

**PRIVATE PLACEMENT MEMORANDUM**

**CARDONE EQUITY FUND XVII, LLC**

**CONFIDENTIAL**

*The following comprises confidential information regarding the offering of securities of Cardone Equity Fund XVII, LLC, a Delaware limited liability company. This document is intended only for accredited investors. Please do not read further if that does not describe you. Further, please do not disseminate any of the information provided herein or otherwise related to Cardone Equity Fund XVII, LLC without the prior written consent of Cardone Equity Fund XVII, LLC.*

CARDONE EQUITY FUND XVII, LLC (“THE FUND”) RESERVES THE RIGHT TO REJECT ANY OFFER TO PURCHASE INTERESTS IN THE FUND, IN WHOLE OR IN PART, FOR ANY REASON. THE INFORMATION PROVIDED RELATED TO THE FUND AND THE OFFERING IS NOT TO BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. ANY REPRODUCTION OR DISTRIBUTION OF ANY INFORMATION PROVIDED RELATED TO THE FUND OR ITS PROSPECTS, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ANY SUCH INFORMATION IS PROHIBITED WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUNDS’ PROSPECTS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS IN THE FUND HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT REVIEWED OR PASSED ON THE ACCURACY OR ADEQUACY OF ANY INFORMATION PROVIDED ABOUT THE FUND OR THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE FUND OR ITS MANAGER AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION PROVIDED HEREIN, AND NOTHING CONTAINED IN THE INFORMATION IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION BY THE FUND OR ITS REPRESENTATIVES AS TO THE FUTURE.

THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER SAID SECURITIES ACT AND SUCH LAWS, AS AN OFFER AND SALE OF SECURITIES THAT DO NOT INVOLVE A PUBLIC OFFERING. THE UNITS ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND EXCEPT AS OTHERWISE PERMITTED IN ACCORDANCE WITH THE FUND’S OPERATING AGREEMENT.

THERE IS NO PUBLIC MARKET FOR THE UNITS AND THERE ARE NO ASSURANCES THAT A MARKET WILL DEVELOP. EACH PURCHASER OF INTERESTS IN THE FUND OFFERED HEREBY IN MAKING HIS/HER/ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS, INCLUDING BUT NOT LIMITED TO THOSE RELATED TO THE PERSON BEING AN ACCREDITED INVESTOR AS DEFINED IN RULE 501 OF REGULATION D OF THE U.S. SECURITIES AND EXCHANGE

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COMMISSION UNLESS THE UNITS ARE REGISTERED, THE UNITS MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE DISTRIBUTION OF CONFIDENTIAL INFORMATION PROVIDED TO POTENTIAL INVESTORS RELATED TO THE FUND AND THE OFFER OR SALE OF THE SECURITIES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THE INFORMATION RELATED TO THIS OFFERING OR ANY OF THE SECURITIES MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. IN PARTICULAR, THERE ARE RESTRICTIONS ON THE DISTRIBUTION OF THE INFORMATION RELATED TO THE FUND AND THE OFFER AND SALE OF THE INTERESTS IN THE UNITED STATES. NEITHER THE FUND NOR ANY OF ITS REPRESENTATIVES IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE SECURITIES REGARDING THE LEGALITY OF AN INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE LEGAL INVESTMENT OR SIMILAR LAWS.

EACH PROSPECTIVE PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE SECURITIES OR POSSESSES OR DISTRIBUTES ANY OF THE INFORMATION RELATED TO THE FUND AND THE OFFERING AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND THE FUND SHALL NOT HAVE ANY RESPONSIBILITY THEREFORE.

THE INFORMATION BEING PROVIDED TO PROSPECTIVE INVESTORS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION OR TO ANY PERSON TO THE EXTENT SUCH OFFER OR SOLICITATION IS UNLAWFUL. EXCEPT WHERE OTHERWISE INDICATED, THE MATERIALS PROVIDED SPEAK AS OF THE DATE THEREOF OR IF NOT DATED, THE DATE PROVIDED. NEITHER THE DELIVERY OF THE MATERIALS RELATED TO THE FUND AND THIS OFFERING OR ANY SALE OF SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE OPERATIONS OR THE AFFAIRS OF THE FUND SINCE THE DATE ANY SUCH MATERIALS WERE PROVIDED.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION WITH RESPECT TO THE FUND AND THIS OFFERING, EXCEPT THE INFORMATION CONTAINED PROVIDED BY THE MANAGER OR MEMBERS OF ITS MANAGEMENT TEAM. PROSPECTIVE INVESTORS SHOULD NOT RELY ON INFORMATION OTHER THAN THAT PROVIDED TO THEM IN SUCH MANNER.

CERTAIN PROJECTIONS OF OPERATIONS (THE “PROJECTIONS”) PREPARED BY THE FUND ARE INCLUDED IN THE INFORMATION ATTACHED. THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD PUBLIC DISCLOSURE OR COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC REGARDING PROJECTIONS OR BEING REVIEWED BY INDEPENDENT ACCOUNTANTS, AND ACCORDINGLY, NO OPINION OR OTHER FORM OF ASSURANCE IS EXPRESSED. IN ADDITION, THE PROJECTIONS WERE BASED ON A NUMBER OF ASSUMPTIONS AND ARE FURTHER SUBJECT TO SIGNIFICANT UNCERTAINTIES AND

CONTINGENCIES, MANY OF WHICH ARE BEYOND THE FUND'S AND ITS MANAGER'S CONTROL. THERE IS NO ASSURANCE THAT THEY WILL BE REALIZED. ACTUAL RESULTS MAY VARY SIGNIFICANTLY FROM THOSE SET FORTH HEREIN OR IN ANY PROJECTIONS HEREINAFTER PROVIDED. THE DISTRIBUTION OF THE PROJECTIONS SHOULD NOT BE RELIED UPON IN PURCHASING THE SECURITIES OFFERED HEREBY. IN PARTICULAR, THIS MEMORANDUM DOES NOT UNDERTAKE TO PROVIDE THE DETAILED DISCLOSURES REQUIRED IN CONNECTION WITH A REGISTRATION OF SECURITIES UNDER THE SECURITIES ACT. IT IS EXPECTED THAT A PERSON CONTEMPLATING AN INVESTMENT IN THE PROPOSED TRANSACTION WILL CONDUCT AN INDEPENDENT INVESTIGATION AND ANALYSIS IN THE EXERCISE OF ITS OWN DUE DILIGENCE, AND A DECISION TO INVEST SHOULD BE BASED SOLELY ON SUCH INDEPENDENT INVESTIGATION AND ANALYSIS.

PROSPECTIVE INVESTORS WILL BE REQUIRED TO MAKE REPRESENTATIONS WITH RESPECT TO THEIR NET WORTH OR INCOME AND TO REPRESENT, AMONG OTHER THINGS, THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS OF THIS OFFERING AND HAVE ALL REQUISITE AUTHORITY TO MAKE SUCH INVESTMENT.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX, LEGAL OR ACCOUNTING ADVICE. THIS MEMORANDUM AND THE OTHER DOCUMENTS DELIVERED HERewith, AS WELL AS THE NATURE OF AN INVESTMENT IN THE SECURITIES OFFERED HEREBY, SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND SUCH INVESTOR'S INVESTMENT, TAX, LEGAL, ACCOUNTING AND OTHER RELEVANT ADVISORS.

#### **FLORIDA SUPPLEMENT TO THE SUMMARY OFFERING STATEMENT**

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON EXEMPTION PROVISIONS CONTAINED THEREIN. ANY SALE MADE PURSUANT TO SUCH EXEMPTION PROVISIONS IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE FUND, AN AGENT OF THE ISSUER OR AN ESCROW AGENT. A WITHDRAWAL WITHIN SUCH THREE-DAY PERIOD WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE FUND AT THE ADDRESS SET FORTH IN THIS MEMORANDUM, INDICATING HIS INTENTION TO WITHDRAW.

#### **FOR NEW YORK RESIDENTS**

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK NOR HAS THE ATTORNEY GENERAL PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

#### **FOR PENNSYLVANIA RESIDENTS**

THIS OFFERING IS BEING MADE ONLY TO ACCREDITED INVESTORS WITHIN THE STATE.

#### **FOR NEW JERSEY RESIDENTS**

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY NOR

HAS THE ATTORNEY GENERAL PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**FOR CONNECTICUT RESIDENTS**

THE SECURITIES OFFERED HEREIN HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT (THE “CONNECTICUT ACT”) AND, THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE CONNECTICUT ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**FOR CALIFORNIA RESIDENTS**

THE SALE OF THE SECURITIES OFFERED HEREIN HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, AND THE ISSUANCE OF THESE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF UNITS IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THE OPERATING AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT. CALIFORNIA RESIDENTS WILL BE REQUIRED TO COMPLETE A PURCHASER QUESTIONNAIRE WITH RESPECT TO THEIR INVESTMENTS HEREIN.

## FORWARD LOOKING STATEMENTS

This Memorandum contains forward looking statements and forecasts concerning the Fund’s plans, intentions, strategies, expectations, predictions and financial forecasts concerning their future investment activities and results of operations and other future events or conditions. These statements and forecasts are based on views and opinions of the Manager. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. Without limiting the generality of the foregoing, words such as “believes,” “may,” “will,” “could,” “intends,” “estimate,” “might,” or “continue” or the negative or other variations thereof or comparable terminology are intended to identify forward looking statements. Additionally, certain sections of this Memorandum, such as “Certain Investment Considerations,” may contain such forward-looking statements, even though such modifying terminology is absent.

It is important to note that the Fund’s actual results or activities or actual events or conditions could differ materially from those estimated or forecasted in such forward looking statements due to a variety of factors, some of which may be beyond the control of the Fund or the Manager. See “Certain Investment Considerations” for a discussion of certain other factors that could cause the Fund’s actual results or activities or actual events or conditions to differ from those anticipated. Although estimates and assumptions concerning the growth of the portfolio are believed by Manager to be reasonable, such estimates and assumptions are uncertain and unpredictable. To the extent that actual events differ materially from the Manager’s assumptions and estimates, actual results will differ from those forecasted.

These statements include, among other things, statements regarding the Fund’s intent, belief or expectations with respect to:

- the type and quality of the properties the Fund may acquire;
- the target returns, internal rate of return, multiple and distributions to Members; and
- the markets in which the Fund may acquire and operate real estate.

Members should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Fund’s control and may cause its actual results, performance or achievements to differ materially from anticipated future results, or the performance or achievements expressed or implied by such forward-looking statements.

Among the important factors that could adversely affect the Fund’s performance are:

- changes in general economic conditions;
- changes in government policies or tax rates;
- the Fund’s ability to acquire and operate suitable properties;
- changes in financial markets and interest rates;
- the effect of increased or unexpected competition; and
- each of the other matters described in the “Certain Investment Considerations” sections of this Memorandum.

While forward-looking statements in this Memorandum reflect the Fund’s estimates and beliefs, they are not guaranties of future performance. The Fund does not promise to update any forward-looking statements to reflect changes in the underlying assumptions or factors, new information, future events or other changes.



**PRIVATE PLACEMENT MEMORANDUM**

**of**

**CARDONE EQUITY FUND XVII, LLC**

**\$35,000,000**

**Minimum Investment Amount: \$100,000**

**December 15, 2021**

This Private Placement Memorandum (this “Memorandum”) is being furnished to “accredited investors” (as defined herein) for their consideration of an investment in the private offering (the “Offering”) of membership interests in Cardone Equity Fund XVII, LLC (the “Fund”), a Delaware limited liability company. Such membership interests are referred to herein as “Interests.” Holders of Interests are referred to herein as “Members” or “Investors.” By its acceptance hereof each recipient agrees that this Memorandum may not be reproduced or distributed to others, at any time, without the prior written consent of the Fund and that the recipient will keep permanently confidential all information contained herein not already in the public domain and will use this Memorandum for the sole purpose of evaluating a possible investment in the Fund.

No person has been authorized to make any statement concerning the Fund or the Offering other than as set forth in this Memorandum and any such statements, if made, may not be relied upon. Investors should make their own investigations and evaluations of the investment offered hereby. Each prospective Investor should consult its own attorneys, business advisers and tax advisers as to legal, business, tax and related matters concerning this Offering, including those arising under the United States Internal Revenue Code of 1986, as amended (the “Code”). An investment in the Fund involves significant risks. See “Certain Investment Considerations.” Investors should have the financial ability and willingness to accept the risks associated with an investment in the Fund.

The information in this Memorandum (including financial information and information concerning prior transactions) has been obtained from published and non-published sources, including the management of certain entities that participated in such prior transactions. Certain information contained herein has been obtained from published sources prepared by third parties. While such information is believed to be reliable for the purposes used herein, none of the Fund, its affiliates, or any of their respective directors, officers, members, managers, employees, or owners assumes any responsibility for the accuracy of such information.

Except where otherwise indicated, the information contained in this Memorandum was compiled as of the date of this Memorandum, and the Fund has no obligation to update this Memorandum. Under no circumstances should the delivery of this Memorandum create any implication that there has been no change in the affairs of the Fund since the date hereof. This Memorandum shall remain the property of the Fund. The Fund reserves the right to require the return of this Memorandum (together with any copies or extracts thereof) at any time. This Memorandum is not an offer to sell, nor shall any Interests be offered or sold to any person, in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under

the securities laws of such jurisdiction.

Capitalized terms not defined herein have the meanings ascribed to such terms in the Fund's Operating Agreement governing the respective rights and obligations of the Members and Manager of the Fund and the Interests issued thereunder (the "Operating Agreement").

Each recipient of this Memorandum agrees by accepting this Memorandum that the information contained herein and in all related and ancillary documents is not to be used for any purpose other than in connection with its consideration of a purchase of the Interests, that such information is of a confidential nature and that the recipient will treat it in a confidential manner, and that it will not directly or indirectly, disclose or permit its affiliates or representatives to disclose any of such information to any other person or reproduce this Memorandum, in whole or in part, without prior written consent. Each recipient of this Memorandum further agrees that these confidentiality and other obligations shall apply to any non-public information relating to the Fund, its affiliates, or the Interests which is provided, whether in written or oral form, to such recipient after the delivery of this Memorandum.

### **Notice to Investors**

The Interests have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any State or foreign jurisdiction, and neither the SEC nor any such authority has passed upon the accuracy or adequacy of this Memorandum nor is it intended that the SEC or any such authority will do so. The Interests have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any State or foreign jurisdiction and may be sold only in transactions exempt from the registration requirements of such laws under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D under the Securities Act, and only to persons meeting the definition of "Accredited Investor" under Regulation D. The Interests may not be resold except under limited circumstances in compliance with applicable laws and other restrictions described herein.

Furthermore, the Fund will not be registered as an investment company under the Investment Company Act of 1940 (the "1940 Act") because the Fund does not meet the definition of "investment company" provided in the 1940 Act. In addition, neither the Fund nor its affiliates will be registered as an investment advisor under the Investment Advisers Act of 1940. Consequently, Investors will not be afforded many of the protections available to investors under those laws and regulations.

