declaration of accession to the trust limited partner indicating that they wish to join the Company as trustors,
 - (b) the offer to subscribe must be accepted by the trust limited partner and
 - (c) the Trust Agreement (Annex 2) must be accepted by the trust limited partner.

Indirect accession to the Company shall become effective subject to the condition precedent of a proportional increase in the liable contribution of the trust limited partner. The trust limited partner is entitled and obliged to increase his liable contribution proportionally only after the full amount of the compulsory contribution has been transferred, free of any encumbrances, to the account indicated in the subscription certificate.

- (4) Initially, additional internal limited partners (trustors) shall be accepted in the Company only until full placement or closure of the Company. The managing limited partner is entitled to shorten this time limit, particularly if the sum of the compulsory contributions obtained (not including premiums) exceeds the amount of EUR 10,000,000. The managing limited partner may also extend this time limit by up to twelve months if this appears sensible in order to reach a sum of compulsory contributions totalling EUR 10,000,000.
- (5) Late payments will be charged interest at the rate of 5% p.a. above the base interest rate pursuant to Section 1 of the Discount Rate Transition Act [Diskont-Überleitungsgesetz]. Further damages may be asserted. The investors reserve the right to prove that no damage or loss was actually sustained or that the

actual damage or loss sustained was lower.

Section 6 Executive management and representation

- (1) Executive management and representation of the Company shall be the exclusive responsibility of the managing limited partner.
- (2) The duties of the managing limited partner shall be based on the present Partnership Agreement and the purpose of the Company. The managing limited partner is entitled and obliged to take any and all measures and perform any and all legal acts that are necessary or useful to further the achievement of the purpose of the Company. The duties of the managing limited partner include, in particular, searching for and selecting appropriate properties.
- (3) The managing limited partner shall manage the investments on an on-going basis. The managing limited partner shall also be responsible for the on-going management of the Company.
- (4) The managing limited partner is not subject to the restrictions of Section 181 of the German Civil Code [Bürgerliches Gesetzbuch, BGB].

Section 7 Prohibition of competition

- (1) The provisions of Section 112 of the German Commercial Code [Handelsgesetzbuch, HGB] shall not apply to the partners or the trustee.
- (2) The managing limited partner and the trust limited partner are entitled to exercise entrepreneurial activities of their own, to which the purpose of the Company pursuant to Section 2 hereof may also extend, to acquire indirect or direct interests in companies or individual undertakings that participate in the same or similar activities, and to act on behalf of such competing undertakings as officers, business agents, consultants or other contractors, or in similar functions.

Section 8 Financial and investment plan

- (1) The real estate investments planned toward achievement of the Company's purpose as well as the remuneration and expenditure indicated hereinafter shall be financed by way of the compulsory contributions and premiums paid by investors joining the Company pursuant to Section 5 hereof as well by way of outside capital raised by the Company. The Company is entitled to raise outside capital at normal

bank conditions in an amount not exceeding eleven times the annual net base rent of the investment objects to be acquired. Should a delay in remitting payments due – for whatever legal reason – lead to financial or other disadvantages to the Company, the Company’s executive management is authorised to make efforts to raise outside funds even though the limit of eleven times the annual net base rent of investment objects to be acquired is exceeded.

- (2) The planned allocation of resources is as follows:
Initial utilisation of resources (sample calculation on the basis of compulsory contributions including outside capital raised and premiums):
Compulsory contributions subscribed: EUR 10,000,000
Outside capital raised: EUR 21,792,077
Total capital: EUR 32,013,770
The following amounts are allocated from total capital:
Brokerage of equity capital: EUR 1,200,000
Basic concept: EUR 98,000
Marketing/preparation of prospectus / start-up costs: EUR 202,000
Loan processing fees: EUR 213,129
Real estate portfolio incl. liquidity reserve: EUR 28,073,430
(as percentage of total capital): 87.69%
- (3) According to the plan for allocation of resources, 87.69% of total capital including an adequate liquidity reserve will be used for the real estate investments to be made in accordance with the purpose of the Company. On-going costs as set forth in Section 10 hereof shall also be paid out of this amount. The managing limited partner is entitled to make investments even before closure of the Company.
- (4) If and insofar as the capital actually at the Company’s disposal (compulsory contributions and outside capital) is lower or higher than the amount sought in the sample calculation, the percentage made up by the investment volume including liquidity reserve may change, as minimum or lump-sum remuneration amounts that are independent of the subscription volume have been agreed for certain individual fees and cost items.
- (5) The remuneration amounts and costs mentioned in (2) hereof are the remuneration amounts planned or contractually agreed between the Company and its contracting partners. Because all cost items have priority over the investments, any expenditures not

calculated or calculated at less than their actual amounts shall reduce the available investment volume accordingly. The same applies to relative shifts between the items in question.

- (6) The amounts listed in (2) hereof include turnover tax at the statutory rate. Insofar as the Company is entitled to claim deduction of input tax from payments for services or other payments, the investment volume shall be increased accordingly.
- (7) In accordance with the plan for allocation of resources pursuant to (2) hereof, the managing limited partner is entitled to utilise the compulsory contributions made by investors joining the Company pursuant to Section 5 hereof to pay for the Company’s start-up costs.

Section 9 Partners’ accounts

- (1) An investor’s liable contribution shall be credited to capital account I. No capital account I shall be set up for the managing limited partner or for the trust limited partner in respect of his initial liable capital contribution pursuant to Section 4 (2). Capital account I is not subject to change, and it must always be shown separately. It is the account which – pursuant to the provisions of Section 10 – is used as the basis for determining investors’ holdings in the Company’s assets and on-going result as well as participation in votes. Capital Account I is a fixed account and does not bear interest. Any change to this fixed capital account shall require a unanimous resolution of the partners’ meeting.
- (2) As long as and to the extent that capital account I has not reached the amount of the fixed capital share, profit shares of individual investors shall be credited to capital account I. If and insofar as the loss carryforward account is negative, further profit shares shall initially be credited to this account. Any further profit shares shall be credited to the investor’s private account.
- (3) In addition to capital account I, a capital account II shall be created to show the part of an investor’s (trustor’s) compulsory contribution that exceeds the liable capital contribution. The trust limited partner’s initial liable / compulsory contribution shall be shown in capital account II. Capital account II shall not bear interest.
- (4) Any losses shall be reported in a loss carryover account which will be set up for every investor (trustor) if needed. The loss carryforward account is a no-

interest account.

- (5) Finally, a private account shall be held for every investor. Withdrawable profit shares, payouts and remuneration for activities will be shown on this account, as will be interest and payment transactions with the company. Private accounts may have negative balances if and insofar as payouts are due without the company having achieved a surplus for the year. Private accounts shall not bear interest.

