

Integris

REAL ESTATE INVESTMENTS

NAME OF OFFEREE:

MEMORANDUM NUMBER:

Integris DLV Opportunity Zone Fund, LLC
Luxury Hotel & Casino Qualified Opportunity Fund

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

DATED: November 3, 2021

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

OFFERING OF UP TO 100% OF LIMITED LIABILITY COMPANY INTERESTS IN
INTEGRIS DLV OPPORTUNITY ZONE FUND, LLC

Approximately \$25,000,000* of Limited Liability Company Interests
at \$1,000 per Limited Liability Company Interest
Whole or Fractional Limited Liability Company Interests Permitted
Minimum Initial Investment: \$100,000

* If the Manager (as defined herein) determines that there is interest in purchasing more than 25,000 Limited Liability Company Interests or \$25,000,000 prior to the Offering Termination Date (as defined herein), then it may, in its sole and absolute discretion, increase the maximum number of Limited Liability Company Interests that can be sold in this Offering (as defined herein); provided however, the maximum net proceeds that can be received by the Operating Company pursuant to this Offering, plus all other equity being raised for the Project (as defined herein) shall not exceed the total equity being raised for the Project as described herein. Ownership interests will be adjusted accordingly and present no dilution to existing investors with respect to the Project.



INTEGRIS DLV OPPORTUNITY ZONE FUND, LLC

Supplement No. 3 dated December 22, 2022

to

Offering Memorandum dated November 3, 2021

This Supplement No. 3, dated December 22, 2022 (this “Supplement”), contains information that amends, supplements, or modifies certain information contained in the Confidential Private Placement Memorandum of Integrus DLV Opportunity Zone Fund, LLC (the “Fund”) dated November 3, 2021 (including all exhibits thereto, the “Original Memorandum”) as amended by that certain Supplement No. 1, dated March 18, 2022 (the “First Supplement”), Supplement No. 2, dated June 28, 2022 (the “Second Supplement,” together with the Original Memorandum and the First Supplement, the “Memorandum”). All capitalized terms used herein, but not otherwise defined, have the meanings set forth in the Memorandum.

You should carefully read and consider the “Risks Factors” beginning on page 81 of the Memorandum before you decide to invest.

Status of Offering

Since commencing the Offering, and through December 20, 2022, the Fund has sold approximately 6,125 units of Interests for gross investment proceeds of approximately \$6,125,000. Taking into account all capital raised for investment in the Project from all sources (including from Affiliates of the Sponsor), a total of \$58,999,796 in gross investment proceeds have been raised for the Project through the date of this Supplement.

Extension of the Offering Period

Pursuant to the terms of the Memorandum and the Operating Agreement, the Second Supplement extended the termination date for the Offering from June 30, 2022, to December 31, 2022. Pursuant to the Operating Agreement, the Manager has determined that it is in the best interests of the Company to extend the Offering Period for an additional three (3) months. Accordingly, the Offering is now scheduled to terminate on March 31, 2023.

The Manager will use this additional time to conclude negotiations with interested parties that have indicated an interest in investing in the Project, including institutional investors who may invest up to the balance of the remaining equity, which would help the Project achieve its maximum capital raise objectives and ensure that the projected opening for the Project remains on track.

Hyatt Hotels Acquires Dream Hotel Group

On November 29, 2022, Hyatt Hotel Corporation (“Hyatt”) and Dream Hotel Group announced an agreement for a Hyatt affiliate to acquire Dream Hotel Group’s lifestyle hotel brand and management platform, including the Dream Hotels brand. Hyatt’s acquisition of Dream Hotel Group has no impact on the ownership or structure of an investment in the Fund. Dream Hotel Group founder and CEO, Mr. Chatwal, will retain ownership of his six hotels and have them managed by the new Dream Hotel division of Hyatt. We believe this is a great vote of confidence in the benefits of this acquisition.

The Press Release from Hyatt Hotels regarding the acquisition can be found at <https://newsroom.hyatt.com/news-releases?item=124315>.