Any projections or other estimates in this Memorandum, including estimates of returns or performance, are forward-looking statements and are based upon certain assumptions that the Fund and the Manager consider to be reasonable. Other events, which were not considered, may occur and may significantly affect performance. Any assumptions, projections or estimates should not be construed to be indicative of the actual events that will occur. Actual events are difficult to predict and depend upon factors that are beyond the Fund's control. Certain assumptions have been made to simplify the presentation and, accordingly, actual results will differ, and may differ significantly, from those presented. Some important factors which could cause actual results to differ materially from those projected or estimated in any forward-looking statements include, but are not limited to, the following: changes in interest rates and financial, market, economic or legal conditions. In addition, the degree of risk may be increased because of the leveraging of the Fund's investments. These and other risks are described under "Certain Investment Considerations" and elsewhere in this Memorandum, in each case, which Investors are urged to read and consider prior to investing in the Interests. Accordingly, there can be no assurance that targeted returns or projections will be realized. Such targeted returns and projections should be viewed as hypothetical and do not represent the actual returns that will be achieved by an Investor. Investors should conduct their own analysis, using such assumptions as they deem appropriate, and should fully consider other available information, including the information described in "Certain Investment Considerations," in making an

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investment decision. Due to the numerous risks, inherent in the investment, investors must be prepared to bear the economic risk of their investment for an indefinite period and be able to withstand a total loss of their investment.

Investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Fund will achieve results comparable with similar funds' past performance or results comparable with the performance of other funds managed by the Manager.

There is no public market for the Interests and no such market is expected to develop in the future. The Interests may not be resold or transferred (i) except as permitted under the Operating Agreement, and under the Fund's subscription agreement and (ii) unless such resale is made in accordance with an exemption from the registration requirements of applicable securities laws.

The Interests are also subject to further restrictions on transfer described herein. Because of such restrictions, it is unlikely that a secondary trading market for the Interests will ever develop, and Investors will bear the risk of their investments for an indefinite period. Investors should note their limited withdrawal and governance rights described in the Operating Agreement.

Any questions or requests for additional information should be directed to:

Investor Relations  
Cardone Capital LLC  
18909 NE 29th  
Avenue Aventura, FL 33180  
Investor Support: (833)-822-7435  
Investor Relations: (305) 407-0276  
Email: [invest@Cardonecapital.com](mailto:invest@Cardonecapital.com)



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## EXECUTIVE SUMMARY

Cardone Equity Fund XVII, LLC (the “Fund” or “CEF XVII”) seeks to capitalize on strategic, undervalued and/or value-add multifamily properties. The Fund is targeting up to \$35 million (with the option to increase to \$40 million at the Manager’s sole discretion) in capital commitments from qualified investors for acquiring, repositioning, managing, operating and disposing of such assets. Although the Fund will primarily target Class A & B multifamily assets across the Sunbelt, the Fund may, from time to time, invest in other cash flowing and potentially cash flowing multifamily, commercial (i.e., senior living, mobile home parks, self-storage, mixed-use, office and/or retail) and single-family assets as well as real estate-backed investments in other markets if compelling opportunities arise. The Fund may invest in distressed properties, including but not limited to REO’s, foreclosures, off-market, pulled from market, concession sensitivity, price reduced and post-COVID 19 properties.

The term of the Fund may be up to ten (10) years from its Initial Closing, and such term may be extended in the sole discretion of the Manager.

The Fund will use a combination of equity and debt financing for its acquisition of Assets; provided that the Fund will use commercially reasonable efforts to assure that total long-term leverage will not exceed, in the aggregate, eighty percent (80%) of the value of the Fund’s Assets; and provided further that the Fund will use commercially reasonable efforts to assure that total short-term indebtedness, which will not be included in the leverage test for the Fund, will not remain outstanding for more than 12 months. Any financing may be secured or guaranteed by the Fund and may be provided by unrelated third parties (i.e., a lender or a seller of a property) or affiliates of the Manager. If such financing is provided by affiliates of the Manager, terms will be consistent with those then currently available from third parties. Although the Manager would prefer to seek nonrecourse loans that would limit the exposure of such loans to the underlying property for each such loan, current market conditions may require the Manager to obtain loans with either full or partial recourse to the Fund or cross-collateralization with other investments of the Fund.

In the event the Fund borrows money from an affiliate of the Manager, such as purchase mortgages, refinance mortgages and construction lines of credit, the affiliate will receive compensation from the Fund for providing any such loans. Such loans, if any, will be on terms that the Manager believes to be no less favorable to the Fund than generally available from third parties; however, loan terms will be established by the Manager and not as a result of arm’s length negotiations.

Cardone Capital LLC, is the sole Manager of the Fund (the “Manager” or the “Sponsor”), the principal of which is Grant Cardone.

The minimum investment is \$100,000 per unique investor, however; the Manager, in its discretion, may accept a lesser amount. The maximum investment will be no more than 18.75% of the Fund size.

At any time after obtaining Capital Commitments of at least \$100,000 the Manager may seek to make its first Capital Call and subsequently make the “Initial Closing”. The Manager may conduct additional Closings from time to time at such time during the Investment Period (as defined below) and in such frequency as it may determine in its sole discretion. In the event that the minimum Capital Commitment is not raised in connection with the Offering on or prior to the date that is twelve (12) months from the date of this Memorandum, the Offering will not be launched and the Manager will return any and all amounts tendered by Investors in respect of the Interests offered hereby to Investors immediately thereafter.

As of the date of this Memorandum, the Fund has made an investment in a newly developed multifamily residential property located in Downtown Fort Lauderdale, Florida. The Fund will be investing in the property side-by-side with Cardone REIT I, LLC, in proportions that have yet to be determined. A

description of the investment is summarized in Appendix I hereto.

**FUND INVESTMENT OBJECTIVE AND STRATEGY**

The Fund’s objective is to effectively deploy the net proceeds of this Offering in assets which are designed to generate current income and long-term growth.

The Fund’s strategy will be to produce attractive risk-adjusted returns by acquiring, repositioning, managing, opening and disposing of strategic, undervalued and/or value-add multifamily properties in need of better management, repositioning, physical improvements and other enhancements. The Fund may invest in distressed properties, including but not limited to REO’s, foreclosures, off-market, pulled from market, concession sensitivity, price reduced and post-COVID 19 properties. Value-add properties may not generate positive cash flow for a significant period of time, if ever (or may have a cash deficit and require significant cash). There may be unanticipated delays in, or increases in the cost of, improving or repositioning such properties which are beyond the control of the Manager. Further, there is no assurance the Manager and its affiliates will be successful in improving the cash results of the properties, as this depends in a significant part on a number of factors beyond the Manager’s control, including general or local economic conditions, and demand for residential real estate in the local market. Thus, underperforming and value-added properties may pose greater investment risk than fully stabilized properties.

The target markets and properties should generally possess the criteria that allow for underwriting and returns that meet the Fund’s objectives, however, the Fund may invest in other target markets and cash flowing and potentially cash flowing assets (including commercial, senior living, mobile home parks, self-storage, mixed-use, office, retail and/or single family) in which the Manager believes that the assets can be effectively underwritten. The Fund may also make loans on similar asset classes to affiliates and non-affiliates, with the following being the general outline of individual properties to be acquired and held by the Fund:

Type of Investment	Primarily Multifamily
Property Class	All Classes
No. of Units	200+
Price	\$50M+
Target Markets	Sunbelt
Targeted Avg. Cash on Cash	4%-6%
Long-Term Leverage	Up to 80%
Targeted IRR, Net	Low to mid-teens
Existing Occupancy	0%-100%
Targeted Investment Term	7-10 years

The Manager believes that Fund performance will be enhanced by focusing its performance strategies on how each asset drives cash flow. When analyzing potential acquisitions, the Manager will look for investments where its particular skill set may create value post- acquisition and throughout the holding period during which the asset management team will continue to do their best to focus on efforts to consistently apply the Fund’s strategy.

No assurance can be given that these objectives will be attained or that the Fund’s capital will not decrease, or that an Investor’s investment will not be lost entirely.

As of the date of this Memorandum, the Fund has made an investment in a newly developed multifamily residential property located in Downtown Fort Lauderdale, Florida. The Fund will be investing in the property side-by-side with Cardone REIT I, LLC, in proportions that have yet to be determined. A

description of the investment is summarized in Appendix I hereto.

Cardone REIT I, LLC is a multi-property investment vehicle currently offering securities under Regulation A of the Securities Act, with unique investment objectives, risks, investment terms, fees and expenses, and tax considerations. It is currently anticipated that Cardone REIT I, LLC will invest in four properties side-by-side with the Fund and three other investment vehicles managed by Cardone Capital, LLC. Talk to your tax, legal and/or financial adviser before making any investment decisions.

## MANAGEMENT OF THE FUND

### *The Manager*

The Manager of the Fund will be Cardone Capital LLC, a Delaware limited liability company. The strategic direction and investment objectives of the Fund are the focus of the Manager's principal, Grant Cardone.

The Fund will primarily invest in multifamily properties, primarily located across the Sunbelt. These types of investments are, or relate to, properties generally located in central business districts or secondary metropolitan cities. Cardone Capital focuses on individual properties with gross values of at least \$50 million. There may be instances where assets are purchased larger or smaller than this amount and may include multiple assets purchased simultaneous or over time. The Fund may also invest in senior living, mobile home parks, self-storage, mixed-use, office and/or retail properties located throughout the United States. The Fund may focus on distressed properties, including but not limited to REO's, foreclosures, off-market, pulled from market, concession sensitivity, price reduced and post-COVID 19 properties.

The Manager employs a strategy of investing in Assets which are well-selected, well-managed and disposed of at an optimal time. Our principal targeted assets are investments in properties if compelling opportunities arise that present superior opportunities for above-market returns, that have quality construction and desirable locations which can attract quality tenants.

To this end, the Manager may:

- Co-invest in Class A and Class B multifamily apartment communities in quality locations in the Manager's target markets, where the Manager can add significant value through third-party hands-on management and/or appreciation potential;
- Buy Assets at below-market prices, or at market prices where there is sufficient upside potential to obtain above-market returns over the long term;
- Make physical alterations and other improvements to those communities, where the Manager can achieve significant benefit with minimal capital outlay; and
- Through third-party management, increase the rents to increase the overall value of the property.

Grant Cardone has been investing in multifamily real estate since the mid 1990's, across several economic cycles and environments. Mr. Cardone has completed transactions across multiple cities and nine states including Houston, San Diego, Los Angeles, Tucson, Austin, Charlotte, Nashville, Savannah and several metropolitan areas throughout Florida. Cardone Real Estate Acquisitions ("CREA"), the Fund's acquisition arm, and the Manager shop properties year-round to discover opportunities in which to invest. CREA focuses on buying properties that offer opportunities to increase rents, occupancy, reduce concessions, while using Mr. Cardone's proprietary knowledge and strategies for improving customer

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service through smart management, positive customer experience and economies of scale.

In addition to the above criteria, the Fund focuses on investments that should provide positive cash flow upon acquisition or the potential for cash flow in the future. The Fund follows a very conservative investing model where the purchase price is based on trailing 12-month income calculations and worst-case scenario situations. The Manager prides itself on its stellar reputation with sellers and borrowers for getting deals to settlement in a timely and efficient manner. The Manager has bought and sold real estate assets through various economic cycles and in different markets. Mr. Cardone has extensive relationships with national and regional banks and life insurance companies and is a preferred borrower with Fannie Mae and Freddie Mac. The Manager’s goal is to continue to build wealth through real estate with well-positioned acquisitions, highest-quality property management, and strategic dispositions.

The Fund will invest through a limited liability company (“LLC”) that will own a single or multiple multifamily or commercial properties (single purpose entities). Grant Cardone typically invests one to six percent (1%-6%) of the total equity, which may be invested side-by-side with the Fund through the LLC, or through the Fund itself. CEF XVII is a \$35 million fund for accredited investors that was formed November 8, 2021. The amount invested will vary depending on the lender’s requirements and the amount of funds raised by Cardone Equity Fund XVII.

The Fund will be the fifteenth investment fund offered by the Sponsor invested in multifamily properties:

FUND	FUND SIZE	FUND STATUS	# PROP.	# OF UNITS	LOCATIONS
CEF I	\$ 4.8M	Closed	1	188	St Lucie, FL
CEF II	\$ 8.3M	Closed	1	272	Ormand Beach, FL
CEF III	\$45.0M	Closed	2	747	Orlando, FL; Houston, TX
CEF IV	\$106.0M	Closed	5 <sup>(1)</sup>	2,014	Delray, Naples, Sunrise, Panama City Beach, FL; Houston, TX
CEF V <sup>(2)</sup>	\$50.0M	Closed	5 <sup>(1)</sup>	2,014	Delray, Naples, Sunrise, Panama City Beach, FL; Houston, TX
CEF VI <sup>(2)</sup>	\$29.5M	Closed	4 <sup>(3)</sup>	1,473	Panama City Beach, FL; Columbia, MD; Naples, FL.
CEF VII	\$43.5M	Closed	1	458	Austin, TX
CEF VIII	\$79.3M	Closed	4 <sup>(3)</sup>	1,473	Panama City Beach, FL; Columbia, MD; Naples, FL.
CEF IX	\$47.6M	Closed	1	553	Ft. Lauderdale, FL
CEF X	\$64.5M	Closed	1	398	Boca Raton, FL
CEF XI	\$38.4M	Closed	1	310	Ft. Lauderdale, FL
CEF XIV	\$20.5M	Closed	1	235	Boca Raton FL
CEF XV	\$69.4M	Closed	2	646	Houston, TX
CEF XVI	\$45.0M <sup>(4)</sup>	Currently Marketed	1 <sup>(5)</sup>	456	Ft. Lauderdale, FL
Cardone REIT I <sup>(2)</sup>	\$75.0M <sup>(4)</sup>	Currently Marketed	4 <sup>(5)</sup>	1,688	Ft. Lauderdale, FL
Total	\$726.8M		24	8,982	

(1) CEF IV and V parallel invested in the same five properties.

(2) CEF V, CEF VI and Cardone REIT I are funds for non-accredited investors.

- (3) CEF VI and VIII parallel invested in the same four properties.
- (4) Targeted capital commitments.
- (5) CEF XVI and Cardone REIT I parallel invested in one property together.

Additionally, the Sponsor manages an additional 2,570 units for a total of 11,552 units under management with a market value of approximately \$3.5 billion.

In addition to prior multifamily investment funds and the Fund, the Manager may also simultaneously offer investment opportunities in other funds, including Cardone REIT I, LLC, which may invest side-by-side with the Fund or in other multifamily properties. Each investment vehicle has unique investment objectives, risks, investment terms, fees and expenses, and tax considerations. There can be no assurance that the Fund will achieve results comparable with similar funds' past performance or results comparable with the performance of other funds managed by the Manager. Talk to your tax, legal and/or financial adviser before making any investment decisions.

### **FUND STRUCTURE**

The Manager has endeavored to structure this Fund in a way that balances the Manager's need for flexibility, autonomy, and control with respect to Fund policies and investment decisions with the Investor's natural desire for safety, oversight, and transparency. We have considered the Fund's fee structure, administrative procedures, and third-party service providers including Fund administration and accounting services and have attempted to create a beneficial and proper alignment of interests between the Manager and the Investors, but there is no guarantee that interests will be aligned.

The Fund is organized as a Delaware limited liability company. The Fund is making an offering that is exempt from registration under Regulation D promulgated by the SEC under the Securities Act of 1933 (the "Act" or "Securities Act"). The Fund is open to both United States and non-US Investors. If the Fund has non-US Investors, then it will be subject to U.S. tax withholding obligations with respect to such Investors. Each Investor in the Fund must be an "accredited investor" as such term is defined in Regulation D.