**Section 10 Participation in assets and results;
remuneration**

- (1) The personally liable partner (general partner) shall receive the following remuneration:
- a) for assuming liability pursuant to Section 4 (1) of the present Agreement, an annual remuneration of 0.36% of the limited partner equity acquired by the fund by the end of the placement phase. At full placement, this will correspond to an amount of EUR 36,000. For every sub-participation, the personally liable general partner shall receive a liability remuneration of EUR 1,000 from the pertinent holding company. The liability remuneration payable by PropFund Germany 2 GmbH & Co. KG shall be reduced accordingly by EUR 1,000 per sub-participation.
 - (2) The managing limited partner (EURIX Asset Management GmbH) shall receive the following remuneration:
 - a) a one-time remuneration of EUR 50,000 for the preparation of the concept. This remuneration applies in the relationship of the partners to each other as expenditure or revenue; it contains statutory turnover tax and is due for payment after signature of the Partnership Agreement.
 - b) For the placement phase, the managing limited partner shall receive an annual expense allowance of EUR 24,000 including statutory turnover tax.
 - c) Starting in the financial year of the sale of the property portfolio/shares of the investment Company, EURIX Asset Management GmbH shall receive a 10% share of annual result. The amount of the selling price plus liquidity reserve shall be reduced by the face value of the loan and the amount of originally deployed capital in order to determine the reference variable for the 10% profit share. EURIX Asset Management GmbH is entitled to receive up to 50% of the anticipated profit share as an advance drawing from the pertinent financial year.
 - d) Starting on first of the month after closure of the placement phase, the managing limited partner shall receive an annual administrative expenditure compensation of 4% of the net rent revenues achieved by the fund from the investment objects. At the time of full placement in 2013, this will correspond approximately to EUR 80,000 p.a.
 - (3) FinConsultix Finanzdienstleistungsgesellschaft mbH & Co. KG (FinConsultix) shall receive the following remuneration:
 - a) The Company is entitled to pay pertinent remuneration for the procurement of equity capital by self-employed brokers as well as for the organisational support of the brokers by FinConsultix. FinConsultix shall receive a commission of 12% of the raised equity capital for equity brokerage. The pro-rated remuneration shall be due on accession of each internal limited partner (trustor), provided that payment obligations on the part of the internal limited partner (trustor) are met and the Trust Agreement has been concluded.
 - b) A commission of 0.5% p. a. of the investment company's equity for providing on-going support to investors and to their brokers. This commission shall be due for the first time one year after the first financial year following the placement phase; it is agreed under the condition precedent that the Company's liquidity position allows a minimum payout of 7% to be paid out to the limited partners.
 - (4) The trust limited partner shall receive a remuneration of EUR 6,000 p.a. for assuming trusteeship of trustor holdings.
 - (5) Other costs: An amount of EUR 55,000 p.a. including turnover tax has been budgeted for legal and tax consulting costs, costs of expert opinions and other costs relating to normal business management.
 - (6) Unless otherwise agreed hereinabove, remuneration claims shall occur for the first time for the 2012 financial year. They include statutory turnover tax and apply in the ratio of the partners to each other as expenditure or earning and will be paid out in twelve monthly instalments due on the first of each month. The closing date for calculation of remuneration is 31 December of the financial year ending at the end of this day.
 - (6) Participation of partners in the Company's assets shall be determined on the basis of the ratio of the liable contributions shown in each partner's capital account

I to each other. The result of the 2012 financial year shall be allocated to all investors irrespective of their date of accession in the ratio of their capital accounts I to each other. Irrespective of an investor's accession date, this investor shall receive a share of the result for the following financial year (2013) such that by the end of the 2013 financial year there will be an identical ratio between all investors' liable capital contributions and result allocations (in 2012 and 2013). If and in so far as the volume of the allocable result in 2013 may not be sufficient to achieve an identical ratio, results of subsequent financial years shall be allocated until equality of result allocations is achieved for the pertinent period.

- (7) Capital gains tax paid by the Company shall be treated as an advance partner's withdrawal.
- (8) The managing limited partner is entitled to pay parts of the remuneration or bonuses due to it, temporarily or permanently, as counterperformance for on-going investor support by brokers in the sense of a regular support commission to brokers.

Section 11 Withdrawals / distributions

- (1) After endowment of the liquidity reserve, which serves to secure due and proper management of the Company and the amount of which the managing limited partner alone shall decide at its equitable discretion, the remainder of the Company's profit under commercial law shall be utilised in accordance with a resolution to be passed by the partners' meeting. The Company is entitled to make payouts to investors even if there is no annual surplus under commercial law.
- (2) The managing limited partner is entitled to make advance payments toward remuneration amounts due by the Company.
- (3) The Company shall pay withdrawals / payouts on trustors' shares to the trust limited partner on behalf of the trustors, with the effect of discharging its obligations with respect thereto.

Section 12 Liability, obligation to make subsequent contributions

- (1) The obligation of investors (internal limited partners) to make and maintain contributions is limited internally to the amount of the compulsory contributions assumed in each investor's declaration of accession, and externally to the liability amount entered in the Commercial Register.
- (2) Investors are not obliged to enter into any legal

transactions under which they make subsequent contributions to the Company in excess of the foregoing or to render payments to third parties. No obligation for investors to make subsequent contributions can be established without the consent of all partners and trustors, not even by means of a resolution amending the present Partnership Agreement.

Section 13 Partners' resolutions, partners' meeting

- (1) The ordinary partners' meeting shall take place annually within twelve months of the end of each financial year at the location of the Company's registered office or in the country of origin of the overwhelming majority of trustors. The managing limited partner may designate a different location for the partners' meeting within the Federal Republic of Germany or elsewhere in Europe. Investors (internal limited partners) who have joined the Company pursuant to Section 5 hereof are entitled to participate in partners' meetings in person and to vote at these meetings. Resolutions shall be passed at partners' meetings or by written proceedings.
- (2) Partners' meetings shall be convened by the managing limited partner on four weeks' written notice. The notice shall also indicate the agenda. A quorum shall be deemed to exist at a partners' meeting if the investors present and represented, together, hold at least 50% of subscribed capital. If there is no quorum at a partners' meeting, a second partners' meeting with the same agenda shall be convened in accordance with sentence 1 hereinabove. Such partners' meeting shall be deemed to have a quorum irrespective of the number of votes present or represented; reference must be made to such circumstance in the invitation to this partners' meeting. The partners' meeting shall be chaired by the managing limited partner. Every EUR 1,000 capital share (Section 9 (1)) shall grant one vote.
- (3) The partners' meeting shall pass resolutions on the cases provided for herein and by law, particularly:
 - 1. adoption of the annual financial statements;
 - 2. utilisation of the result under commercial law;
 - 3. formal approval of the actions of the managing director;
 - 4. appointment of the auditor for the annual financial statements;
 - 5. exclusion of a partner (trustor) pursuant to Section 18 (2) and (3);
 - 6. appointment of a new trust limited partner;
 - 7. amendment of the Partnership Agreement .
- (4) The annual financial statements and the annual report

must be sent to all investors and to the members of the Advisory Board together with the invitation to the ordinary partners' meeting. The partners' meeting can pass resolutions only on those agenda items that have been duly announced with the invitation to the partners' meeting.