We would like to share what we perceive are the overarching benefits for Investors.

- The Dream Hotel Group management team will remain the same, as will the appeal and design of the Dream properties and brand, as was noted in the press release above, “...ensuring the unique DNA of each brand is preserved while leveraging Hyatt’s capabilities...”
- Hyatt’s worldwide network of 1,200 hotels and 300,000 rooms, \$13 billion in assets, and \$5 billion per year in revenue should bolster Dream’s ability to grow and enhance its already excellent reputation and appeal.
- The ability to leverage Hyatt’s extensive marketing reach and global reservations system is anticipated to have a favorable impact on the visibility and interest in the Hotel, including a positive impact on the Project’s financing, refinancing, and the Fund’s ability to sell the Project in the future. We believe this will expand the universe of guests, and potentially lead to greater demand, higher occupancy, and upward pressure on room rates as well as other sources of revenue. While the full impact of this is not yet known, we see only benefits to both the short- and long-term economics.

Project Update

On July 8, 2022, a groundbreaking ceremony was held that was attended by key management members of Shopoff Realty Investments, Contour, Dream Hotel Group, McCarthy Construction, also, the Governor of Nevada Steve Sisolak, and other state and county representatives.

A press release about the groundbreaking ceremony is available at <https://www.shopoff.com/4711/news-release-dream-las-vegas-announces-start-of-construction-following-ceremonial-groundbreaking-in-las-vegas-nevada/>.



Figure 1 – Groundbreaking Ceremony

Below is a summary of the current timeline for the Project and a current photo of the construction site in progress. The Project is in the pre-design and development phase; therefore, timelines and renderings are subject to change.

**Project Timeline
(as of December 2022)**

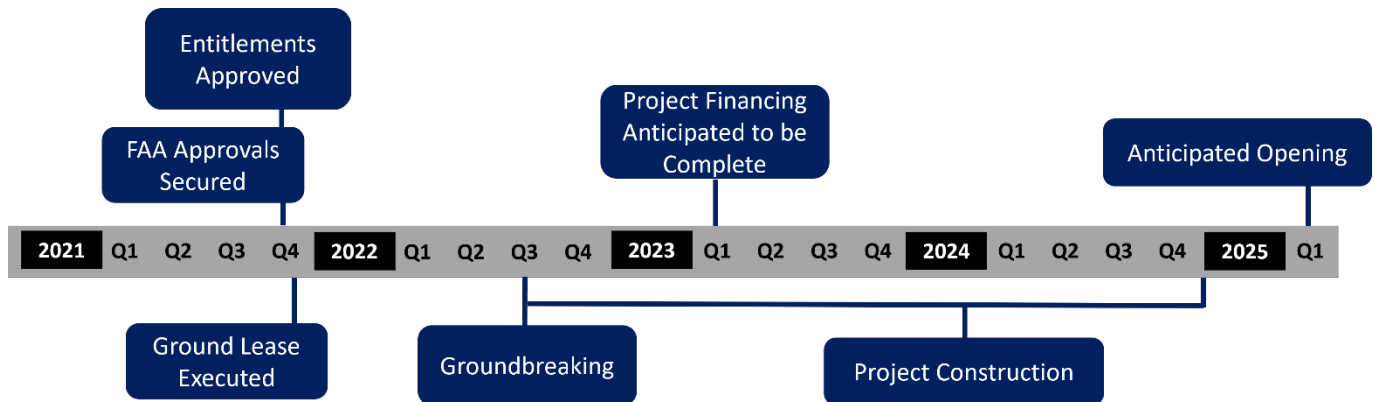




Figure 2 – Project site on December 7, 2022



Figure 3 – Architectural rendering of billboard



Figure 4 – Architectural rendering of entry with billboard

Updated Estimated Use of Proceeds

Please see the comparison of the sources and uses for the Project from the Second Supplement and the revised sources and uses below for the Project.