Some of the ways Investors can qualify are:

- For natural person Investors, having a net worth of at least \$1,000,000, excluding the value of a primary residence; or
- For natural person Investors, having an adjusted gross income of at least \$200,000 for the last 2 years (or \$300,000 with a spouse); or
- For natural person Investors, holding, in good standing, a Series 7, Series 82 or Series 65 license; or
- For entity Investors, having assets of at least \$5,000,000, or
- For entity Investors, having all of the owners of the entity otherwise be Accredited Investors.

### ***Investor Suitability Standards***

The Offering and sales of the Investments offered hereby will be made only to persons and/or entities who meet or exceed certain suitability standards which have been adopted by the Fund for the purpose of determining who will be permitted to invest. Subscription Agreements from prospective

Investors will be accepted or rejected by the Manager in its sole discretion. The Manager reserves the right to reject any Subscription Agreement for any reason.

***Investment Options***

Investors shall acquire equity ownership in the Fund and shall become Members of the Fund, subject to the terms of the Operating Agreement, upon executing a Subscription Agreement and a joinder to the Operating Agreement, payment of all amounts set forth in the Subscription Agreement and acceptance by Manager of each Investor's subscription.

By executing a Subscription Agreement, an Investor unconditionally and irrevocably makes a commitment to contribute capital in accordance with the terms set forth in the Subscription Agreement and Operating Agreement.

The Fund seeks to raise the maximum offering of up to \$35 million in Investor capital, which amount may be increased to \$40 million in the sole discretion of the Manager. The Manager may or may not raise the full amount during the lifetime of the Fund. The minimum investment is \$100,000, which amounts may be adjusted in the sole discretion of the Manager. The maximum investment will be no more than 18.75% of the Fund size.

**SUMMARY OF FUND TERMS**

<b>The Fund</b>	Cardone Equity Fund XVII, LLC (the “Fund”), a newly formed Delaware limited liability company.																				
<b>The Manager</b>	Cardone Capital LLC (the “Manager”), a Delaware limited liability company.																				
<b>Investment Objective</b>	The Fund’s objective is to effectively deploy the net proceeds of this Offering in assets which are designed to generate current income and long-term growth. There can be no assurance that targeted returns or any returns will be achieved.																				
<b>Investment Strategy</b>	<p>The Fund will seek to achieve its objective by utilizing the Manager’s select investment criteria and return objectives in the acquisition, leasing and repositioning of strategic, undervalued and value-add multifamily properties. Value-add properties may not generate positive cash flow for a significant period of time, if ever (or may have a cash deficit and require significant cash). There may be unanticipated delays in, or increases in the cost of, improving or repositioning such properties which are beyond the control of the Manager. Further, there is no assurance the Manager and its affiliates will be successful in improving the cash results of the properties, as this depends in a significant part on a number of factors beyond the Manager’s control, including general or local economic conditions, and demand for residential real estate in the local market. Thus, underperforming and value-added properties may pose greater investment risk than fully stabilized properties.</p> <p>Project investments may be individual or multiple properties and will generally consist of Class A &amp; B multifamily assets with over 200 units and a price over \$50 million.</p> <p>Generally, the Fund will seek individual opportunities which meet the following criteria:</p> <table border="1" data-bbox="646 1373 1398 1724"> <tr> <td>Type of Investment</td> <td>Primarily Multifamily</td> </tr> <tr> <td>Property Class</td> <td>All Classes</td> </tr> <tr> <td>No. of Units</td> <td>200+</td> </tr> <tr> <td>Price</td> <td>\$50M+</td> </tr> <tr> <td>Target Markets</td> <td>Sunbelt</td> </tr> <tr> <td>Targeted Avg. Cash on Cash</td> <td>4% -6%</td> </tr> <tr> <td>Long-Term Leverage</td> <td>Up to 80%</td> </tr> <tr> <td>Targeted IRR, Net</td> <td>Low to mid-teens</td> </tr> <tr> <td>Existing Occupancy</td> <td>0% -100%</td> </tr> <tr> <td>Targeted Investment Term</td> <td>7-10 years</td> </tr> </table> <p>Target markets will include those across the Sunbelt. However, the Fund may invest in other markets within the continental U.S. as well as other classes of multifamily, single-family and commercial properties (i.e., senior living, mobile home parks, self-storage, mixed-</p>	Type of Investment	Primarily Multifamily	Property Class	All Classes	No. of Units	200+	Price	\$50M+	Target Markets	Sunbelt	Targeted Avg. Cash on Cash	4% -6%	Long-Term Leverage	Up to 80%	Targeted IRR, Net	Low to mid-teens	Existing Occupancy	0% -100%	Targeted Investment Term	7-10 years
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	<p>use, office and/or retail properties) and other real estate-backed investments as may be determined by the Manager. The Fund may invest in distressed properties, including but not limited to REO’s, foreclosures, off-market, pulled from market, concession sensitivity, price reduced and post-COVID 19 properties.</p> <p>As of the date of this Memorandum, the Fund has made an investment in a newly developed multifamily residential property located in Downtown Fort Lauderdale, Florida. The Fund will be investing in the property side-by-side with Cardone REIT I, LLC, in proportions that have yet to be determined. A description of the investment is summarized in Appendix I hereto.</p> <p>In addition to the Fund, the Manager may also simultaneously offer investment opportunities in other funds, which will invest in other multifamily properties. There can be no assurance that the Fund will achieve results comparable with the performance of other funds managed by the Manager.</p>
<b>Offering Size</b>	<p>The Fund is offering to a limited number of prospective investors the opportunity to subscribe for Interests in, and become members of, the Fund (the “Members”). The Fund is seeking total Capital Commitments of up to \$35 million, with the option to increase to \$40 million at the Manager’s sole discretion. The Manager will break escrow and conduct the Initial Close at any time after total Capital Commitments equal or exceed \$100,000.</p>
<b>Eligible Investors</b>	<p>Investors that are “accredited investors,” within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act, submit a Subscription Agreement, the acceptance of which is subject to the Manager’s approval in its sole judgment. The minimum Capital Commitment is \$100,000, although the Manager may accept subscriptions for smaller amounts in its sole discretion. The maximum investment will be no more than 18.75% of the Fund size.</p>
<b>Closings</b>	<p>At any time after obtaining Capital Commitments of at least \$100,000 the Manager may seek to make the first capital call and subsequently hold the “Initial Closing”. After the Initial Closing, the Fund may conduct multiple additional Closings. Subsequent Closings may be held at such time and with such frequency as the Manager in its sole discretion may determine.</p>
<b>Use of Proceeds</b>	<p>The Fund will invest, directly or indirectly, in the investments. The Fund will also use the offering proceeds to pay or reimburse the Manager and its affiliates for legal, accounting, due diligence, marketing and other expenses relating to the formation or operation of the Fund, to pay fees to the Manager as described herein, to provide working capital for the Fund and to establish reasonable reserves to meet the Fund’s obligations.</p>
<b>Investment Period</b>	<p>The investment period shall mean the period commencing on the Initial Closing and expiring on the third anniversary of the Final</p>

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	<p>Closing, unless terminated sooner pursuant to the Operating Agreement (the “Investment Period”). At the expiration of the Investment Period, any uninvested Capital Contributions held by the Fund will be either set aside for a specific use as outlined in the Operating Agreement or returned to the Members.</p> <p>After the Investment Period and subject to certain limitations set forth in the Operating Agreement, the Manager may use Capital Commitments for purposes including, satisfying obligations under existing guarantees, indemnities, covenants, or other undertakings.</p>
<b>Term of the Fund</b>	The Fund’s term will be ten (10) years from the date of the Initial Closing; provided, however, that the term may be reduced or extended if Manager deems appropriate.
<b>Investment Limitations</b>	Geographic Limitation. The Manager expects that the Fund’s Capital Commitments will be invested primarily but not exclusively across the Sunbelt. The Fund will not invest outside the continental United States.
<b>Leverage</b>	<p>The Fund will use a combination of equity and debt financing for its acquisition of Assets; provided that the Fund will use commercially reasonable efforts to assure that total long-term leverage will not exceed, in the aggregate, eighty percent (80%) of the value of the Fund’s Assets; and provided further that the Fund will use commercially reasonable efforts to assure that total short-term indebtedness, which will not be included in the leverage test for the Fund, will not remain outstanding for more than 12 months. Any financing may be guaranteed by the Fund or secured by the assets or rights of the Fund, including, without limitation, each investor’s obligation to make capital contributions. Such financing may be provided by unrelated third parties (i.e., a lender or a seller of a property) or affiliates of the Manager. If such financing is provided by affiliates of the Manager, terms will be consistent with those then currently available from third parties. Although the Manager would prefer to seek nonrecourse loans that would limit the exposure of such loans to the underlying property for each such loan, current market conditions may require the Manager to obtain loans with either full or partial recourse to the Fund or cross-collateralization with other investments of the Fund.</p> <p>In the event the Fund borrows money from an affiliate of the Manager, such as for purchase mortgages, refinance mortgages and construction lines of credit, the affiliate will receive compensation from the Fund for providing any such loans. Such loans, if any, will be on terms that the Manager believes to be no less favorable to the Fund than generally available from third parties; however, loan terms will be established by the Manager and not as a result of arm’s length negotiations.</p>
<b>Capital Contributions</b>	Each Member will agree to make capital contributions in cash up to the aggregate amount of the Investor’s Capital Commitment. In addition to an Investor’s Capital Commitment, at any time after the Final Closing of the Offering, the Manager may issue one or more

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	<p>capital calls to Members, with each Member obligated to contribute an aggregate amount up to ten percent (10%) of such Member’s Capital Commitment.</p>
<p><b>Pre-Initial Closing Financing</b></p>	<p>If prior to the Initial Closing the Fund requires financing to acquire an investment, the Manager, or its principal, and any Member electing to participate may advance all or a portion of the necessary financing up to the amount of their Capital Commitment as an advance on such Capital Commitment. In the alternative, the participants may treat such advance as a loan to the Fund. To the extent that such amount is treated as a loan to the Fund, the participant shall be entitled to interest on such loan at an annual rate as determined by the Manager, which the Manager believes to be no less favorable to the Fund than generally available from third parties.</p>
<p><b>Reinvestment</b></p>	<p>During the Investment Period, the Fund may retain and reinvest proceeds received upon an investment’s disposition or refinancing to the extent such proceeds represent invested capital. If the original Asset in which the Fund deployed invested capital is sold within the first three years of the Fund, the Manager may use the invested capital to reinvest in another Asset and is under no obligation to return the invested capital to the Members. However, in the event that such invested capital is returned to the investors, the Manager may require that it be recontributed by the investors at any time prior to the expiration of the Investment Period for the purchase of a new Asset.</p>
<p><b>Distributions</b></p>	<p>The Fund will endeavor to make distribution monthly out of available net cash flow from operations or sale and refinance transactions (after reserves and expenses, including, but not limited to, present and anticipated debts and obligations under any credit facility or otherwise, capital needs and expenses, the payment of any management or administrative fees and expenses, including without limitation the Asset Management Fee, Asset Acquisition Fee, Asset Disposition Fee, and Financing Coordination Fee, and reasonable reserves for contingencies).</p> <p>Subject to the Manager’s determination that the Fund has received sufficient funds and has sufficient reserves, cash proceeds after repayment of all expenses, will generally be distributed to the Members as follows:</p> <p><u>Operating Distributions:</u> Distributions of net operating proceeds will be made as follows: (a) 80% to the Members, <i>pro rata</i> in accordance with the number of Units held; and (b) 20% to the Manager.</p> <p><u>Capital Transactions and Refinancing Transactions.</u> Distributions of net proceeds from Capital Transactions and Refinancing Transactions will be made as follows:</p> <ul style="list-style-type: none"> <li>- First, 100% to the Members, <i>pro rata</i> in accordance with their unreturned capital contributions, until the aggregate distributions under this item will have reduced the unreturned</li> </ul>

PRIVATE PLACEMENT MEMORANDUM – CARDONE EQUITY FUND XVII, LLC

	<p>capital contributions of all Members to zero; and</p> <ul style="list-style-type: none"> <li>- Thereafter, (a) 80% to the Members, <i>pro rata</i> in accordance with the number of Units held; and (b) 20% to the Manager.</li> </ul> <p><u>In-kind Distributions.</u> The Manager will generally not cause the Fund to make in-kind distributions.</p> <p>All Distributions payable to non-US Investors will be reduced by amounts required to be withheld and paid over to the Internal Revenue Service (the “IRS”) related to income allocated to such foreign Investors, but shall be treated, for all purposes, as being paid to such non-US Investor.</p>
<b>Allocations</b>	<p>Net income and net loss for each fiscal year will be allocated among the Members consistent with the described distribution provisions and the requirements of the Code, to target capital accounts to match the distribution waterfall set forth above.</p>
<b>Fund Expenses</b>	<p>The Fund will be responsible for all expenses of the Fund (including, but not limited to, reimbursement of all out-of-pocket expenses incurred by the Manager and its Affiliates in connection with the Fund’s business), including, but not limited to, expenses relating to its real estate investments (including legal and accounting fees and expenses, due diligence, broken deal expenses, and other transaction costs incurred in connection with its investments and possible investments), liability insurance, ongoing operating expenses of the Fund (including administrative, which includes legal and accounting fees and expenses), the Asset Management Fee, the Asset Acquisition Fee, the Asset Disposition Fee, the Financing Coordination Fee, and any extraordinary expenses.</p> <p>The Fund will also bear all expenses incurred in connection with its organization and its offering of Interests. Organization and offering expenses have been and will be used to cover legal, accounting, consulting, marketing, printing, distribution, travel, meals, entertainment, conferences, due diligence costs, administrative, organizational and other expenses associated with raising capital, organizing, forming and marketing the Fund.</p>
<b>Management Fees</b>	<p><u>Asset Management Fee.</u> The Manager or its designated affiliate(s) will receive an annual fee equal to one percent (1%) of the aggregate Capital Contributions (less the allocable portion of Capital Contributions allocated to any Fund Asset subject to a Capital Transaction). In all cases, the Asset Management Fees will be payable monthly, in arrears. The Manager may defer or waive Management Fees at its discretion.</p> <p><u>Asset Acquisition Fee and Asset Disposition Fee.</u> In addition, the Manager or its affiliate shall be entitled to a one percent (1%) Asset Acquisition Fee and a one percent (1%) Asset Disposition Fee on each Asset in the Fund. The Asset Acquisition Fee and Asset Disposition</p>