- (5) The managing limited partner shall convene an extraordinary partners' meeting if, in its opinion, so doing is in the interests of the Company, or if investors who together hold at least 30% of the subscribed capital request in writing, with an indication of the agenda, that an extraordinary partners' meeting be convened. If the managing limited partner fails to comply with such a request within fourteen days, the investors who have duly requested that the extraordinary partners' meeting be convened are entitled to convene such meeting themselves.
- (6) In lieu of an ordinary or extraordinary partners' meeting, the managing limited partner may introduce resolutions by way of written proceedings. In such a case, the managing limited partner is required to send the proposed resolutions, along with explanations, in writing to all investors and to the trust limited partner. Investors must exercise their right to vote in writing and without delay, at the latest four weeks after the date on which the proposed resolutions were sent. The date determining whether the time limit has been complied with shall be the date on which the votes cast are received by the managing limited partner. Unless trustors issue instructions otherwise, and unless trustors themselves exercise their own voting rights, the trust limited partner is entitled to act as proxy for the trustors in such written proceedings. The trust limited partner shall notify the trustors of how he plans to vote; the trustors are entitled to instruct the trust limited partner to vote otherwise. If no instructions are issued, the trust limited partner shall vote in accordance with the voting plan of which he has notified the trustors. Votes received late shall be deemed not to have been cast.
- (7) Subject to other provisions, the partners' meeting shall pass its resolutions by a simple majority of votes cast. In the event of a tie vote, the proposal shall be deemed rejected.

Resolutions on the following matters shall require a majority of over 90% of votes cast:

- dissolution or transformation of the Company;

- revocation of the managing director's authorisation to represent the Company.
Resolutions on the following matters shall require a majority of over 75% of votes cast
- amendments to the Partnership Agreement.

- (8) Any investor may appoint a person who is obliged by profession to maintain confidentiality (only attorneys, tax consultants and auditors) to represent him/her at the partners' meeting by granting such person a written power of attorney. The person conducting the meeting may permit other duly authorised and empowered persons to act as representatives. The trust limited partner is authorised and empowered to exercise the voting rights of his trustors at the partners' meeting; he shall exercise such power if the trustor in question is not present or represented at the partners' meeting and has not given him any instructions to the contrary.
- (9) Partners' resolutions shall be recorded in minutes which must be signed by the managing limited partner and sent to the investors and to the trust limited partner. Objections to the minutes of the partners' meeting must be asserted in writing vis-à-vis the managing limited partner within four weeks following sending thereof, stating the reasons for such objections. The next partners' meeting shall then decide as to such objections.
- (10) Claims that a resolution of the partners is invalid may be asserted only within an exclusion period of one month, and only by way of a legal complaint petitioning that it be found that such resolution is invalid. This time limit shall commence upon receipt of the minutes or notice of the outcome of voting on the resolution.

Section 14 Annual financial statements, annual report

- (1) The managing limited partner shall prepare the annual financial statements and the annual report in accordance with the statutory provisions as well as the calculations relevant for taxation purposes. The annual financial statements and annual report shall be audited by an auditor. For the 2012 and 2013 financial years, the auditor shall be appointed by the general partner.
- (2) The annual financial statements and the annual report shall be submitted to the investors and to the trust limited partner together with the invitation to the ordinary partners' meeting.

- (3) Unless binding provisions of commercial law stipulate otherwise, the annual balance sheet of the Company shall be prepared in accordance with the provisions of tax law. If the tax office makes final, binding changes to the annual financial statements or the distribution of results, such changes shall also be effective in the relationship of the partners to each other. Unless binding provisions of law stipulate otherwise, the commercial balance sheet shall be adjusted in accordance with the changes that have been made.

Section 15 Information and monitoring rights

- (1) Every investor (trustor) shall receive, together with the invitation to the ordinary partners' meeting, an annual report on the Company drawn up by the managing limited partner. Such annual report must contain at least the following:
- the annual financial statements,
 - a description of the investments made in the financial year just ended, and
 - a description of the development of all investments, insofar as information to that effect is available and there are no legitimate interests standing in the way of such reporting (the provisions of Section 131 (3) of the German Stock Corporation Act [Aktiengesetz, AktG] shall apply mutatis mutandis in this regard).

If resolutions are passed by written proceedings (Section 13 (6)) in lieu of at an ordinary partners' meeting, the foregoing shall apply mutatis mutandis.

- (2) The partners may moreover request information on Company matters from the managing limited partner. The provisions of Section 131 (1) to (3) of the Stock Corporation Act shall apply mutatis mutandis to the scope and content of such right to information.
- (3) The partners' meeting may resolve that a special audit is to be carried out by way of pertinent application of the provisions of Section 142 ff. and Section 258 ff. of the Stock Corporation Act.
- (4) Partners' rights pursuant to the provisions of Sections 164 and 166 of the German Commercial Code remain unaffected.

Section 16 Disposal of participation rights

- (1) Any disposal of holdings, establishment of secondary holdings, or disposal of individual claims under the corporate relationship by an internal limited partner (investor) shall require the consent of the managing limited partner, which may not, however, be withheld except for good cause. In the event that such consent

is withheld, the next ordinary partners' meeting shall decide the matter. Transfers shall be effected by way of assignment and assumption of the rights and obligations of the Trust Agreement between the trustor and the trust limited partner.

- (2) The partial transfer of a holding is possible if both the original holding and the new holding (compulsory contribution without premium) are at least EUR 30,000 and if their amount can be divided evenly by 1,000.
- (3) The Company and the trust limited partner must be notified of the transfer in an appropriate manner. Until such notification, rights and obligations shall continue to be vested in the original investor. Payouts made to him shall have full effect.
- (4) The consequences of a trustor's death shall be regulated by the Trust Agreement to be concluded between each trustor and the trust limited partner.

Section 17 Death of a partner or trustor

- (1) If a partner or trustor dies, such party's rights under that party's holdings in the Company shall pass to the party's heirs. A testamentary executor may exercise the rights existing under the holdings of a partner who has died. The legal successors of the late partner and, where applicable, the testamentary executor must legitimate their claims vis-à-vis the managing limited partner by presenting a certificate of inheritance and, where applicable, a certificate of testamentary executorship. They must also, at their own expense, grant a notarised power of attorney for registry purposes to the trust limited partner. If the documents presented do not depict the circumstances of the inheritance with sufficient clarity, the Company may demand that additional documents be presented. The Company may have foreign documents translated at the expense of the party whose entitlements are based upon these documents.
- (2) If a holding passes to multiple persons, such persons shall appoint a joint attorney-in-fact to exercise their rights under such holding. Until this attorney-in-fact has been appointed, all rights under the holding in question shall be suspended with the exception of the right to a share in the results. No withdrawals or disposals of the right to draw profits / settlement balances can be made until the joint attorney-in-fact has been appointed. Payouts shall be made only to the joint attorney-in-fact.
- (3) The provisions of the present section apply mutatis

mutandis to bequests.