Summary of Revised Sources and Uses

<u>SOURCES AND USES</u> <u>(6/2022 – Supplement #2)</u>			<u>REVISED SOURCES AND USES</u> <u>(12/2022 – Supplement #3)</u>			<u>VARIANCE O/(U)</u>	
<u>Sources</u>			<u>Sources</u>				
<u>Debt</u>	<u>Amount</u>	<u>%</u>	<u>Debt</u>	<u>Amount</u>	<u>%</u>		
Construction Debt	\$365,975,317	65%	Construction Debt	\$390,854,832	69%	\$24,879,515	6.8%
Total Debt	\$365,975,317	65%	Total Debt	\$390,854,832	69%	\$24,879,515	6.8%
<u>Equity</u>	<u>Amount</u>	<u>%</u>	<u>Equity</u>	<u>Amount</u>	<u>%</u>		
Managing Member	\$4,000,000	1%	Managing Member	\$4,000,000	1%	\$0	0%
Alternate Equity			Alternate Equity				
Sources	\$168,063,632	30%	Sources	\$168,122,315	26%	\$58,683	0%
Investor Equity	\$25,000,000	4%	Investor Equity	\$25,000,000	4%	\$0	0%
Total Equity*	\$197,063,632	35%	Total Equity*	\$197,122,315	31%	\$58,683	0%
Total Sources	\$563,038,949	100%	Total Sources	\$587,977,147	100%	\$24,938,198	4.4%

<u>Uses</u>			<u>Uses</u>			<u>VARIANCE O/(U)</u>	
<u>Costs</u>	<u>Amount</u>	<u>%</u>	<u>Costs</u>	<u>Amount</u>	<u>%</u>		
Soft Costs	\$79,770,802	14%	Soft Costs	\$78,465,872	13%	(\$1,304,930)	(1.6%)
Hard Costs	\$418,300,000	74%	Hard Costs	\$420,042,000	71%	\$1,742,000	0.4%
Financing Expense	\$35,993,948	6%	Financing Expense	\$57,092,404	10%	\$21,098,456	58.6%
Total Selling Costs	\$18,487,000	3%	Total Selling Costs	\$22,094,952	4%	\$3,607,952	19.5%
Project Contingency	\$10,487,199	2%	Project Contingency	\$10,281,919	2%	(\$205,280)	(2.0%)
Total	\$563,038,949	100%	Total	\$587,977,147	100%	\$24,938,198	4.4%

*Investor equity may include a variety of sources including institutional partners and investments from other QOFs. We anticipate that up to ninety percent 90% of the equity will be provided by other QOFs or institutional sources.

We anticipate that debt will now make up approximately sixty-nine (69%) of the Project's total funding. The increase in the debt assumptions is reflective of our current letter of intent with an institutional lender, as well as discussions with other capital providers. Walker & Dunlop is engaged to assist in securing the financing for the Project. We anticipate selecting a construction lender and securing a construction loan in Q1 2023.

The Project's total costs increased by approximately \$24.9 million (a 4.4% increase in total costs) since the Third Supplement in June 2022. The primary drivers of the cost increase are related to an additional \$21.1 million of financing expenses because of the additional debt proceeds and a rise in the anticipated interest rate to 9.0%. Additionally, the \$1.7 million increase in hard costs is related to design change orders. The increased selling costs of approximately \$3.6 million are correlated with a correction of the calculation of the equity selling costs.

Revised Projected Financial Summary

The revised financial model has inherent assumptions, including numerous variables (e.g., revenues, occupancy rates, operating expenses, and the cost of debt during the hold period), and is based on pre-tax calculations. In addition, we have utilized exit cap rates that, although we believe are representative of the market, there is no guarantee the exit sales price will be realized. This model assumes the Fund will be liquidated upon the expiration of the 10-year holding period from the date the last investor is admitted into the Fund, which is the minimum holding period for Investors to achieve one hundred percent (100%) fair market value basis step-up upon a disposition of its interests in the Fund or the disposition of the Project.