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	<p>Fee is based on the respective purchase price and sale price of the Asset in question and payable at the closing of the acquisition or disposition of each Asset of the Fund, as the case may be, or at such later time, in arrears, as the Manager may determine in its sole discretion.</p> <p><u>Financing Coordination Fee.</u> The Manager or its affiliates shall be entitled to receive a financing coordination fee equal to one percent (1%) of the principal amount of each loan placed on the Asset funded by a third party (“Financing Coordination Fee”), whether at the time of acquisition or pursuant to a refinancing. This Financing Coordination Fee will be in addition to any fees paid to third parties, such as mortgage brokers. The Manager may defer or waive any or all of any Financing Coordination Fees at its discretion.</p> <p><u>Property Management, Construction and Broker Fees.</u> The Manager and/or its affiliates shall be entitled to receive market rate property management fees and be reimbursed for all out-of-pocket costs, to be paid monthly, for investments owned and operated by the Fund. In addition, the Manager and/or its affiliates shall be entitled to receive market rate fees and be reimbursed for all out-of-pocket costs for any construction, construction management and real estate brokerage fees with respect to such services provided to each such property.</p>
<p><b>Parallel Fund</b></p>	<p>The Manager may, in its discretion and to the extent permitted by applicable law, create or sponsor partnerships or other vehicles that will be formed for participating pro-rata and <i>pari passu</i> in the assets of the Fund (“Parallel Fund”). The Parallel Fund may consist of certain investors who for a variety of reasons may not wish to participate in the investments through the Fund. Any costs associated with the formation and administration of a Parallel Fund will be paid by the investors in the Parallel Fund. The Manager or an affiliate will also act as the manager of the Parallel Fund unless such an arrangement were prohibited. The Parallel Fund will contain terms, rights, restrictions and obligations for its investors as the Manager may determine in its sole discretion, which may include terms that are more favorable than the terms offered to the Investors. No Parallel Fund shall at any time sell, exchange, transfer or otherwise dispose of an interest in an asset that was acquired as a co-investment with the Fund unless (i) the Fund and the Parallel Fund sell, exchange, transfer or otherwise dispose of, at substantially the same time, their interest in such asset, and the aggregate amount of such interest sold, exchanged, transferred or otherwise disposed of by the Fund and the Parallel Fund is allocated among the Fund and the Parallel Fund pro rata in proportion to the aggregate amounts respectively invested by the Fund and the Parallel Fund on such asset; and (ii) the terms of such rate, exchange, transfer or other disposition, except to the extent necessary to address regulatory or other legal considerations, are substantially the same as those applicable to such rate, exchange, transfer or other disposition by the Fund at such time.</p>
<p><b>Special Purpose Vehicles</b></p>	<p>Where the Manager deems it appropriate, the Fund shall use special</p>

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	<p>purpose entities as subsidiaries, including corporations, limited liability companies and limited partnerships to make and hold investments. The Manager may also cause the Fund to invest through corporations, limited liability companies, limited partnerships, joint ventures (both with third parties and affiliates of the Manager), or other arrangements in which the Fund has an economic interest and where such arrangements are reasonably expected to preserve in all material respects the overall economic relationship of the Members.</p>
<b>Co-Investment Opportunities</b>	<p>The Manager may provide any person with the opportunity to co-invest with the Fund in a particular investment on such terms as the Manager may determine in its sole discretion, which may include terms that are more favorable than the terms offered to the Investors. The Manager has complete discretion to make such offer to any person, including the Manager, any affiliate or employee thereof, any Member or any third party, and in such proportions as the Manager determines in its sole discretion, and the Manager may allocate such portion of an investment opportunity to a co-investment vehicle as the Manager determines in its sole discretion.</p>
<b>Potential Sale of Assets to the Fund</b>	<p>The Manager, in its discretion, may have the Fund purchase assets of the Manager’s Affiliates and other funds established by the Manager at “fair market value” established by an independent third party if such investments satisfy the investment criteria of the Fund.</p>
<b>Sale of Fund Investments to Affiliates or other Manager Funds</b>	<p>The Fund may, in certain instances, if determined appropriate by the Manager, sell Fund properties to either Affiliates of the Manager or to other funds established by the Manager at “fair market value” established by an independent third party.</p>
<b>Transferability of Membership Interest</b>	<p>Interests in the Fund may not be directly or indirectly sold, transferred, assigned, pledged or encumbered in whole or in part (whether voluntarily, involuntarily or by operation of law) without prior written approval of the Manager, which may be withheld in the Manager’s sole and absolute discretion. The transferability of Interests is also restricted under the Securities Act.</p>
<b>Removal of Manager; Withdrawal of Manager</b>	<p>The Manager may not be removed by the Members. The Manager may, however, voluntarily withdraw from the Fund.</p>
<b>Fund Structure</b>	<p>The Fund expects to be classified as a “partnership” for federal income tax purposes. The Fund will own substantially all its investments directly or indirectly through one or more holding companies. The Fund does not anticipate holding any of its investments directly or indirectly through a subsidiary real estate investment trust, but may do so if, in the Manager’s sole discretion, it is in the Fund’s best interest to do so.</p>
<b>Income Tax Considerations</b>	<p>Provided that the Fund is treated as a partnership for federal income tax purposes, the Fund generally will not be subject to federal income tax, directly, but rather each Member of the Fund will be required to include in computing its federal income tax liability its allocable share</p>

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	<p>of the items of income, gain, loss, deduction and credit of the Fund, regardless of whether any distributions have been made by the Fund to that Member.</p> <p>The Fund will not implement procedures to avoid or minimize the impact of “unrelated business taxable income” (or “UBTI”) to tax-exempt Investors.</p> <p>Prospective investors are urged to review the discussion herein under the heading “<b>Certain U.S. Federal Income Tax Considerations</b>” and to consult with their own tax advisors regarding the specific consequences to them of holding an Interest.</p>
<p><b>Use of Alternative Vehicles</b></p>	<p>The Manager may cause the Fund to create, in its discretion, any compliant alternative investment vehicles.</p>
<p><b>ERISA</b></p>	<p>The Fund does not intend to have twenty-five percent (25%) or more of the Capital Commitments made by “benefit plan investors,” including employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), IRA’s or other “plans” subject to Section 4975 of the Code, or entities that hold the plan assets of such plans. Thus, in reliance on the less than twenty-five percent (25%) “benefit plan investors” exception under the applicable ERISA regulations, the Fund does not intend for the Fund’s assets to be treated as “plan assets” under ERISA. However, if necessary to avoid the Fund’s assets being treated as “plan assets” under ERISA, the Fund may take advantage of another plan assets exception, such as the “real estate operating company” exception, or to take whatever other action it deems necessary to avoid its assets being treated as “plan assets” under ERISA.</p>
<p><b>Exculpation; Indemnification</b></p>	<p><b>Exculpation.</b> The Manager, its affiliates, officers, employees, members, managers and agents (the “Indemnified Parties”) shall not have any liability to the Fund or its Members for any action (or inaction) which is undertaken (or omitted) in connection with such Indemnified Party’s performance of its duties under the Operating Agreement or to the Manager or its affiliates in connection with the Fund’s business, unless such act or omission was performed or omitted fraudulently or in bad faith.</p>
	<p><b>Indemnification.</b> The Indemnified Parties shall be indemnified by the Fund against losses, judgments, expenses, etc. with respect to acts and omissions taken on behalf of the Fund, unless such act or omission was primarily attributable to an act or omission constituting fraud or bad faith. All indemnities shall be paid, first, from the Fund’s assets and, if the assets of the Fund are insufficient to fully satisfy any such obligation, then from the return of member distributions (on a <i>pari passu</i> basis and in the proportion to Member’s respective Capital Contributions). The Fund will be obligated and liable to pay indemnification obligations pursuant to the governing documents for any subsidiaries established by the Fund, and the Fund shall make disbursements (on such pro rata basis) to such subsidiaries as</p>

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	necessary to pay such indemnification obligations.
	<b>Expense Advancement.</b> Indemnification expenses shall be advanced and paid when due (even if prior to a final determination of availability of indemnification), provided that (i) the claimant is not a Member (other than the Manager or any affiliate of the Manager with respect to any interest it owns as a Member) and (ii) the claimant covenants to repay such funds advanced if it is finally determined that indemnification is not available for such claimant.
	<b>Insurance.</b> At the Fund’s expense, the Manager may cause the Fund to purchase insurance coverage for acts for which indemnification would be available, including coverage for the Indemnified Parties.
	<b>Reliance on Professionals.</b> The Manager, its officers and Affiliates shall have no liability for acts taken upon the advice of counsel that such acts were permissible under governing documents and applicable law. To the extent any decision or determination has been made in reliance upon such advice, such decision or determination shall be deemed to have been made without bad faith or fraud for purposes of applying the provisions of the Operating Agreement.
<b>Additional Capital Contributions</b>	In addition to a Member’s initial Subscription, at any time after the Final Closing of the Offering of Units, the Manager may, in its sole discretion, require all Members (other than Members affiliated with the Manager) to submit to one or more capital calls in the aggregate of up to ten percent (10%) of such Member’s Capital Commitment within at least ten (10) days of such capital call being made. In the event that a Member fails to make any required Additional Capital Contribution, then the other Members may, but will not be required to, make a loan to the defaulting Member (each such loan, a “Contribution Default Loan”) by funding their pro rata portion of the defaulting Member’s unfunded capital on its behalf.
<b>Member Withdrawal Rights</b>	No Member may withdraw from the Fund without the Manager’s written consent. The Manager has sole discretion to withhold consent.
<b>Books and Records</b>	Members or their authorized representatives shall at all reasonable times and for any purpose reasonably related to the business and affairs of the Fund and their interest therein have access to the Fund’s books and records.
<b>Reports</b>	The Fund’s books shall be on the accrual basis for book purposes as set forth in the Operating Agreement. Financial Statements will be prepared annually within 120 days following the Close of each taxable year and will be available upon request. Reports regarding the individual investments will be periodically provided to the Members.
<b>Side Letters</b>	The Manager may, in its sole discretion, enter into agreements on behalf of the Fund that modify or supplement a Member’s rights and obligations with respect to its investment in the Fund (each such agreement, a “Side Letter”). The Manager may grant concessions to



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	any unaffiliated investor in Side Letters in its sole and absolute discretion.
<b>Amendments</b>	<p>The Manager, without the approval of any Members, may amend the Operating Agreement in order to: (a) add to the Manager’s duties or surrender any right or power granted to it; (b) cure ambiguities, make corrections, comply with changes in the law, or otherwise clarify terms; (c) delete or add any provision requested by any federal or state “blue sky” agency to the extent deemed to be for the benefit or protection of some or all of the members; (d) effectuate the admission or withdrawal of Members in accordance with the Fund’s terms; or (e) improve, upon advice of counsel, the Fund’s position in (i) satisfying 1940 Act exemptions, (ii) qualifying for ERISA plan asset exemptions, (iii) sustaining its tax positions or those of any of its members (including with respect to UBTI), (iv) avoiding publicly traded partnership status, or (v) preventing the Members’ final capital accounts from deviating from the intended priority cash distributions described in “Distributions” above.</p> <p>Except as provided above, the Manager, upon the approval of Members representing at least a majority of the Capital Commitments of the Members of the Fund, may amend the Operating Agreement in any manner other than to: (a) increase the capital commitments of a Member; or (b) alter the economic interest of a Member in the Fund from that described in “Distributions” above, unless the Manager obtains the consent of such Member.</p>
<b>Use of Professionals and Service Providers</b>	The Manager may, in its sole discretion, engage affiliated professionals and service providers or outside professionals and service providers on behalf of and at the expense of the Fund on arm’s-length terms. When affiliates are engaged, the transaction shall be on arm’s-length terms. No professional or other service provider will be disqualified from providing services to the Fund or its affiliates because of the provision of services by such professional or service provider to the Manager or its affiliates, whether related to the Fund’s business or other activities.
<b>Governing Law</b>	The Fund’s Operating Agreement will be governed by the laws of the State of Delaware.

## CERTAIN INVESTMENT CONSIDERATIONS

Prospective Investors should carefully consider the following risk factors, together with all the other information, including all other risk factors and conflicts of interest relating to an investment in the Fund, including those set forth in this Memorandum, before deciding to subscribe for Interests. Because of these factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will be able to meet its investment objectives or otherwise can successfully carry out its investment program. The risks described below are not the only risks relating to an investment in the Fund and other risks also may adversely affect an investment in the Fund.

### *General Investment Risks*

*Business Risks.* The success of the Fund depends upon the ability of the Manager to identify, select and consummate investments that will offer superior returns. The availability of such opportunities will depend, in part, upon general market conditions. The business of identifying and structuring transactions is highly competitive and involves a high degree of uncertainty. Even if the Manager identifies attractive investment opportunities, there can be no assurance that the Fund will be permitted to invest in such opportunities. As a result, it is possible that the Fund might never be fully invested. However, Members will be required to pay management fees based on the entire amount of their Capital Contributions. No assurance can be given that the Fund's investment will generate any income or will appreciate in value.

Other than the investment described in Appendix I hereto, the Fund has yet to enter into any definitive investment agreement.

*Past Performance Not a Predictor of Future Results.* The track record of the Manager, its affiliates and any real estate companies they have managed should not be assumed to imply or predict, directly or indirectly, any level of future performance of the Fund. The performance of the Fund is dependent on future events and is, therefore, inherently uncertain. Past performance cannot be relied upon to predict future events for a variety of reasons, including, without limitation, local and national economic circumstances, supply and demand characteristics, degrees of competition and other circumstances pertaining to capital markets.

*Inability to Achieve Targeted Rate of Return.* The Fund will make investments based on the Manager's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of the investments, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery and remediation strategies, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return received on the investments.

*Lack of Operating History.* The Fund is a newly organized entity and accordingly, has no operating history upon which prospective Investors can evaluate the Fund's likely performance. Although the Fund's management team has experience in acquiring, developing, asset managing, operating, financing and disposing of real estate and is currently managing similar funds, there can be no assurance that the performance of those activities will be reflective or indicative of the future performance of this Fund.

*Competition for Investments.* The activity of identifying, completing, and realizing attractive acquisitions of real estate assets in the Fund's targeted property types is highly competitive. The Fund will compete for these opportunities with many other real estate investors, including public and private REITs, other real estate funds, and institutional investors. These competitors may have more experience, more resources and may be willing to accept more risk than the Fund. This competition may increase prices, reduce returns, and eliminate investment opportunities.

There can be no assurance that the Fund will be able to locate and acquire investments that satisfy its investment objectives.

*Lack of Diversification.* The Fund will have a limited number of investments, the lack of diversification of the Fund investments may arise in several different ways. The Fund's investments, while limited to real estate in the United States, will focus on the Sunbelt. This lack of geographic diversification could increase the risk of the Fund depending on pricing and other economic factors in those parts of the country. In addition, to the extent the investments involve multiple properties in a specified location, diversity is also impacted. There is no certainty as to the number of investments the Fund will make or the diversification of the Fund's assets. A limited degree of diversification increases risk because, therefore, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, the diversification of the Fund's investments could be even further limited to the extent the Fund invests a significant portion of its capital in a transaction and is unsuccessful in refinancing a portion of that investment.

*Investment Policies and Strategies.* The Fund may not meet its stated investment strategy and goals, and the Manager has the right to vary from its strategy and policies if it determines it is in the best interests of the Fund, subject to the terms of the Operating Agreement.

*Investor Failure to Fund Capital Commitment.* If one or more Investors fail to fund their capital commitment obligations when due, the Fund's ability to complete its investment program or otherwise to continue operations may be substantially impaired. A default by one or more Investors who have made Commitments could limit the Fund's opportunities for investment diversification and reduce returns to the Fund.

*Reliance on Key Persons.* The ability of the Manager to manage the Fund's affairs currently depends on the management team, including the Manager's principal, Grant Cardone. There can be no assurance that the members of the management team will remain affiliated throughout the term of the Fund or otherwise can continue to carry on their current duties throughout such term. The inability to recruit and hire replacement or additional key personnel as needed could have a material adverse effect on the Fund's operations.

*Co-Investments.* This Fund may co-invest with other parties, including the Manager, its affiliates, any other funds sponsored by the Manager or its affiliates when and on such terms as the Manager deems appropriate. In such co-investment transactions, the terms of investment of the Fund, the Manager or its affiliates may not be identical, and may include situations where the Manager or its affiliates receive returns or fees from such other parties which differ from those received from the Fund. Co-investment opportunities may not be determined through arm's length negotiations with the Fund. The Fund will not be obligated to provide co-investment opportunities (or provide any concessions granted to any other Investor upon becoming a Member) to any Investor because such opportunity was made available to any other Investor.