Section 18 Departure of a partner or trustor, special right of termination

- (1) The departure of a partner shall not cause the dissolution of the Company.
- (2) A partner shall be deemed to have left the Company if
 - such partner validly terminates the relationship with the Company for good cause;
 - such partner files suit for the dissolution of the Company (the Company shall continue to exist even in this case);
 - compulsory execution measures are levied against such partner's holdings in the Company or against specific claims of the partner arising from that partner's relationship with the Company, and the compulsory execution measures are not annulled within three months;
 - insolvency proceedings have been filed for with respect to such partner's assets;
 - such partner is excluded from the Company in accordance with (3) hereof.
- (3) A partner may be excluded from the Company by way of a resolution of the partners' meeting if such partner is in gross violation, despite a written warning, of the partner's other obligations under the relationship with the Company and it has become unreasonable for the partners to continue the partnership with this partner. The partner concerned shall have no vote on the resolution concerning such partner's exclusion from the Company. If the partner concerned participates in the partners' meeting at which voting on the partner's exclusion from the Company is to take place, that partner must, however, be heard. Exclusion shall take place by way of notice of the resolution sent to the partner being excluded by the managing limited partner.
- (4) The Trust Agreement to be concluded between the trust limited partner and the trustors provides that the foregoing paragraphs apply mutatis mutandis to trustors, with the proviso that in the cases mentioned therein, the trust limited partner shall withdraw from the Company on a prorated basis, only in respect of the portion of its limited partner's share that it holds in trust for the trustor in question.
- (5) Before the personally liable partner leaves the Company, the managing limited partner must without delay, in order to avoid dissolution of the Company, convene a partners' meeting which, upon the suggestion of the managing limited partner, shall elect another personally liable partner as a substitute

general partner. The election of such general partner shall require a simple majority of votes cast. If a substitute general partner is elected, the provisions of Section 4 (1) of the present Partnership Agreement shall be amended accordingly.

- (6) In the event that the trust limited partner leaves the Company, the trustors shall become, with economic effect as from the trust limited partner's withdrawal and by way of (prorated) special succession to rights and subject in rem to a condition precedent, direct limited partners – unless the trustor in question consents to continuation of the fiduciary relationship with a new trust limited partner designated by the managing limited partner. The managing limited partner is irrevocably authorised and empowered to appoint a new trust limited partner provided that the latter assumes the same rights and obligations as the departing trust limited partner. The new trust limited partner shall be entitled to the full amount of annual remuneration for the trust limited partner as set forth in Section 10 (4) hereof if at least 75% of hitherto trustors – calculated on the basis of their compulsory contributions – continue the fiduciary relationship. Otherwise, such annual remuneration shall be reduced proportionately.
- (7) The capital share held by a departing investor shall be allocated to the remaining investors in proportion to their capital accounts.

Section 19 Settlement

- (1) A partner leaving the Company shall receive a settlement in the amount of the book value of that partner's share in the Company, less the costs incurred by the Company as a result of the partner's withdrawal. The settlement shall be calculated on the basis of the annual balance sheet for the preceding year. Later corrections of the balance sheet resulting from external tax audits shall not affect the settlement. The partner may not demand security for his claim to disbursement or indemnification against assertion of claims by a creditor of the Company.
- (2) If a partner leaves the Company under the terms of Section 18 (2) and (3), that partner shall pay to the Company, to cover the costs resulting from the departure, a sum amounting to 10% of the compulsory contribution subscribed by that partner, including premiums. If the partner leaving the Company under the terms of Section 18 (2) and (3) has contributed only a portion of his contribution, the value of the contribution made by the partner shall be returned

to him, less his share of costs pursuant to sentence 1 above. If an exclusion is limited to the portion of the contribution that has not yet been paid, the share of the departing partner in the on-going result achieved by the Company in the financial year in question shall be reduced in the ratio of such unpaid portion of the contribution to the contribution subscribed by that partner. The departing partner shall have no share in the result of any transactions still pending upon that partner's departure. In certain exceptions for which there is good cause, the managing limited partner may deviate from the provisions of sentence 1.

- (3) The settlement shall be paid in four equal semi-annual instalments. The first semi-annual instalment shall fall due for payment six months after a partner's departure. The Company is entitled to disburse the balance of the settlement prematurely, and shall also do so in the event of special termination pursuant to Section 18 (3) if and insofar as permitted by the Company's liquidity situation. The departing partner shall have no claim either to securing the settlement or to indemnification against possible claims by creditors of the Company, including by way of furnishing of security. The Company is responsible to the departing partner for ensuring that claims are not asserted against such partner with respect to the debts of the Company.
- (4) If the balance of a departing partner turns out to be negative, the Company may not demand compensation, but the partner in question must repay to the Company any withdrawals such partner has made insofar as such withdrawals exceed the partner's share in profits.
- (5) The Trust Agreement to be concluded between the trust limited partner and the trustors provides that the foregoing provision shall apply mutatis mutandis to trustors withdrawing from the Company.

Section 20 Dissolution of the Company

- (1) Upon the dissolution of the Company, the managing limited partner shall carry out the liquidation. The Company shall be formally dissolved and its assets realised. The managing limited partner's power to conduct the Company's executive management and to represent the Company shall not be affected by the liquidation.
- (2) Any proceeds from the liquidation remaining after the liabilities of the Company have been adjusted shall be

distributed to the investors in proportion to their fixed capital accounts (capital account I). Private accounts shall be taken into account in this process, and settling them, where applicable, shall take precedence.

- (3) If the Company is dissolved by way of departure of the sole general partner, the partners' meeting may resolve, by a simple majority of votes cast, to continue the Company after a new general partner has joined the Company.

Section 21 Register of trustors

- (1) The trust limited partner shall maintain a register of trustors containing personal information about the trustors and information about their holdings (internal limited partners). The trustors consent to the storage of personal information via electronic data processing systems within the scope of the present Agreement.
- (2) Each investor shall receive an extract from the register. It is the investors' duty to notify the managing limited partner and/or the trust limited partner without delay of any and all changes in their registered information and, where applicable, to furnish proof of changes by presenting pertinent documents.
- (3) The managing limited partner and the trust limited partner are permitted to issue informational notices concerning the holdings and registered information of the investors, in the scope required, only to the competent tax office, to lending institutions or to persons who are obliged by profession to maintain confidentiality. Investors have no claim to disclosure of information about other investors.

Section 22 Assertion of claims for special operating expenses

- (1) The investors are aware that they may not assert claims for special operating expenses (costs borne by the investors personally in connection with their holdings in the Company) in their personal income tax returns, but only within the framework of the separate and uniform determination of the Company's income.
- (2) The investors must provide written notice to the Company of any special operating expenses in a timely fashion upon request by the trust limited partner, by the end of the first quarter of the subsequent financial year. Due to the additional organisational effort required, notices of special operating expenses that are incomplete or received after the deadline shall be processed and included in the income determination

statement only after payment of a share of at least EUR 250.00 in the costs, plus value-added tax at the statutory rate.