*General Economic and Other Conditions.* The Fund's property values may be adversely affected from time to time by such matters as changes in general economic, industrial and commercial conditions, changes in taxes, prices and costs and other factors of a general nature that are beyond the control of the Fund. The values are also impacted by the availability and cost of credit, the U.S. mortgage market and global economic issues.

*No Right to Remove the Manager.* The Investors have no right to remove the Manager.

*Absence of Recourse against the Manager.* The Operating Agreement limits the circumstances under which the Manager, and its respective affiliates, and their respective officers, directors, members, Members, shareholders, employees, and consultants or agents can be held liable to the Fund or its Investors. Thus, Investors may have a more limited right of action in certain cases than they would in the absence of this

provision.

*Lack of Control by Investors.* Investors will not have an opportunity to evaluate the investments made by the Fund or the terms of any investment. Investors should expect to rely solely on the ability of the Manager to make appropriate investments for the Fund and to appropriately manage and dispose of the investments. The business of the Fund will generally be managed by the Manager who will have significant discretion in managing the Fund's business. The rights and obligations of Investors will be subject to the limitations set forth in the Operating Agreement and except for the rights specifically reserved to them by the Operating Agreement and applicable law, Investors will have no part in the management and control of the Fund.

*Lack of Marketability.* There are significant restrictions on the ability to sell or transfer an Interest in the Fund. There is no public market for the Interests, and, in addition, the Interests are being sold in reliance upon exemptions from registration under the Securities Act and applicable state securities laws. Thus, the Interests may not be sold unless they are subsequently registered under the Securities Act and applicable state securities law, if so required, or unless an opinion of counsel or other evidence satisfactory to the Manager is obtained that states that registration is not required. In addition, any sale, transfer, assignment or pledge of an Interest in the Fund must be approved by the Manager which may be withheld in the Manager's sole and absolute discretion. Because of those restrictions, Investors may not be able to liquidate their investment in the case of emergency or otherwise. The restrictions may also influence the price an Investor would receive if a transfer were to occur.

*Liability of Members for Repayment of Certain Distributions.* Under Delaware law (applicable to an investment in the Fund), if an Investor has knowingly received a distribution from the Fund at a time when its liabilities exceed the fair market value of its assets after giving effect to the distribution, the Investor is liable to the Fund for a period of three years thereafter for the distribution. If the Fund is otherwise unable to meet its obligations, the Investors may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an Investor may be liable under applicable Federal and State bankruptcy or insolvency laws to return a distribution made during the Fund's insolvency.

*Conflicts of Interest.* An investment in the Fund involves several inherent or potential conflicts of interest, which prospective Investors should carefully consider before subscribing for Interests.

The Fund may borrow money from affiliates of the Manager, including, but not limited to, purchase mortgages, refinance mortgages and construction lines of credit. In such event, such affiliates will receive compensation from the Fund for providing loans. Such loans, if any, will be on terms that the Manager believes to be no less favorable to the Fund than generally available from third parties; however, loan terms will be established by the Manager and not as a result of arm's length negotiations.

Investors should note that the Manager will receive investment management fees and has the right to not take such management fees, in whole or in part, as to any monthly payment period, and to defer such management fees to such other periods as the Manager may determine. The Manager and its affiliates may also receive other fees for services provided to the Fund and the respective properties including, without limitations, market rate fees for property management, construction and construction management along with fees for arranging debt financings provided by third parties.

The Manager is entitled to a carried interest distribution. This provision, based as it is on performance rather than strictly on the amount of capital under management, could have the effect of creating an incentive for it to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation.

The Manager and, at their option, Members, may make advances to the Fund prior to the Initial Closing to assist in the financing of an investment of the Fund. As described in “Summary of Fund Terms-Pre-Initial Closing Financing”, this bridge financing may be secured or unsecured financing and will be treated as either equity or debt.

The principal and senior executives of the Manager also provide services other affiliates of the Manager. The principal and senior executives of the Manager may devote significant time in the future to the management of their other existing investments and professional activities. No restrictions are placed upon the Manager or its affiliates with respect to existing real estate investments or non-real estate investments separate and apart from the Fund. Further, the Manager and its affiliates and principal may purchase property that meets the Fund’s investment criteria to complete a Section 1031 like-kind exchange with respect to any properties owned by the Manager or its affiliates and principal.

*Management of Investment Property.* The Manager may engage affiliates of the Manager to manage certain operations of the investments under management agreement(s) from which they will be paid a fee for its management and/or administrative services. Accordingly, Investors must carefully evaluate the personal experience and business performance of such management team.

*Lack of Sufficient Funding.* The success of the Fund and the Manager’s ability to implement its business strategy are dependent upon the Fund’s ability to raise capital. If the Fund is unable to raise sufficient capital, it may not be able to carry out all its planned acquisitions. If that were the case, the Fund would have to be more reliant upon outside financing or third parties to complete its business plan. As an alternative, the Fund may reduce the number of planned acquisitions and thereby limit its diversification.

*Phantom Income.* Although it is intended that distributions will be made on a regular basis, there can be no guaranty that that will be the case. Accordingly, it is possible that Members in the Fund could be allocated taxable income in a given taxable year without corresponding distributions of cash or property by the Fund to pay such tax liabilities.

### ***Risks Inherent in Real Estate Investments Generally***

*General Risks.* The Fund will be subject to risks incident to the ownership of real estate, including: changes in general economic or local conditions that reduce the attractiveness of the Fund’s properties; fluctuation in occupancy rates, operating expenses and rental schedules; costs associated with the need to periodically repair, renovate and re-lease space, withdrawal of residents and difficulty replacing residents; resident defaults; changes in supply or demand of competing properties in an area, such as an excess supply resulting from over-building; changes in interest rates, zoning and other governmental regulations and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive; increases in maintenance, insurance and other operating costs, including real estate taxes, associated with one or more properties, which may occur as other circumstances such as market factors and competition cause a reduction in revenues from such properties; inflation; changes in tax laws and rates.

*Economic Conditions.* The global impact of the outbreak of COVID-19 has been widespread and many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions have created disruption in global supply chains, and have adversely impacted many industries. Although vaccines for COVID-19 have been made available to the general public in the U.S. and in many places around the world, vaccination rates vary and may lose effectiveness without boosters and the outbreak could have a continued adverse impact on economic and market conditions.

The outbreak of COVID-19 may have an adverse impact on our results of operations, cash flows and fundraising, and may have an adverse impact on the ability to source new investments, obtain financing,

and fund distributions to investors, among other factors. Although many or all facets of the business of the Fund have been or could in the future be impacted by COVID-19, the following are among the most important:

- The Fund is subject to risks related to increases in rent defaults, rent deferral or rent forgiveness and decreases in rent collection. The Fund may experience rent deferrals and decreased rent collection in the future as a result of COVID-19. The Fund may not be able to promptly lease properties that are vacant or become vacant because a tenant defaults or decides not to renew its lease, resulting in reduced occupancy at our properties, and the rental rates or other terms under new leases may be less favorable than the terms of the current lease.
- Fund properties face an increased risk of tenant defaults during disruptions in the labor market, resulting in high rates of unemployment, making it more difficult for some tenants to meet their rent obligations and for the Fund to retain tenants at then-current rental rates. The Fund may also, for economic or regulatory reasons, defer or forgive rent for certain tenants of its properties. In particular, where state and local requirements temporarily stay eviction proceedings.

Following economic downturns, the cycle of the real estate market typically recovers, and credit becomes more available. These factors make the valuation of real estate investments more difficult. Because there is a significant uncertainty in the valuation of, or in the stability of the value of, certain of the Fund's possible investments, fair values of such investments as reflected in the Fund's results of operations may not reflect the prices that the Fund would obtain if such investments were sold. Thus, there can be no assurance that real estate prices will stabilize in the near term or that the Fund will be able to select real estate investments that will generate the returns the Fund is targeting. If the next cycle in the real estate market is a downward turn, the Fund may also be required to hold illiquid investments for several years before any disposition can be affected at acceptable pricing.

*Lack of Liquidity of Investments.* The Fund's real estate investments will generally be highly illiquid compared to other asset classes. Given the nature of real estate investments, the Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices within any given period or may otherwise be unable to complete any exit strategy for its investments. In some cases, the Fund may be prohibited by contract from selling investments for a period, or there may be contractual rights or obligations that may otherwise significantly affect price and/or liquidity. In addition, it is expected that investments will not be sold until several years after they are made. The types of investments held by the Fund may be such that they require a substantial length of time to liquidate. In the event a loan repayment or other funding obligation arises at a time in which the Fund does not have sufficient cash assets to cover such payment, the Fund may have to liquidate certain investments at less than their expected returns to satisfy the obligations related to other properties thereby, resulting in lower realized proceeds to the Fund than might otherwise be the case.

*Due Diligence and Analytic Risks.* There is generally limited publicly available information about real properties, and the Fund must therefore rely on due diligence conducted by the Manager and/or its affiliates about its acquisitions. Should the Manager's and/or its affiliates' pre-acquisition evaluation of the physical condition of each new investment fail to detect certain defects or necessary repairs, the ultimate investment cost could be significantly higher than originally expected. Furthermore, should the Manager's estimates of the costs of improving, repositioning or redeveloping an acquired property prove too low, or its estimates of the time required to achieve target occupancy prove too optimistic, the profitability of the investment may be adversely affected.

*Joint Venture Risks.* Instead of making investments directly, the Fund may join other parties to make investments through memberships, joint ventures, corporations, companies or other entities. Such investments may involve risks not present in wholly-owned investments, including for example, the

possibility that a co-venturer or Member of the Fund might commit fraud, become bankrupt, or may have economic or business interests or goals which are inconsistent with those of the Fund, or that such Member or co-venturer may be in a position to take action contrary to the instructions or the requests of the Fund or contrary to the Fund's policies or objectives or otherwise have certain rights with respect to the investments, which may limit the Fund's ability to protect its position and make decisions with respect to its investments. In addition, in certain circumstances, the Fund may rely upon the joint venture Member for operational expertise, which reliance may ultimately not be justified. Furthermore, if such co-venturer or Member defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall from other sources. Any default by such co-venturer or Member could have an adverse effect on the Fund, its assets, and the interests of the Investors. In addition, the Fund may be liable for actions of its co-venturers or Members. While the Manager will attempt to limit the liability of the Fund by reviewing qualifications and previous experience of co-venturers or Members, such action may not be sufficient to protect the Fund from liability or loss.

*Resident Default.* An individual resident default should not have a significant impact on the overall financial condition of an investment; however, a resident's default will impact cash flow and cause the Fund to incur legal costs and other costs not likely to be recouped. An unanticipated termination of a lease will also disrupt occupancy. In light of the current pandemic, there may be an increase in resident defaults and vacancies. Some state governments have also temporarily enacted restrictions against eviction proceedings against a defaulting resident.

*Non-Renewal of Leases.* The Fund's investments will be subject to the risks that, upon expiration, leases may not be immediately renewed or be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions, may be less favorable than current lease terms. In the event of any of these circumstances, cash flow from the Fund's real estate investments and, therefore, the value of an investment in the Fund, could be adversely affected.

*Fixed and Variable Cost Risks.* Many costs associated with a real estate investment, such as debt service and real estate taxes, are not reduced even when a property is not fully occupied, or other circumstances cause a reduction in income from the investment. These fixed costs increase the risk to the Fund of an unanticipated delay in achieving target occupancy of a new or redeveloped property. Some costs associated with a real estate investment, such as maintenance and repairs, may be subject to cost increases beyond the control of the Fund. Variable rate debt in a time of rising interest rates could also result in unanticipated cost increases.

*Leverage Risks.* The Fund will use a combination of equity and debt financing for its acquisition of Assets; provided that the Fund will use commercially reasonable efforts to assure that total long-term leverage will not exceed, in the aggregate, eighty percent (80%) of the value of the Fund's Assets; and provided further that the Fund will use commercially reasonable efforts to assure that total short-term indebtedness, which will not be included in the leverage test for the Fund, will not remain outstanding for more than 12 months. The degree of leverage could have important consequences to Investors, including limiting the ability of the Fund to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate purposes and making the Fund more vulnerable to a downturn in business or the economy generally. The Fund may borrow on a short-term basis to facilitate the acquisition of assets. Such short-term debt would be expected to be repaid from the proceeds of a future issuance of equity or long-term debt securities. However, for reasons not always in the Fund's control, long-term securities may not be issued, and such short-term loan may remain outstanding. Further, the Fund may enter into a credit facility to finance investments or pay expenses. Thus, the Manager may assign certain of the Fund's rights with respect to Investor Capital Commitments, including the right to draw down such Capital Commitments. The use of a credit facility secured by such Capital Commitments will not be included in the leverage test for the Fund.

*Loan Default Risks.* The mortgage loan documents for the Fund’s properties will generally contain customary covenants, such as requirements relating to the maintenance of the property securing the debt, restrictions on pledging and creating other liens on the property, restrictions on incurring additional indebtedness, restrictions on transactions with affiliates and in some cases periodic satisfaction of financial ratios. Failure by the Fund to make timely payments of principal and interest on mortgage loans or to observe these loan covenants could result in the declaration of a default by the lender. The consequences of a declaration of default include foreclosure of the mortgage, resulting in loss of both the property and the income it produces, the incurrence of substantial legal costs, the imposition of a deficiency judgment if the foreclosure sale does not result in proceeds sufficient to satisfy the mortgage, and potential adverse tax consequences to the Investors. In addition, if any loan contains cross-default provisions with other properties, a default under one loan could result in default under other loans and impact other properties.

*Refinancing Risks.* Mortgage loans on the Fund’s properties may be subject to relatively short maturities, which may require refinancing before the properties are disposed of. There is no assurance that replacement financing can be obtained or, if it is obtained, that interest rates and other terms would be as favorable as for the original loans. Inability to refinance a loan on favorable terms may compel the Fund to attempt to dispose of the property or other properties on terms less favorable than might be obtained later.

*Americans With Disabilities Act.* Under the Americans with Disabilities Act of 1990, as amended (the “ADA”), all public accommodations and commercial facilities must meet certain federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could involve removal of structural barriers from certain disabled persons’ entrances and expanded access to amenities. Other federal, state and local laws may require modifications to or restrict further renovations of properties with respect to such access. Noncompliance with the ADA or related laws or regulations could result in the imposition of governmental fines or the institution of claims by private plaintiffs. Costs such as these, as well as the general costs of compliance with these laws or regulations, may adversely affect the value of the Fund’s properties.

*Zoning and Environmental Laws.* Governmental zoning and land use regulations may exist or be promulgated that could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. Such regulations could adversely affect the value of any of the Fund’s properties. In recent years, the value of real estate has also sometimes been adversely affected by the presence of hazardous substances or toxic waste on, under, or in the environs of the real estate. A substance (or the amount of a substance) may be considered safe at the time the real estate is purchased but later classified by law as hazardous. Under environmental laws, owners of properties have been liable for substantial expenses to remedy chemical contamination of soil and groundwater at their real estate even if the contamination predated their ownership. Although the Fund will use commercially reasonable efforts to assure that no real estate is acquired that gives rise to such liabilities, environmental contamination cannot always be detected through readily available means, and the possibility of such liability cannot be excluded.