Section 23 Final provisions

- (1) Should individual provisions of the present Partnership Agreement be or become invalid or unenforceable, the validity of the remainder of the Partnership Agreement shall be unaffected. The invalid or unenforceable provision shall be replaced with a provision that most closely approximates the intended financial and legal purpose of the original provision. The same shall apply in the event that there are any gaps in the provisions hereof.
- (2) No oral ancillary agreements have been made. Amendments or addenda to the present Agreement may be made only by way of a resolution of the partners to that effect.
- (3) Notices to the investors shall be sent by way of regular mail to the last address of which the Company has been notified. Notices shall be deemed received three days after sending.
- (4) The legal relationships between the partners and the Company, and among the partners, shall be governed exclusively by the law of the Federal Republic of Germany. The place of jurisdiction for disputes shall be the location of the Company's registered office, provided that an agreement to this effect is permissible by law.
- (5) If, for any reason whatsoever, the Company does not meet, or no longer meets, the requirements under commercial law for a limited partnership [Kommanditgesellschaft], this Partnership Agreement shall continue to apply to the civil-law partnership (Gesellschaft bürgerlichen Rechts) that shall remain thereafter, subject to the following provisos: the managing limited partner is authorised and empowered to conduct the Company's executive management and to represent the Company; the liability of the remaining partners and trustors shall remain limited to the amounts of the compulsory contributions paid; the founding limited partners must indicate clearly the limitation of liability that applies to the civil-law partnership in all legal transactions with outside parties. The partners' meeting shall decide as to all other points.
- (6) The costs of the present Agreement and the

implementation hereof in the Commercial Register as well as the taxes and fees incurred for the establishment of the Company (particularly attorneys' fees and fees for tax consultancy, notarial fees and Commercial Register fees, including the costs of announcement, costs of auditing of the establishment of the Company, if any, and any and all further costs) shall be borne by the Company.

Berlin, 14 February 2012



Marco Knoblauch
 Managing Director of EURIX Asset Management GmbH
 as managing limited partner of
 PropFund Germany 2 GmbH & Co. KG



Detlef Martin
 as trust limited partner



Marco Knoblauch as managing director
 for the general partner EURIX Development GmbH



Annex 2 of the Partnership Agreement

2. Trust Agreement

between

the subscriber named in a declaration of accession to

PropFund Germany 2 GmbH & Co. KG

– hereinafter referred to as “trustor” –
and

Mr Detlef Martin

– hereinafter referred to as “trustee” –
and

PropFund Germany 2 GmbH & Co. KG

– hereinafter referred to as “Company” –

Section 1 General provisions, conclusion of agreement

- (1) Mr Detlef Martin holds a share in the Company as its trust limited partner. In accordance with the trustor’s declaration of accession, the Trust Agreement, and the Company’s Partnership Agreement, the trustor holds an indirect share in the Company via the Trustee. The parties are familiar with the Partnership Agreement, which forms the basis for the present Agreement. The provisions of the Partnership Agreement are an integral component of the present Agreement and, unless otherwise agreed, apply mutatis mutandis even in the absence of express stipulations to this effect.
- (2) The Trust Agreement comes into effect through acceptance of the offer of contract contained in the declaration of accession. For such acceptance to be valid, it is sufficient for the trustee to have countersigned the declaration of accession. Service of the declaration of acceptance on the trustor is not required for such acceptance to be valid. The present Agreement shall be deemed concluded on the date of signature of the declaration of acceptance. The trustee shall notify the trustor without delay of the acceptance of the declaration of accession.

Section 2 Fiduciary relationship

- (1) The trustee shall acquire and hold in his own name, but within his relationship with the trustor for and on behalf of the trustor, and pursuant to the terms of the present Agreement, the Partnership Agreement, and the declaration of accession, a (partial) limited partner’s share in the Company. The share acquired and held shall in each case be equivalent to the amount indicated in the declaration of accession, plus

premiums. The trustee shall exercise the trustor’s rights vis-à-vis the Company and at meetings of the Company’s partners on instruction from the trustor. The fiduciary relationship extends to the entirety of the trustee’s holding, with all rights and obligations associated therewith.

- (2) The fiscal consequences arising from a share in the Company held in trust by the trustee shall affect the trustor only.
- (3) In the same manner as a limited partner registered directly in the Commercial Register, the trustor shall bear a proportion of the financial risk prorated to his/her holdings in the Company. The trustor shall, subject to the provisions of the Partnership Agreement, participate in the Company’s assets, profits, and losses in the proportion of his/her holdings. Liability vis-à-vis third parties, which in the relationship of the parties to outside parties affects only the trustee, shall, within the internal relationship between the trustor and the trustee, apply to the trustor mutatis mutandis. The trustor’s liability is limited to the amount of the compulsory contribution indicated in the declaration of accession. Any obligation to make subsequent contributions is ruled out if and insofar as the contributions have been paid and not withdrawn or paid back at a later date.
- (4) The trustee may acquire shares in the Company for a number of trustors and enter into pertinent Trust Agreements with such trustors. Within the relationship of the parties to outside parties, the trustee shall hold a single limited partner’s share for the various trustors. The trustors expressly grant the trustee exemption from the restrictions imposed by Section 181 of the German Civil Code (ban on contracting with oneself). The trustee is also released from any prohibition of competition.

Section 3 Rights and obligations of the trustee

- (1) The trustee shall manage the trustor’s share, which he shall hold as a disinterested administrative trust, in accordance with the Trust Agreement and with the provisions of the Partnership Agreement.
- (2) Unless otherwise regulated in the present Agreement,

the trustee shall hand over to the trustor anything he acquires on behalf of the trustor.

- (3) On request, the trustee must pass on to the trustor any information the trustee himself can request in his capacity as limited partner under the terms of the Partnership Agreement. The trustee shall exercise his right of information vis-à-vis the company and notify the trustor of the result.
- (4) The trustor shall receive the annual report and the invitation to attend the partners' meetings and the agenda directly from the company. He shall also receive any resolutions taken in writing outside partners' meetings.
- (5) The trustee shall hold and administer the assets acquired within the scope of this fiduciary relationship separately from his own assets.
- (6) The trustee is obliged to increase his limited partner's share according to the conditions described in the declaration of accession and by the amounts contributed by the trustor.

Section 4 Rights and obligations of the trustor

- (1) The trustor is entitled to instruct the trustee as to the exercise of voting rights. The trustee shall exercise the trustor's rights in the Company, particularly at partners' meetings, at his own due discretion and in accordance with the legitimate interests of the trustor, taking into consideration the instructions issued to him by the trustor.
- (2) When resolutions are passed, the trustors shall be represented by the trustee, unless they are themselves present at the partners' meetings or make use of their voting rights. The trustee shall inform them in advance as to how he plans to vote. Unless the trustor issues any instructions to the contrary, the trustee shall vote at the partners' meeting in accordance with the plans of which he has notified the trustors. The trustor shall not issue any instructions to the trustee that would, if the trustee were to follow them, constitute a violation of the obligations under the Partnership Agreement or under law. If no advance instructions can be obtained, the trustee is entitled to act in the interests of the

trustor and in compliance with his duties of trust in the Company, at his own due discretion. The trustors shall be informed hereof without delay. In the event of any conflict between the interests of individual investors and those of the Company, the interest of the Company as a whole shall take precedence.

- (3) The trustor is entitled to exercise his/her voting rights personally, or to have such rights exercised by a person who is obligated by profession to maintain confidentiality (only attorneys, tax consultants and auditors), in accordance with the trustor's share in the limited capital of the Company.
- (4) The trustor is obligated to indemnify the trustee and hold him harmless against all claims asserted against him in respect of his fiduciary management of the share in the Company.

Section 5 Payment of the subscribed capital contribution

- (1) The trustor is obligated to pay the capital contribution assumed by him/her and to do so in accordance with the Partnership Agreement and the declaration of accession. Payment shall be made directly to the account of the Company as indicated in the declaration of accession.
- (2) If the trustor fails to satisfy his/her obligation to render payment, or to satisfy such obligation in full, despite having received a warning notice including a threat of exclusion, the trustee is entitled to rescind the Trust Agreement and the declaration of accession and, in cooperation with the Company's executive management, to exclude the trustor in question from the Company in accordance with the provisions of the Partnership Agreement.

Section 6 Transfer of holdings / legal succession

- (1) Transfers of a trustor's holdings shall be governed by Section 16 of the Partnership Agreement of the Company. Provided that consent of the executive management has been granted or a partners' resolution consenting thereto has been passed, the trustee shall not withhold his consent to the assignment of rights and obligations under the present Trust Agreement except for good cause.

- (2) In the case of any and all transfers of the fiduciary relationship, the accounts of the trustors shall be continued unchanged and in uniform fashion. It is not possible to transfer individual rights and obligations only. As a basic principle, any encumbrance of holdings in the Company requires the trustee's consent.
- (3) In the event of the trustor's death, the trust shall be continued with the trustor's heirs. The provisions of Section 17 of the Partnership Agreement shall apply accordingly.

Section 7 Assignment of payment claims

- (1) The trustee hereby and now assigns to the trustor all monetary claims to profits, to participation in the proceeds of liquidation, and, where applicable, to payment of a settlement as well as all claims to withdrawals of funds (distributions) that result from the Partnership Agreement and to which the trustor is financially entitled. The trustor accepts the assignment.
- (2) Disbursements shall be made by the Company directly to the trustor, with the effect of discharging the respective obligation.

Section 8 Withdrawal of the trustee

In the event that the trustee leaves the Company, the trustors shall become, with economic effect as from the trustee's withdrawal and by way of prorated special succession to rights and subject in rem to the condition precedent of entry in the Commercial Register, direct limited partners – unless individual trustors give their consent to continuation of the fiduciary relationship with a new trustee designated by the Company's executive management. The executive management of the fund company is irrevocably authorised and empowered to appoint a new trustee provided that the latter assumes the same rights and obligations as the departing trustee.

Section 9 Remuneration

The trustee's remuneration is provided for in Section 10 (4) of the Partnership Agreement of the Company. For special activities (changes of entries in registers, etc.), the trustee may invoice the trustor separately for the costs incurred.

Section 10 Termination of the Trust Agreement

- (1) The Trust Agreement is being concluded for an indefinite term and may be terminated in accordance with the provisions of the Partnership Agreement. The fiduciary relationship shall lapse in any event upon the full termination of the Company.
- (2) The fiduciary relationship shall also lapse if and insofar as the trustor whose share is held by the trustee leaves the Company. In this regard, the provisions of Section 19 of the Partnership Agreement shall apply accordingly.
- (3) In other respects, the fiduciary relationship can be terminated by the trustor on six months' written notice, effective as of the end of a financial year. The right of extraordinary termination for good cause remains unaffected. In the event that the Trust Agreement is terminated by the trustor, the trustee hereby and now offers to transfer the participation held in trust directly to the trustor. By terminating the agreement, the trustor accepts the offer and undertakes in this context to sign the power of attorney for registry purposes as per Annex 1 of the Partnership Agreement. Internally, transfer shall be effected at the time of termination of the Trust Agreement, externally by way of pro-rated subrogation subject to the condition precedent of entry of the trustor as limited partner of the company in the Commercial Register on the basis of the power of attorney (Annex 1). The fiduciary relationship shall lapse upon entry of the trustor in the Commercial Register. The costs, expenses and fees incurred as a result of termination of the fiduciary relationship shall be borne by the trustor.
- (4) In the above cases, the trust limited partner shall withdraw from the Company proportionally with the portion of his limited partner's share that he holds in trust for the trustors concerned in each case.
- (5) The fiduciary relationship shall also lapse if the trustee leaves the Company.
- (6) Notices of termination must be sent via certified/registered mail addressed to the trustor or the trustee, as the case may be. The date determining whether the notice period for termination has been complied with

shall be the date on which notice of termination is received by the trustor or the trustee, as the case may be.

- (7) In the event that a trustor withdraws from the Company, such trustor shall receive a settlement in accordance with Section 19 of the Partnership Agreement.

Section 11 Liability

- (1) The trustee shall exercise the rights and satisfy the obligations arising from the present Trust Agreement with the due care of a prudent business person or entity.
- (2) The trustee and the persons representing him shall be liable to the trustor only insofar as they are responsible for wrongful intent or gross negligence. Furthermore, the trustee shall be liable for negligent behaviour in the event of loss of life, bodily injury, or impairment to health.
- (3) Claims against the trustee for payment of damages, irrespective of the basis for such claims, shall lapse one year after the date on which they arise unless a shorter limitation period is stipulated by law.

Section 12 Final provisions

- (1) Should individual provisions of the present Trust Agreement be or become invalid or unenforceable, this shall not affect the validity of the remainder of the present Agreement. The invalid or unenforceable provision shall be replaced with a provision that most closely approximates the intended sense and purpose of the invalid or unenforceable provision. The same shall apply in the event that there are any gaps in the provisions hereof.
- (2) No oral ancillary agreements have been made. Any amendments or supplements to the present agreement must be made by way of signed written declaration. This shall also apply to an amendment or annulment of the written-form requirement itself.
- (3) Unless expressly agreed otherwise herein, notices to the trustors shall be sent by way of regular mail to the last address of which the trustee has been notified.

Notices shall be deemed received three days after sending.

- (4) The trustors consent to the storage of their personal information by the trustee, within the scope of the fiduciary relationship, via electronic data processing systems. The investors are obligated to notify the trustee in writing, without delay, of any and all changes in their personal information. The trustee is entitled to disclose the corresponding information to the Company and its executive management. Assignment of data processing duties to third parties is permitted.
- (5) The present Agreement is subject to the laws of the Federal Republic of Germany. Provided that an agreement to this effect is permissible by law, the place of jurisdiction shall be Berlin.