*Risk of Uninsured Losses.* While the Fund intends to carry customary comprehensive liability and casualty insurance, certain disaster insurance (such as earthquake, wind and flood insurance) may not be available or may be available only at prohibitive cost. In addition, losses may exceed insurance policy limits, and policies may contain exclusions with respect to various types of losses or other matters. Consequently, all or a portion of the Fund’s properties may not be covered by disaster insurance, and insurance may not cover all losses. Manager, in Manager’s discretion shall have the right to elect not to purchase certain coverages for certain risks and/or assets and elect the Fund to self-insure if in Manager’s discretion, it is determined that coverage cannot be obtained on commercially reasonable terms.

*Lack of Outside Due Diligence.* Because the Manager and the Fund have elected not to utilize a managing broker-dealer for this offering, Investors will not have the benefit of an independent due diligence review



and investigation of the type normally performed by an independent underwriter about a registered, firm commitment offering of securities. Investors will be required to conduct their own due diligence prior to making a commitment.

*Contractors May Underestimate Bids.* The Fund may develop or renovate Assets. If needed, the Fund will hire contractors based on bids received for the cost of the renovations. The Fund may hire a contractor that underestimates the material and labor costs, the property could suffer from cost overruns which could adversely affect investments by Members.

*Delays in Project May Occur.* The Fund will not realize a profit until the Fund is cash flow positive. Therefore, if there are cost overruns or multiple unforeseen change orders, the Fund may not realize a return on investment which could adversely affect Members' investments.

*Low Employment Rates Mean Fewer Buyers for the Property.* If there is a fluctuation in employment rates the demand for the Assets may not be as high as previously expected or hoped. This could adversely affect the Investors' investments.

### ***Risks Related to Value-Added Properties***

The Fund may seek higher returns by acquiring underperforming and value-added properties in need of better management, repositioning, physical improvements and other enhancements. Thus these properties may not generate positive cash flow (or may have a cash deficit and require significant cash). There may be unanticipated delays in, or increases in the cost of, improving or repositioning such properties which are beyond the control of the Manager. Further, there is no assurance the Manager and its affiliates will be successful in improving the cash results of the properties, as this depends in a significant part on a number of factors beyond the Manager's control, including general or local economic conditions, and demand for residential real estate in the local market. Thus, underperforming and value-added properties may pose greater investment risk than fully stabilized properties.

### ***Risks Related to Owning Senior Living Facilities***

*Failure of an Operator of a Senior Living Facility to Comply with Applicable Laws Could Materially Affect the Fund.* If the Fund invests in a senior care living facility, it may elect to operate the facility itself or rent the facility to an experienced operator. As a provider of residential care services licensed by the Department of Social Services, the lessee or operator will be required to comply with the federal and state laws and regulations governing health care providers as a Residential Care Facility for the Elderly. If the lessee or operator fails to obtain or maintain the appropriate licenses and permits, it will be unable to operate, which would materially and adversely affect its ability to pay rent and therefore materially and adversely affect the Fund. Further, if lessee or operator fails to otherwise comply with applicable law, it may be subject to fines and other punishment, which would also materially and adversely affect the Fund.

*Changes in Healthcare Laws May Adversely Impact the Fund.* Changes in regulation of healthcare, and in particular regulation of health insurance providers, or a transition to a government insured health system, could adversely impact the ability of healthcare institutions and professionals to continue to realize current revenue levels as a result of, among other causes, government restrictions on amounts charged, increased operating costs as a result of compliance or delays in reimbursement to residents. While operation of these types of properties does not rely directly on government programs for income, any changes in government health care programs may affect the ability of these properties to charge the fees contemplated or to collect fees from residents of the properties. Were such circumstances to become a reality, operations of the lessee or operator could be affected adversely both administratively and financially. In such an event the ability to recognize appreciation on any acquired Properties which the Fund may acquire may be adversely affected, or a diminution of value could occur, as a result of rental market rates for senior living care

facilities decline on a broader scale.

*Litigation Risks and Insurance Costs Affect the Fund's Ability to Pay Distributions.* In several well publicized instances, private litigation by residents of senior living communities for negligence or alleged abuses has resulted in large damage awards against some operating companies in the senior living industry. The effect of this litigation and potential litigation has been to dramatically increase the costs of monitoring and reporting quality of care compliance incurred by companies operating senior living care facilities. Workers compensation and employee health insurance costs have also increased in recent years. Medical liability insurance reform has become a topic of political debate and some states have enacted legislation to limit future liability awards. However, if such reforms are not generally adopted, insurance costs may continue to increase. If insurance costs increase faster than projected it will likely adversely affect the operating cash flow of the lessee or operator and its ability to pay rent to us, and therefore adversely affect the Fund's ability to pay distributions to the Investors.

### ***Risks Related to Owning Mixed-Use Commercial Real Estate***

*The Fund Will Rely on Rental Income.* Unlike apartment buildings, mixed use centers tend to be more difficult to fill with credit worthy tenants. If there are changes in the economy or the overall mixed-use industry, the Property may suffer due to lack of tenants and rent. Furthermore, the Property may rely on an anchor tenant (one tenant that is a large tenant that also attracts other tenants.) Loss or lack of such a tenant will have an adverse effect on the Fund and will most certainly affect distributions paid to Members.

### ***Federal Income Tax Risks***

*Generally,* the income tax aspects of an investment in the Fund are complicated. Prospective Investors should review the discussion herein under the heading "Certain U.S. Federal Income Tax Considerations" and discuss the applicable tax considerations with their own professional tax advisors familiar with the Investor's particular income tax situation and with the income tax laws and regulations applicable to the Investor and investment partnerships.

The Fund expects to be treated as a partnership for Federal income tax purposes, with the result that the Investors, and not the Fund, will be taxed on their distributive shares of the Fund's items of income and gain. Investors will have this income tax liability even in the absence of cash distributions, and thus may have taxable income and income tax liability arising from their investments in the Fund in years in which they receive no cash distributions from the Fund. If this occurs, the tax on such profits will be an out of pocket cost of the Investors.

In addition to Federal income taxes, each Investor may incur income tax liabilities under the State or local income tax laws of certain jurisdictions in which the Fund will operate and/or own assets, as well as in the jurisdiction of that Investor's residence or domicile. State and local income tax laws vary from one location to another, and Federal, State and local income tax laws are both complex and subject to change. In addition, special income tax considerations may apply to qualified employee benefit plans and other tax-exempt entities, as well as to non-U.S. residents.

No assurance can be given that the Fund's interpretation of the existing Federal income tax laws and Treasury Regulations for any given year will not be challenged by the Internal Revenue Service, resulting in any increase in taxable income or a decrease in allowable deductions.

*Changes in the Law- Recent Legislation.* In recent years, numerous changes to the Code have been enacted. These changes have affected marginal tax rates, personal exemptions, itemized deductions, depreciation and amortization rates, and other provisions of the Code. There can be no assurance that the present federal income tax treatment of an investment in the Fund will not be adversely affected by future legislative,

judicial or administrative action. Any modification or change in the Code or the regulations promulgated thereunder, or any judicial decision, could be applied retroactively to an investment in the Fund. In view of this uncertainty, prospective Investors are urged to consider ongoing developments in this area and consult their advisors concerning the effects of such developments on an investment in the Fund considering their own personal tax situations.

*Risk of Audit.* Information returns filed by the Fund are subject to audit by the IRS. An audit of the Fund’s return may lead to adjustments, in which event the Members may be required to file amended income tax returns. In addition, any such audit may lead to an additional audit of an Investor’s income tax return, which may lead to adjustments other than those relating to such Investor’s investment in the Fund. The costs of such audit and adjustments would be borne by the affected Members. See the discussion under the heading “Certain U.S. Federal Income Tax Considerations—Audits and Tax Controversies” below.

*Other Potential Tax Risks.* In evaluating an investment in the Fund, a prospective Investor should also consider, in addition to the above potential tax consequences, the following tax consequences (amongst others): (i) the possibility that there may be a recapture of depreciation so that upon a sale of Interests, or of a Fund real estate investment, a portion of the gain may be taxed as ordinary income tax rates; (ii) the possibility that his or her income tax liability resulting from a sale of a Fund investment (including a sale or disposition resulting from the foreclosure or other enforcement of a security interest) or from a sale or other disposition (e.g., by gift) of his or her Interests may exceed his or her share of the cash proceeds therefrom (whether or not distributed), and to the extent of such excess, the payment of such income taxes will be an out-of-pocket expense; (iii) the possibility that in connection with the reduction or compromise of a debt obligation of one or more of the Fund’s investments, the Investors may be required to recognize debt forgiveness income without a corresponding distribution; (iv) the possibility of tax liability on the Fund’s current operating income in excess of amounts that the Manager deems advisable to distribute; (v) the possibility that foreign, State or local income tax treatment may be adverse; (vi) the possibility that there may be adverse changes in the income tax laws and their interpretation; and (vii) the possibility that the interest expense of the Fund might not be allowable as a deduction to some or all of the Investors. Moreover, there is uncertainty concerning certain other of the income tax aspects of an investment in the Fund, and there can be no assurance that some of the deductions claimed or positions taken by the Fund may not be successfully challenged by the IRS.

### ***Other Regulatory and Legal Risks***

*Federal and State Securities Laws; Absence of Regulation Applicable to the Fund.* The Fund has not registered and will not register this Offering under the Securities Act in reliance on the exemption provisions of Section 4(a)(2) of the Securities Act and Regulation D promulgated by the SEC. The Fund also has relied on exemptions from securities registration requirements under applicable State securities laws. Investors in the Fund, therefore, will not receive any of the benefits that registration may be deemed to afford. Given the planned nature of the Fund’s investments, or pursuant to certain available exemptions, the Fund should not be required to register as an “investment company” under the Investment Company Act of 1940 and investors in the Fund will not have the protections that may be deemed to be afforded to investors under such Act.

*Liquidity of Interests.* Investors should be aware of the long-term nature of this investment. There is not now and will not be a public market for the Interests. Because the Interests have not been registered under the Securities Act or under the securities laws of any State or foreign jurisdiction, the Interests are “restricted securities” and cannot be resold in the United States except as permitted under the Securities Act and applicable State securities laws, pursuant to registration thereunder or exemption from such registration. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be affected. The Interests may also not be sold or otherwise transferred without the consent of the Manager and compliance with the Operating Agreement. Accordingly, an Investor may not be able to

liquidate his, her or its investment in the Fund in the event of an emergency or for any other reason, and an Investor's Interests due to the illiquid nature of the Interest and the limitation on transfer may not be acceptable as collateral for loans. Limitations on the transfer of the Interests may also adversely affect the price that an Investor might be able to obtain for Interests in a private sale.

*ERISA and Pension Plan Investors.* Special considerations apply to employee benefit plans subject to ERISA and other retirement plans and arrangements (such as Individual Retirement Accounts) subject to Section 4975 of the Code. Fiduciaries investing the assets of such a plan in the Interests should satisfy themselves that the investment is consistent with their fiduciary duties under ERISA, including the requirement to diversify the plan's assets, to take into account the liquidity needs of the plan and to comply with plan documents. In addition, fiduciaries should confirm that the investment will not constitute a non-exempt prohibited transaction under ERISA or the Code. Fiduciaries who fail to satisfy their fiduciary duties or who cause a plan to participate in a prohibited transaction can be subject to liability for plan losses, in addition to civil and criminal penalties.

The Manager intends to rely on exceptions provided by Department of Labor regulations so that the Fund will not hold the "plan assets" of a plan or arrangement that is subject to ERISA or to Section 4975 of the Code. Despite this intention, there is no assurance that the Fund will be successful in satisfying the requirements for a plan assets exception under such regulations, in which case the Manager would become a fiduciary and the Fund would be subject to significant restrictions which could adversely affect its operations and investments. Also, if the Manager relies on the plan asset exemption for a "real estate operating company", the requirements that must be satisfied in order to maintain such qualification could affect the Fund's choice of investments which could reduce the potential returns to Investors.

Fiduciaries investing the assets of an employee benefit plan or other arrangement that is subject to ERISA and Section 4975 of the Code are advised to consult with their own counsel regarding these and other ERISA risks. See "Certain Legal Matters-ERISA Considerations."

## **CERTAIN LEGAL MATTERS**

### ***Securities Act of 1933; Other Laws***

The Interests have not been and will not be registered under the Securities Act, the securities laws of any State in the United States or the securities laws of any other jurisdiction, and the Fund does not intend to register the Interests under such laws, unless required to do so. The Interests offered hereby are being offered in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and other comparable exemptions under the laws of the states and other jurisdictions where the Offering will be made.

### ***Investment Company Act of 1940***

The Fund will not be registered under the Investment Company Act of 1940, in reliance on the fact that the Fund is engaged in the business of owning and operating real estate rather than investing, trading or holding securities, and Members will not be afforded the protections thereunder.

### ***Investment Advisers Act of 1940***

The Fund intends to structure its investments to avoid the need for the Manager or its affiliates to register as an investment adviser under the Investment Advisers Act of 1940, as amended. Members will not be afforded the protections thereunder.

***Anti-Money Laundering and Similar Regulations***

In 2001, Congress enacted the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001,” otherwise known as the USA PATRIOT Act. The USA PATRIOT Act imposes obligations upon “financial institutions” to ensure that its investors are not using their investments in such institutions for money laundering schemes. The Act does not clearly provide whether or not a real estate fund such as the Fund qualifies as a “financial institution”; therefore, while the Manager does not believe that the Fund so qualifies, out of the abundance of caution, it is requiring as a condition to any investment that each Member provide certain written certifications to the Fund that, among other things, it does not support, is not affiliated with, or otherwise transacts business on behalf of any organization that is prohibited under the USA PATRIOT Act.

***ERISA Considerations***

*Fiduciary Investment Considerations under ERISA and the Code.* Certain investors in the Fund may be subject to the fiduciary responsibility and prohibited transaction requirements of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or related provisions of the Code. The following is a summary of some of the material fiduciary investment considerations that may apply to such investors under ERISA and the Code. This summary is based on the fiduciary responsibility provisions and prohibited transaction restrictions of ERISA, relevant regulations and opinions issued by the United States Department of Labor (the “DOL”) and court decisions thereunder, and on the pertinent provisions of the Code, relevant regulations, published rulings and procedures of the IRS, and court decisions thereunder.

***This summary does not include all the fiduciary investment considerations relevant to Investors subject to ERISA and/or Section 4975 of the Code and should not be construed as legal advice or a legal opinion. Prospective Investors should consult with their own counsel on these matters.***

This summary is based on provisions of ERISA and the Code as of the date hereof. This summary does not purport to be complete and is qualified in its entirety by reference to ERISA and the Code. No assurance can be given that future legislation, administrative regulations or rulings in court decisions will not significantly modify the requirements summarized herein. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release and neither the Manager nor the Fund assume any responsibility to notify Members of any such actual or potential changes.

*Fiduciary Considerations.* Before authorizing an investment in the Fund, fiduciaries of pension, profit-sharing or other employee benefit plans subject to ERISA (the “Benefit Plans”) should consider, among other matters: (a) the fiduciary standards imposed by ERISA, or applicable state law; (b) whether an investment in the Fund by the Benefit Plan satisfies the prudence and diversification requirements of ERISA or applicable state law, taking into account the overall investment policy of the plan, the composition of the plan’s portfolio, and the limitations on the marketability of interests in the Fund; (c) whether such fiduciaries have authority to make the investment under the appropriate plan investment policies and governing instruments; and (d) prohibitions under ERISA, the Code and/or state law applicable to the Benefit Plans’ engaging in certain transactions involving “plan assets” with persons who are “disqualified persons” under the Code or “parties in interest” under ERISA or applicable state law.