Berlin, on the date of acceptance of the investor's declaration of accession by the trust limited partner

Trustor



Trustee
 Detlef Martin



Marco Knoblauch
 Managing Director of EURIX Asset Management GmbH
 as managing limited partner of
 PropFund Germany 2 GmbH & Co. KG

Sales agreement

between

PropFund Germany 2 GmbH & Co. KG

Friedrichstrasse 82, 10117 Berlin

- hereinafter referred to as Investment Company (IC) -
and

FinConsultix Finanzdienstleistungs-
vermittlungsgesellschaft mbH & Co KG

Behrenstraße 27, 10117 Berlin

- hereinafter referred to as Sales Partner (SP) -

Section 1 Subject matter of the agreement

The IC initiates and designs participations in investment funds in the form of limited partner's shares. The IC is the initiator and publisher of a sales prospectus describing the investment offer. The SP shall broker (potential) clients (hereinafter referred to as "investors") with the aim of having them sign the subscription certificate appended hereto. Agreements with investors shall come into being on acceptance of the subscription certificate by the IC.

Section 2 Rights and obligations of the IC

The IC shall gratuitously provide the SP with the documents necessary for the exercise of the SP's activities (prospectus, contract terms, advertising material, terms and conditions, etc., hereinafter referred to as "subscription documents") in their latest versions. These documents shall remain property of the IC if and insofar as they are not used up in the course of their intended use. The IC shall regularly inform the SP of all relevant activities of the investment companies, in so far as these activities, in the opinion of the IC, are relevant to the brokerage activity of the SP. Furthermore, the IC shall offer the SP in-house training courses providing the SP with the expertise which the IC, at its expert discretion, believes is necessary and appropriate for the SP's brokerage activity, in respect of the investment property, the legal conditions and the decision-makers at the IC. The IC may at any time refuse to accept a subscription certificate, in particular if there are doubts as to an investor's credit standing. The IC shall inform the SP of the reasons for rejection. The SP shall have no claim to acceptance of a subscription certificate by the IC. The IC is not obliged to assert claims vis-à-vis investors.

Section 3 Rights and obligations of the SP

The SP is a self-employed entrepreneur and business operator acting in his/her own name and for his/her own account. The SP warrants that he/she holds all the authorisations necessary under industrial law or other regulations (e.g. Section 34 c of the Industrial

Code [Gewerbeordnung, GewO]). Prior to beginning the brokerage activity, the SP shall, of his/her own accord, present evidence to the IC that industrial law prerequisites have been met. Furthermore, the SP shall carry out his/her activities in accordance with the laws applying to the investment industry and with the due care of a prudent business person. The SP guarantees that he/she also works for other parties, so that there is demonstrably no economic or financial dependence on the IC. On the IC's request, the SP shall provide evidence hereof. The SP has the right to structure his/her activities freely and is in this regard not subject to instructions from the IC. In the course of the brokerage activity, the SP shall represent the interests of both parties. The present Sales Agreement does not constitute an exclusive brokerage right. The SP is not entitled to submit legally binding declarations on behalf of the IC or of the pertinent investment company. The SP shall identify him/herself exclusively as a broker. The SP is obliged to be thoroughly familiar with the details of the documents handed over by the IC and to inform investors comprehensively, in particular with regard to the risks of the fund. Before [an investor signs] the subscription certificate, the SP has the specific obligation to explain the investor's right of revocation. The SP is not entitled to make broader statements or to make statements that diverge from the subscription documents. The SP undertakes to use only the investment documents provided by the IC in the course of the acquisition, advertising and brokerage activity. In addition, the SP shall comply with the provisions of competition law. The SP shall, of his/her own accord, return any documents still in possession of the SP at the time of termination of the present agreement within fourteen days of said termination. Every form of public advertising in connection with the IC and the investment companies above and beyond the subscription documents provided to the SP must be authorised by the IC in advance and in writing. Any infringement on the part of the SP shall entitle the IC to terminate the present Sales Agreement without notice. The SP is not allowed to accept money as authorised receiving agent of the IC. The SP shall, according to his/her best knowledge and belief, seek to obtain a general idea of an investor's economic situation. The SP shall report any doubts regarding the credit standing of an investor to the IC without delay. The SP shall comply with legal provisions regarding the brokerage of agreements. The identity [of the contracting parties] must be determined in compliance with the terms of the Money Laundering Act [Geldwäschegesetz, GwG].

Within the scope the present Sales Agreement but above and beyond the SP's pure brokerage activity, the SP is obliged to assume responsibility for informing and supporting

investors in all issues regarding the subscription within the scope of and for the duration of the subscriptions brokered by him/her. If an investor contacts the SP with questions, or if the IC refers an investor's questions to the SP, the SP shall contact this investor without delay and provide the requested information. On-going customer relations management is the SP's responsibility; in particular, the SP shall be responsible for informing customers of any relevant changes in their subscriptions. If the SP fails to fulfil the obligation to inform an investor, the IC shall be entitled to issue a warning. If the SP infringes the support obligation vis-à-vis this investor repeatedly, the IC is entitled to repeal clientèle protection in respect of this investor and no longer pay the portfolio commission.

Section 4 Commissions

The SP shall receive the remuneration due under the terms of the present Sales Agreement with the effect of discharging the IC's obligation with respect thereto. Payments shall be made by way of bank transfer. The amount of the commission shall depend on the subscription amount (equity capital) excluding the premium payable on the basis of the investor's accession date. The commission shall amount to 10% of the brokered equity capital to be contributed by an investor. In addition to this brokerage commission, the SP is also entitled to a commission of 2.0% of contributed equity for the support, procurement and training of sales partners and for the settlement of their commissions. After the first complete financial year following expiry of the placement phase, the SP shall receive a portfolio commission of 0.5% p.a. of the investment company's equity capital. This portfolio commission is agreed under the condition precedent that the company's liquidity position allows payment of a minimum payout of 7% to investors for the preceding financial year. Should future commission payments become subject to turnover tax, the figures stated in respect of commissions are to be understood as including statutory turnover tax.

Section 5 Release from liability

The IC shall release the SP from any and all claims of investors arising from inaccurate, incomplete or misleading statements in the subscription documents. The SP shall release the IC from all claims of investors arising from statements made by the SP vis-à-vis an investor that diverge from the subscription documents or other information provided by the IC in writing.

Section 6 Protection of clientèle

The IC shall grant the SP customer protection for every investor procured by the SP with whom the IC still has no business relationship. Customer protection means that

the IC shall refrain from conducting business with an investor brokered by the SP until the end of the present Sales Agreement and two years after acceptance of the last subscription procured by the SP. During this period, the IC shall also not provide the names and addresses of a customer to any other SP. However, the IC cannot prevent third parties from conducting business with the same investor as a result of separate acquisition. In such cases, the SP shall have no entitlement to commission or compensation.