Accordingly, when considering an investment of Benefit Plan’s assets in the Fund, each fiduciary of a Benefit Plan should consider the effect of the investment on any applicable fiduciary standards of conduct, prohibited transaction rules, valuation requirements, reporting and disclosure requirements and other related requirements. The sale of Membership Interests to a Benefit Plan is in no respect a representation by the Manager or the Fund that this investment meets all relevant requirements with respect to investments by Benefit Plans generally or any particular Benefit Plan or that this investment is appropriate for a Benefit Plan generally or any particular Benefit Plan.

*Definition of Plan Assets.* ERISA and the Code impose various duties and restrictions with respect to the investment, management and disposition of plan assets. In the context of pooled investment funds and other vehicles in which a plan may invest, the applicability of ERISA and Section 4975 of the Code are subject to regulations published by the DOL relating to the definition of “plan assets,” pursuant to which the assets of an entity in which a plan or plans acquire an equity interest will or will not be deemed “plan assets” (the “Regulation”), as applied in the context of Section 3(42) of ERISA. Under the Regulation, when a Benefit Plan or individual retirement account that is subject to ERISA or Section 4975 of the Code (a “Plan”) makes an equity investment in an entity such as the Fund, the plan’s assets generally include both the Interests and an undivided interest in each of the underlying assets of the Fund, unless: (i) the ownership in each class of equity interests in the Fund on any date after the most recent acquisition of any equity interest in the Fund by “benefit plan investors” (as defined in Section 3(42) of ERISA) has a value in the aggregate of less than 25% of the total value of such class of equity interests that are outstanding (exclusive of Interests held by the Manager and its affiliates); (ii) it is established that the Fund is a “real estate operating company” as defined in the Regulation (“REOC”); or (iii) the Fund qualifies for another exception under the DOL “plan asset” regulations.

If the assets of the Fund are deemed to be “plan assets” of a Plan that is a Member, Subtitle A and Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code will extend to investments made by the Fund. This would result, among other things, in: (i) the application of the prudence and other fiduciary standards of ERISA (which impose liability on fiduciaries) to investments made by the Fund, which could materially affect the operations of the Fund; (ii) potential liability for persons having investment discretion over the assets of an ERISA-Covered Plan investing in the Fund should investments made by the Fund not conform to ERISA’s prudence and fiduciary standards under Part 4 of Subtitle B of Title I of ERISA, unless certain conditions are satisfied; and (iii) the possibility that certain transactions that the Fund might enter into in the ordinary course of its business might constitute “prohibited transactions” under ERISA and the Code. A prohibited transaction, in addition to imposing potential personal liability upon fiduciaries of employee benefit plans, may also result in the imposition of an excise tax under the Code upon disqualified persons with respect to the Benefit Plans.

The Fund intends to limit investment in the Fund by “benefit plan investors” to less than 25% (excluding the Interests held by the Manager and its affiliates) in order to prevent the Fund from being deemed to hold “plan assets” of any Plan. However, if investment by “benefit plan investors” exceeds this threshold, the Manager may cause the Fund to qualify as a REOC and structure the Fund’s investments in compliance with the requirements for such exemption as set forth in the Regulation.

While the Manager intends to limit participation and/or seek to qualify as a REOC, there is no assurance that the Fund will be able to continue to prevent the Fund from being deemed to hold “plan assets” of any Plan.

Governmental plans and certain church plans (as defined in ERISA) are not subject to ERISA or the prohibited transaction provisions under Section 4975 of the Code. However, state laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above.

The application of ERISA, the Code and other relevant laws may be complex and dependent upon the particular facts and circumstances of the fund and of each plan, and it is the responsibility of the appropriate fiduciary of the plan to ensure that any investment in the Interests by such plan is consistent with all applicable requirements. Fiduciaries of benefit plans should consult their legal and other advisors concerning these considerations, and (particularly in the case of non-ERISA plans) concerning any additional Code and State law considerations, before making an investment in the Interests.

### CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Set forth below is a discussion, in summary form, of certain material U.S. federal income tax considerations related to an investment in the Fund with respect to U.S. Investors. This summary is for general information only and may not apply to all categories of investors. This summary does not constitute tax advice nor does it attempt to present all aspects of the U.S. federal income tax laws or any state, local or foreign laws that may affect an investment in the Fund. In particular, banks, thrifts, insurance companies, partnerships or other pass-through entities, dealers in securities or currencies, investors that do not hold an interest in the Fund as a capital asset, foreign investors, financial institutions, insurance companies, tax-exempt entities and other investors of special status must consult with their own professional tax advisors as to the tax considerations of an investment in the Fund. The actual tax consequences of the purchase, ownership and disposition of interests in the Fund may vary depending on an investor's particular circumstances. No ruling has been or will be requested from the Internal Revenue Service (the "IRS") and no assurance can be given that the IRS or the courts will agree with the tax consequences described in this summary.

Furthermore, the U.S. federal income taxation of Members in the Fund is extremely complex and may involve, among other things, significant issues as to the timing, character, and allocation of gains and losses, various limitations on the deductibility of losses, and relationships between a Member's investment in the Fund and the Member's other investments and activities. Accordingly, this discussion is not a substitute for careful tax planning, particularly since certain of the federal income tax consequences of an investment in the Fund will vary depending upon the Investor's own circumstances. This discussion is based upon the Code, administrative rulings, judicial decisions and Treasury regulations as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect).

As used in this summary, the term "U.S. Investor" means a beneficial owner of an Interest who is, for U.S. federal income tax purposes:

- a citizen or individual resident of the U.S.;
- a corporation, or other entity treated as an association taxable as a corporation, that is organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the U.S. is able to exercise primary supervision over the trust's administration, and (ii) one or more "United States persons," within the meaning of section 7701(a)(30) of the Code, has the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, certain electing trusts in existence on August 20, 1996 that were treated as United States persons prior to this date may also be considered U.S. investors.

If a partnership, including any entity or arrangement treated as a partnership for U.S. federal income tax purposes (collectively, referred to in this summary as a "partnership"), holds an Interest, then the federal income tax treatment of a partner in that partnership generally will depend on the status of the partner and the partnership's activities. Partners and partnerships should consult their own tax advisors with regard to the federal income tax treatment of an investment in the Interest.

As used in this summary, the term "Non-U.S. Investor" means a beneficial owner of an interest who is neither a U.S. Investor nor a partnership. Potential Non-U.S. Investors should review the discussion under the heading "*Tax Considerations for Non-U.S. Investors*" below.

***Taxation of the Fund***

Generally. The Fund is a Delaware limited liability company. It is intended that the Fund will be classified as a partnership for Federal income tax purposes, and not as an “association” taxable as a corporation. In addition, it is intended that the Fund will not be treated as a “publicly traded partnership” for Federal income tax purposes.

In general, as a partnership for income tax purposes, the Fund will not itself be a taxable entity for Federal income tax purposes. Rather, the Fund’s items of income, gain, loss, deduction and credit (if any) (collectively, “Tax Items”), and the character of such items (e.g., as ordinary income, as short-term or long-term capital gain, or as investment interest deductions), will generally flow through to the Investors as though the Investors realized such items directly. Each Investor will report its distributive share of the items on such Investor’s Federal and applicable State and local income tax returns for the taxable year that includes the end of the Fund’s taxable year, regardless of whether the Investor has received any cash distributions from the Fund.

The Fund will report based on a calendar year, unless required to adopt a different fiscal year for Federal income tax purposes or otherwise changed by the Manager. The Fund will annually file U.S. Return of Partnership Income on IRS Form 1065, reporting its operations for each taxable year to the IRS. The Fund will provide Members with the information on Schedule K-1 to Form 1065 necessary to enable them to include in their tax returns the tax information arising from their investment in the Fund. The Operating Agreement requires that the Members shall not treat any Fund item inconsistently on such Member’s federal, state, foreign or other income tax return with the treatment of the item on the Fund’s tax return.

Effect of Potential Reclassification of the Fund. A domestic limited liability company will be classified as a partnership for U.S. federal income tax purposes if it has two or more members, unless an election is made to treat the entity as an association taxable as a corporation for income tax purposes. The Manager does not intend to elect to classify the Fund as an association taxable as a corporation.

Certain organizations otherwise classified as partnerships may nonetheless be treated as associations taxable as corporations for federal income tax purposes if they are considered “publicly traded partnerships” under the Code (even if interests in these entities are not publicly traded) unless an exception applies. The Operating Agreement allows the Manager to require a written opinion of counsel that a proposed transfer of an Interest would not cause the Fund to become a “publicly traded partnership” for Federal income tax purposes. Proposed Investors should note that their ability to sell their Interests may therefore be limited.

If the Fund were to be classified as an association taxable as a corporation for federal income tax purposes, then the Fund’s Tax Items would not be passed through to Investors and the Fund would be subject to an entity-level corporate tax. In addition, all or a portion of distributions made to Investors could be taxable as dividends.

The remainder of this discussion is based on the assumption that the Fund will be classified as a partnership for U.S. federal income tax purposes.

***Taxation of the U.S. Investors***

*Generally.* As discussed above, the Fund generally will not be subject to U.S. Federal income tax. Instead, the Fund’s items of income, gain, loss, deduction and credit (i.e., Tax Items), and the character of such items (e.g., as ordinary income, short-term or long-term capital gain, or investment interest deductions), will generally flow through to the Investors as though the Investors realized such items directly.



Investors will be taxed on their respective distributive shares of the Fund's items of income and gain, regardless of whether they receive distributions from the Fund. There can be no assurance that the Fund will make cash distributions in an amount necessary for Investors to pay tax liabilities resulting from holding Interests. Moreover, the Fund is not required to make "tax distributions" in order to cover a Member's Fund-related tax liability. Thus, it is possible that an Investor could incur income tax liability with respect to its share of the income of the Fund without receiving a cash distribution from the Fund to pay such liability.

A Member's tax liability with respect to the Fund for any year may exceed the amount of cash distributed to such Member for that year for several reasons. If the tax liability exceeds the amount of cash distributed, then a Member will be required to make an out-of-pocket expenditure to cover its tax liability. The income from any investments will be derived directly by the Fund from its ownership percentage in the Fund assets and allocable to the Members in accordance with the Operating Agreement.

*Allocation of Tax Items.* The taxable income and tax losses of the Fund will be allocated among the Members in accordance with the Operating Agreement in a manner that reflects the entitlement of the Members to cash distributions under the Operating Agreement. Under Section 704(b) of the Code, a partnership's allocations of Tax Items generally will be respected for Federal income tax purposes if they have "substantial economic effect" or they are in accordance with the "partners' interests in the partnership." If the Fund's allocations do not so comply, then the IRS may reallocate these items in accordance with "the partners' interests in the partnership." The Manager expects that the Fund's allocations will be respected as complying with the requirements of Section 704(b) of the Code. However, there can be no absolute assurance in this regard. If the IRS were to not respect the Fund's allocation of Tax Items, then any reallocation of Tax Items may have adverse tax consequences to a Member.

*Tax Basis.* As a general matter, the initial tax basis in a Member's Interest will equal the amount paid for the Interest (i.e., the Member's initial capital contribution), increased by the Member's allocable share of the Fund's liabilities. A Member's tax basis will be increased by any additional capital contributions made by the Member and by the Member's allocated share of the Fund's income and gain. A Member's tax basis will be reduced (but not below zero) by the Member's share of the Fund's losses and deductions and by the amount of distributions from the Fund. For this purpose, an increase in a Member's allocable share of the Fund's liabilities will be treated as a capital contribution by the Member. Decreases in a Member's allocable share of the Fund's liabilities will be treated as a cash distribution to the Member (and will be taxable as such, as described below).

*Distributions.* A non-liquidating cash distribution from the Fund (including deemed cash distributions resulting from a decrease in a Member's allocable share of the Fund's liabilities) generally will not be taxable to a Member except to the extent cash distributed to the Member exceeds the tax basis in the Member's Interest. Cash distributions in an amount exceeding the Member's tax basis generally will be taxable as capital gain (which may be short-term or long-term depending on the timing of the Member's capital contributions to the Fund). However, such gain, however, may be taxable as ordinary income to the extent that the distribution represents a disproportionate change in the Member's share of "unrealized receivables" and "inventory" held by the Fund.

#### Sale and other Taxable Dispositions of Interests by U.S. Investors

*Generally.* Interests are not transferable without the consent of the Manager and the satisfaction of requirements specified in the Operating Agreement. In the event a Member does sell or dispose of its Interest, gain or loss will generally be recognized in an amount equal to the difference between:

- the sum of money and the fair market value of any property received in exchange for the interest plus the Member's share of Fund liabilities as of such time; and

- the Member’s adjusted tax basis in the Interest (which will be increased or decreased to take into account the selling Member’s share of undistributed Fund income (or loss) for the portion of the Fund’s taxable year ending on the date of disposition).

In general, gain or loss from the disposition of Interests will be treated as capital gain or loss. However, under Section 751 of the Code, any amount received that is attributable to the selling Member’s share of the Fund’s “unrealized receivables” (which is defined to include depreciation recapture property to the extent of the recapture thereon) and “inventory items” is treated as an amount received for a non-capital asset and may result in ordinary income. Special rules will apply to the disposition of an Interest by a non-U.S. Member. See the discussion under the heading “Tax Considerations for Non-U.S. Investors” below.

*No Code Section 754 Election to Step Up the Basis of Assets when Members Sell Their Membership Interests in the Fund.* When a Member sells or disposes of an Interest in the Fund, the transferee may have an adjusted basis in the transferred interests equal to the transferee’s cost. Such a sale or disposition does not automatically adjust the tax basis of the Fund’s property to reflect the transferee’s adjusted basis in his, her or its Interest. In addition, the Manager does not intend that the Fund will make an election under Section 754 of the Code to adjust the tax basis of Fund property in the event of such a sale or disposition. Accordingly, investors may be at a disadvantage in selling their Interests since, in the absence of an election under Code Section 754, transferees ordinarily would obtain no current tax benefit for the excess, if any, of the cost of a transferred Interest over the transferee’s share of the Fund’s adjusted basis in its assets.

#### ***Limitation on Deductibility of Losses and Expenses***

*In General.* Subject to certain conditions and limitations, some of which will be discussed below, Members will be entitled to deduct their respective allocable share of Fund losses to the extent of the tax basis in the Member’s Interest as of the end of the Fund’s taxable year in which the losses are recognized. Any loss that cannot be deducted under this basis limitation rule generally may be carried forward and deducted by the Member in any future taxable year to the extent of the tax basis in the Member’s Interest as of the end of such future taxable year. In addition, various rules may apply to restrict a Member’s ability to deduct such Member’s share of Fund loss and expenses (including interest), including but not limited to the following:

*Limitations on Deducting Investment Interest.* Interest, if any, paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment constitutes “investment interest.” Investment interest is deductible by non-corporate taxpayers only to the extent it does not exceed “net investment income” as defined in the Code. Generally, “net investment income” is the excess of (1) the sum of (i) gross income from interest, rents and royalties, and (ii) net capital gains from the disposition of investment property over (2) the expenses directly connected with the production of such investment income, but only to the extent that the taxpayer elects to tax such net capital gains at ordinary rates (instead of at capital gains rates). Interest expense incurred by an Investor to acquire or carry the Investor’s Interest generally will constitute investment interest. Any investment interest disallowed as a deduction in a taxable year solely by reason of the above limitation is generally treated as investment interest paid or accrued in a succeeding taxable year.