Section 7 Term of the agreement, termination

The present agreement shall become effective upon being signed by both parties. It is being concluded for an indefinite period of time. The agreement can be terminated with a period of notice of three months to the end of a quarter. The right of either party to terminate the agreement for good cause remains unaffected by the present provision. In particular, the following cases shall constitute good cause for termination without notice on the part of the IC:

- repeated infringements of the information and support obligation,
- damaging actions against the interests of the IC or of investors,
- infringement of contractual loyalty and of the representation of interests obligation,
- gross unreliability or justified lack of confidence in the SP on the part of the IC. Notice of termination must be given in writing.

Section 8 Post-contractual provisions

Termination of the present agreement shall cause all contingent or future entitlements to payment of commission to lapse. As of receipt of the termination notice, the IC is entitled to reduce commission payments or to suspend them completely if no entitlements to payment of commission are expected until the date of termination.

Section 9 Data protection

The IC shall collect, process and use all personal data relevant within the scope of the contractual relationship in compliance with the pertinent data protection laws. The same shall apply in the event that the IC commissions a third party with the processing of personal data.

Section 10 Final provisions

Signature of the present agreement causes all earlier written or oral agreements between the contracting parties to lapse in so far as they relate to the subject matter of the present agreement. Claims of the SP arising from the present Sales Agreement may not be assigned to third parties with the IC's written authorisation. Any amendments

or supplements to the present agreement must be made by way of signed written declaration. Any waiver of this written form requirement must also be done in writing. Place of fulfilment and jurisdiction for disputes arising from or in connection with the present Sales Agreement is Berlin, if and in so far as the SP is a registered merchant. In so far as the parties may have claims arising from the present agreement or as a consequence of the present agreement, such claims shall become statute-barred six months after their creation. Should individual provisions of the present agreement or provisions added to it at a future date be totally or partly ineffective or impracticable or lose their legal validity or practicability at a later date, this shall not affect the validity of the remaining provisions of the present agreement. This shall also apply to legal changes in judicial decisions. The same shall apply if the agreement is found to have any gaps. The ineffective or impracticable provision shall be replaced or the gap filled by an adequate arrangement coming as close as legally possible to what the parties would have wanted if they had considered this point at the time of conclusion of the agreement.

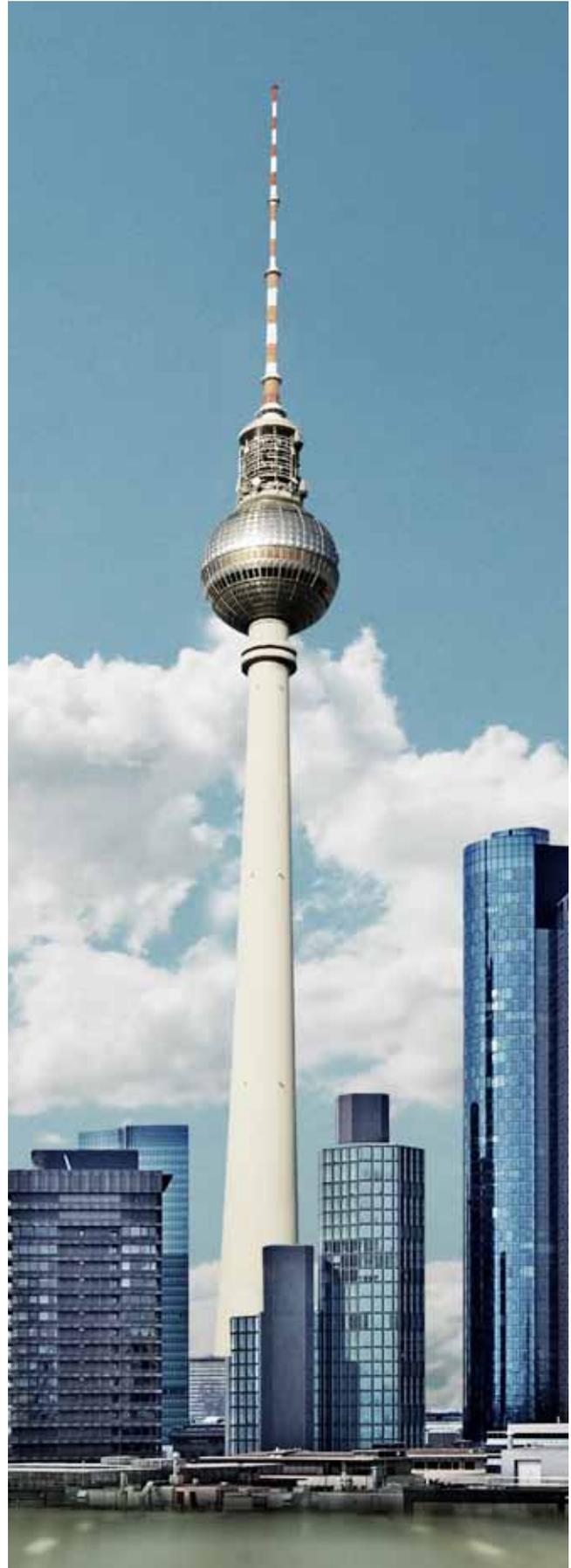
Berlin, 14 February 2012



Marco Knoblauch
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Detlef Martin
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Q INFORMATION ON EARLIER ISSUES

The issuer has made no other issues in the past.

R INFORMATION ON THE AUDIT PURSUANT TO IDW S4

The principles and minimum requirements laid down in the standards developed by the Institute of Public Auditors in Germany [Institut der Wirtschaftsprüfer in Deutschland, IDW] on the due and proper assessment of prospectuses in respect of public offers of capital investments (IDW S4) are – in so far as individual requirements apply to the present offer of participation – met by the sales prospectus and by the subscription documents. There is no economic or personal involvement between the investment company, its officers, its main contracting partners and their shareholders or companies or persons entrusted with the implementation of this capital investment, or between any of these parties among themselves, beyond the scope specified in the prospectus.



Marco Knoblauch
PropFund Germany 2 GmbH & Co. KG
Managing limited partner
Managing director of EURIX Development GmbH



Detlef Martin
Managing director
EURIX Development GmbH

S CERTIFICATION OF TRUE AND FAITHFUL TRANSLATION

In meiner Eigenschaft als vom Präsidenten des Landgerichts Berlin für die Berliner Gerichte und Notare ermächtigte Übersetzerin für die englische Sprache (D VI 118/04) bescheinige ich die Richtigkeit und Vollständigkeit der vorstehenden Übersetzung des / der mir vorgelegten Originals / beglaubigten Abschrift / Kopie / Datei / Entwurfs in deutscher / englischer Sprache.

Übersetzung Nr. 98432
Translation No.

In the capacity of authorised translator to the Berlin law courts and notaries public appointed by the President of Landgericht Berlin (Berlin Regional Court) under D VI 118/04, I certify that the foregoing is a true and faithful translation of the German / English original / certified copy / photocopy / file / draft submitted to me.

Berlin, 3 May 2012




Nadine Freund

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