*Limitation on Deducting Business Interest.* The Code limits the deductibility of interest on debt allocable to a trade or business (“business interest”) for certain highly-leveraged taxpayers. Very generally, the deduction for business interest is limited to the sum of the taxpayer’s business interest income and 30% of “adjusted gross income” as defined for this purpose in the Code. Business interest does not include investment interest (described in the prior paragraph). Any disallowed business interest may be carried forward to future taxable years. Businesses with average annual gross receipts of \$25 million or less are exempt from this limitation.

*Passive Activity Losses - Limitations.* Losses from business activities in which a taxpayer other than a widely-held corporation does not “materially participate” (“passive activities”) are generally only deductible to the extent of income from other passive activities. Subject to certain exceptions, income and losses derived by an investor from a liabilities liability company are generally treated as being from a passive activity. However, “portfolio income” (such as dividends, interest and gain from the sale of property held for investment) is not treated as income from a passive activity, and thus may not be offset by losses from passive activities. Any losses that cannot be deducted under the passive activity loss rules may be carried forward and deducted in future taxable years to the extent permitted under such rules.

*At-Risk Limitation.* Losses of non-corporate and certain corporate investors may also be subject to the “at-risk” limitations under the Code. Under these rules, the amount of any losses from an activity for a taxable year that may be deducted cannot exceed the aggregate amount with respect to which the taxpayer is considered to be “at risk” for such activity as of the close of the taxable year. A taxpayer is generally “at risk” for an activity only (i) to the extent the taxpayer contributes money to the activity or (ii) for the taxpayer’s share of amounts borrowed with respect to the activity for which the investor is personally liable. In the case of a partnership, a partner’s amount “at risk” may include the partner’s share of certain “qualified nonrecourse financing.” Investors should expect that they should not be treated as “at risk” with respect to their Interests except to the extent of their actual cash investment in the Fund.

*Excess Business Losses.* For taxable years beginning after December 31, 2017, and before January 1, 2026, non-corporate Investors may not deduct certain “excess business losses.” An “excess business loss” is the excess (if any) of a taxpayer’s aggregate deductions for the taxable year that are attributable to the trades or businesses of such taxpayer over the aggregate gross income or gain of such taxpayer for the taxable year that is attributable to such trades or businesses, plus \$250,000 (or \$500,000 for taxpayers filing a joint return). Any losses disallowed under this limitation may be used in the following taxable year if certain conditions are satisfied. Investors to whom this excess business loss limitation applies will take their allocable share of the Fund’s Tax Items into account in determining this limitation. This excess business loss limitation will be applied to a non-corporate Investor after the passive loss limitations (discussed above) and may the investor’s ability to utilize any losses the Fund generates that are allocable to the Investor and not otherwise limited by the other loss limitations described in this summary.

*Limitations on Miscellaneous Itemized Deductions.* For taxable years beginning before January 1, 2026, the Code generally disallows taxpayers who are individuals from deducting items characterized as “miscellaneous itemized deductions.” “Miscellaneous itemized deductions” include expenses related to production or collection of investment income that are otherwise deductible under Code Section 212. It is possible that an investor’s pro-rata share of some of the expenses directly incurred by the Fund may constitute “miscellaneous itemized deductions” and, as such, the Investor’s allocable share of such expenses may not be deductible. With respect to taxable years beginning after December 31, 2025, under current law, taxpayers who are individuals will be able to deduct “miscellaneous itemized deductions,” but only to the extent that such deductions exceed 2% of the taxpayer’s adjusted gross income.

*Company Organization Fees, Start-up Expenditures and Syndication Expense.* The Fund will pay certain expenses relating to its organization and start-up. Generally, neither the Fund nor the Members may deduct organizational or syndication expenses. Except for a limited amount of expenses (up to \$5,000) which may be deducted currently, any expenses paid by the Fund that constitute organizational and start-up must be capitalized but may be amortized upon proper election of the Fund over a period of not less than 180 months. Syndication expenses must be capitalized and cannot be amortized or otherwise deducted.

It is not possible to predict the extent to which any of the foregoing provisions of the Code will be applicable, since that will depend upon the exact nature of the Fund’s future operations and the particular tax positions of the Members. However, the effect of such provisions could be to cause such Members to realize phantom income from the Fund (income without corresponding cash distributions).

***Tax on Net Investment Income***

The Code imposes a 3.8% on the “net investment income” of U.S. individual taxpayers and most trusts and estates with income over a threshold amount. For individuals, the threshold amount is \$250,000 for taxpayers making a joint return or surviving spouse, \$125,000 for married taxpayers filing separate returns, and \$200,000 in all other cases. This tax is in addition to the income taxes paid on the net investment income. A portion of the Fund’s income may be derived from net investment income and, as such, may be subject to the tax on net investment income. In addition, subject to certain exceptions, income and losses derived by an investor from a limited liability company are generally treated as income and losses from a passive activity, thereby being subject to the tax on net investment income. The tax on net investment income does not apply to the income of Non-U.S. Investors.

***Taxation of Tax-Exempt Investors***

*In General.* Tax-exempt organizations generally are not subject to Federal income tax except on their “unrelated business taxable income” as defined in the Code (“UBTI”) at the regular corporate Federal income tax rate. Furthermore, If charitable remainder trusts or charitable remainder annuity unitrusts have UBTI, they must pay an excise tax equal to one hundred percent (100%) of their distributive share of UBTI.

*Acquisition Indebtedness.* Additionally, for certain tax-exempt Investors, UBTI includes “unrelated debt-financed income” (“UDFI”). A tax-exempt Investor may realize UDFI if the Fund finances its operations through borrowings. In addition, if a tax-exempt Investor borrows an amount to acquire an Interest or to make capital contributions, then some or all of its distributive share of Fund income could be UDFI and thus taxable to such Investor.

*Private Foundations.* In some instances, an investment in the Fund by a private foundation could be subject to an excise tax to the extent that such investment constitutes an “excess business holding” within the meaning of the Code. Private foundations should consult their own tax advisors regarding an investment in the Fund, including the potential applicability of the excess business holding provisions.

The Fund’s investments and operations may generate UBTI for tax-exempt Members. The Fund is not required to structure its acquisitions, investments or operations to avoid UBTI. Prospective tax-exempt Investors are urged to consult with their own tax advisors concerning the suitability of this investment, taking into account the likelihood that that the investment may generate UBTI and/or UDFI.

***Tax Considerations for Non-U.S. Investors***

The following section provides a limited discussion of some of the special tax considerations applicable to potential Non-U.S. Investors. Potential Non-U.S. Investors are urged to consult with their tax counsel concerning the Federal, state and local, as well as foreign, tax treatment of such investment.

*Effectively Connected Income (“ECI”).* In general, the U.S. tax treatment of a Non-U.S. Member will vary depending upon whether the Fund is deemed to be “engaged in a trade of business in the United States” within the meaning of the Code (“engaged in a U.S. business”), which is determined annually based on the applicable facts and circumstances relating to the Fund’s operations and activities. The Manager believes that the Fund may be engaged in a U.S. trade or business. If the Fund is so engaged, income from such trade or business activities (“ECI”) will be taxable to a Non-U.S. Member on a net basis at regular U.S. Federal income tax rates, if the Member invests in the Fund directly or through a tax-transparent entity, even if the Member has no other contacts with the United States. Non-U.S. Investors may be required to file appropriate federal (and possibly state and local) tax returns. Withholding tax may be claimed as a credit against a Non-U.S. Investor’s U.S. federal income tax liability.

In addition, Non-U.S. Members that are corporations may be subject to an additional U.S. “branch-profits tax” and/or “branch-level interest tax” imposed at a 30% gross rate with respect to an investment in the Fund, which may be subject to a reduced rate or exemption pursuant to an applicable income tax treaty. Non-U.S. Investors who wish to claim the benefit of an applicable income tax treaty may be required to satisfy certain certification requirements.

*Withholding Taxes.* The Internal Revenue Code requires the Fund to report and pay a withholding tax under Code § 1446 on all ECI properly allocable to the foreign Members, computed at the highest rate of tax applicable to the applicable foreign Member. The partnership must pay the Code § 1446 withholding tax regardless of the number of foreign Members’ ultimate U.S. tax liability and regardless of whether the partnership makes any distributions during its tax year. Any amount withheld and paid over by the Fund under Code § 1446 will be credited against the respective foreign Member’s actual U.S. tax liability. Generally, a foreign Member will be entitled to a refund from the IRS to the extent an amount is withheld that exceeds the amount of U.S. tax owed by such foreign Member. In addition, the Fund may be required to withhold and pay over any withholding taxes imposed on the Fund or with respect to any Member’s Interest in the Fund under Code § 1446(f) upon the disposition of an Interest by a foreign Member.

*Other U.S. Source Income.* If the Fund generates certain categories of U.S. source income that does not constitute ECI, then Non-U.S. Investors will be generally subject to a withholding tax at a gross 30% rate on their allocable share of such income. This withholding tax may be subject to a reduced rate or exemption under an applicable income tax treaty or, in the case of certain U.S. source interest income, the “portfolio interest” exception; provided that a specified certification is provided as to the Non-U.S. Investor’s eligibility for such reduced rate or exemption.

*Investment Through an Intermediate Entity.* Prospective Non-U.S. Investors should considering acquiring an Interest through an intermediate corporate entity (sometimes referred to as a “blocker”), and are so advised consult their own tax advisors.

**Prospective Non-U.S. Investors are urged to consult their own tax advisors regarding all U.S. federal, state, and local and non-U.S. tax considerations relating to an investment in the Fund.**

### ***Investor Tax Filings and Record Retention***

The U.S. Treasury Department has adopted regulations designed to assist the IRS in identifying abusive tax shelter transactions. In general, the regulations require Members in specified transactions (including certain partners in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. The tax law imposes significant monetary penalties for failure to comply with these tax filing and record retention rules.

The regulations are broad and additional transactions not now within the scope of these rules may be added in the future. Although not contemplated now based on the current scope of the rules, it is conceivable that the Fund may enter into transactions that may subject the Fund and certain Members to the special tax filing and record retention rules. Additionally, a Member’s recognition of a loss on its disposition of its Interest could in certain circumstances subject such Member to these rules.

### ***Audits and Tax Controversies***

If the IRS audits tax returns of the Fund, the Manager would control the conduct of such tax audit in its capacity as “partnership representative” of the Fund. The tax treatment of items of Fund income, loss, deductions, and credits will be determined at the partnership level in a unified partnership proceeding at which the partnership representative of the Fund will have sole authority to act on behalf of the Fund with respect to such audit.

The “partnership representative” will have considerable authority to make decisions affecting the tax treatment and procedural rights of all Members with respect to items of Fund income, gain or loss. For example, the partnership representative will have the right to extend the statute of limitations with respect to the assessment of additional tax liability against a Member to the extent such assessment relates to an item of Fund income, gain or loss. Under the Operating Agreement, Members must comply with the partnership representative’s directions with respect to any matter relating to an audit or other tax controversy, including potentially filing amended returns and paying any underpayment of Fund tax liability. If the IRS were to successfully assert that any adjustment should be made to the tax returns of the Fund for any taxable year, those persons who were Members of the Fund either during the year to which the adjustment relates or the year in which the audit is concluded may be required to amend their own tax returns for such year to reflect their share of such adjustment and pay any resulting tax related thereto. These obligations will remain with the Members with respect to all taxable years that they are a Member of the Fund, even after they are no longer a Member of the Fund.

***State, Local and Foreign Tax Considerations***

The foregoing discussion does not address the state, local and foreign tax considerations of an investment in the Fund. Prospective investors are urged to consult their own tax advisors regarding those matters and all other tax aspects of an investment in the Fund. It should be noted that the Members may be subject to state, local or foreign income, franchise or withholding taxes in those jurisdictions where the Fund is regarded as doing business. It also should be noted that it is possible that the Fund itself may be subject to state, local or foreign tax in certain jurisdictions, and/or responsible for collections and paying withholding taxes on amounts of income allocated to any foreign Investor.

***Foreign Account Tax Compliance Act (“FATCA”)***

The Foreign Account Tax Compliance Act (“FATCA”) contained in Sections 1471 through 1474 of the Code, the Treasury Regulations thereunder and IRS administrative practice impose a U.S. withholding tax at a thirty percent (30%) rate on specified “withholding payments” with respect to Interests held by or through “foreign financial institutions” as defined in FATCA (“FFIs”), unless such FFI (a) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (b) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements.

In addition, FATCA imposes withholding at a rate of 30% on specified “withholdable payments” with respect to Interests held by a “non-financial foreign entity” that does not qualify under certain exemptions, unless such non-financial foreign entity” either (a) certifies that such entity does not have any “substantial United States owners” or (b) provides certain information regarding the entity’s “substantial United States owners,” which the Fund will in turn provide to the U.S. Department of the Treasury.

If FATCA withholding is imposed, non-U.S. beneficial owners who are otherwise eligible for an exemption from, or a reduction of, U.S. withholding tax with respect to such distributions and sale proceeds would be required to seek a refund from the Internal Revenue Service to obtain the benefit of such exemption or reduction. The Fund will not pay any additional amounts in respect of any amounts withheld (under FATCA or otherwise).

**PROSPECTIVE INVESTORS ARE URGED TO SEEK ADVICE BASED ON SUCH PERSON'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. THE STATEMENTS IN THE ABOVE SUMMARY ARE NOT TO BE CONSTRUED AS TAX ADVICE.**

#### **ADDITIONAL INVESTOR INFORMATION**

Prospective investors should not construe the contents of this Memorandum as legal or other advice. Each prospective investor must rely upon its own representatives, including its own counsel and accountants, as to legal and other matters concerning an investment in the Fund.

Except as expressly provided herein, no person is authorized to give any information or to make any representations other than those contained in this Memorandum, the Operating Agreement and the Subscription Agreement (the "Offering Documents") and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund or the Manager. Neither the delivery of the Offering Documents, nor any sale made hereunder, shall under any circumstances create an implication that there has been no change in the matters discussed herein since the date hereof. In the event of any material change prior to the closing of any sale made hereunder, the Offering Documents will be amended or supplemented accordingly.

Each offeree and such offeree's advisers will be offered an opportunity, prior to the consummation of a sale of an Interest to such offeree, to ask questions of, and receive answers from, the Manager concerning the terms and conditions of this offering and to obtain any additional information, to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein. Should you have any questions about the Fund, please contact the team at [invest@cardonecapital.com](mailto:invest@cardonecapital.com).

**APPENDIX I**

The Fund has made an investment in a newly developed multifamily residential property located in Downtown Fort Lauderdale, Florida. The property will have a projected aggregate equity investment of approximately \$35.2 million, including acquisition fees and expenses and anticipated future reserves. The Manager expects that the Fund and Cardone REIT I, LLC (another investment vehicle managed by the Manager) will each co-invest in the property, in proportions that have yet to be determined.

Property Name	10X Living Riverwalk (to be rebranded from Four West Las Olas)
Acquisition Date	December 10, 2021
Purchase Price (excluding fees and expenses)	\$133.5 million
Debt Financing	\$103.5 million
Equity Financing	\$35.2 million contingent on fees and expenses and future reserves
No. of Units	260
Location	Fort Lauderdale, Florida
Street Address	4 W Las Olas Blvd 33301 (zip code)
Description	Newly developed, Class AAA, high-rise multifamily community