We anticipate the Fund will make distributions to Investors both as a function of debt-financed, tax-free distributions once the Project is stabilized and recapitalized, as well as distributions from cash flow from operations following recapitalization. These interim distributions are included as part of the analysis and the timing is part of the internal rate of return (“IRR”) calculation. A change in the timing of these distributions could materially affect the IRR an Investor receives.

The information labeled as “Project Level” represents the potential performance for one hundred percent (100%) ownership of the Property and is not intended to represent or predict actual investment returns to Investors. The information labeled as “Investor Level” represents three possible hypothetical performance scenarios for Investors. Tiers 1 and 2 show the potential performance of those awarded early incentive bonus units as detailed in the section “**Incentives for Early Investors**” of the Original Memorandum. Tier 3 shows the potential performance of an Investor with no bonus units. ***Please note that all projections shown below are currently pre-tax forecasts.***

The projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There is no assurance that projections will be met. Performance projections numbers are subject to change without notice and based on information available at this time.

Updated Assumptions: Please see the updated material assumptions below:

- **Revenue and Expense Changes:**
 - Room revenue increased by 5% in years 1 through 5 based on overall market improvements in average daily rates in Las Vegas
 - Stateside Kitchen revenue increased by 2% in years 1 through 5 based on discussions with Dream Hotel Group and performance at their other properties
 - Nightclub revenue increased by 5% in years 1 through 5 based on discussions with Dream Hotel Group and performance at their other properties
 - Day club revenue increased by 10% in years 1 through 5 based on discussions with Dream Hotel Group and performance at their other properties
 - Parking revenue increased by 2% in years 1 through 4 based on increased revenue due to the recent performance of Allegiant Stadium
 - Billboard revenue increased in year 1, by \$500,000 based on conversations with a prospective billboard operator
 - Removed Casino bar revenue, this will be managed by the Casino operator
 - Increased Casino operations revenue, therefore increasing casino lease income due to increased profit by casino operator
 - Reduced billboard operating expenses by 5% based on other Shopoff properties
- **Revised Performance:** As design has continued, Shopoff has made the decision to increase the estimates for property performance based on changes in the overall market conditions in Las Vegas.
- **Construction Loan:** We continue working with Walker & Dunlop to source construction financing for our project. We have increased the expected loan to approximately \$396.8 million based on conversations with

various capital providers. Additionally, we have increased the expected interest rate to 9% to reflect the current market conditions.

- **Refinance and Exit Cap Improvements:** Based on changes in the market, we have adjusted our refinance exit cap rates to 5.0% of Year 2 NOI for the Hotel NOI and 7.0% of Year 2 NOI from the Casino Lease which is a blended cap rate of 7.4%. We have also improved the exit cap rate on the Casino NOI to 6.00% yielding a blended exit cap of 6.21%

Please see the following page for the revised financial projections. The scenario below represents the Project’s anticipated performance based on the updated underwriting assumptions discussed above. The Fund will target a net 12-17% annual compounded IRR on its investments over a minimum ten (10) year anticipated holding period.

The “Revised Projected Performance” below shows estimated IRRs, however, IRRs for Investors that subscribed prior to the date of this Supplement will be marginally lower than the Revised Projections (but higher than originally projected) due to the additional time that Investors have been in the Project, however, the equity multiple should be essentially the same as the Revised Projected Performance.

The projections are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The projected investor returns below do not include any calculation of tax benefits. There is no assurance that projections will be met. Performance projections numbers are subject to change without notice and based on information available at this time. The revised Financial Forecast attached as Exhibit A to this Supplement replaces in its entirety the Financial Forecast attached as Exhibit E to the Memorandum and any subsequent iteration thereof.

This information should not be construed as tax advice. Investors should consult their own tax advisors to determine their individual benefits in a QOF investment.

PRIOR PROJECTED PERFORMANCE:
(based on a Project start date of 12/1/2021)

PROJECT LEVEL	
Project IRR	16.63%
Total Investment	\$197,063,632
Total Profit	\$442,229,731
Total Return	\$639,293,363
Project Multiple	3.24x

REVISED PROJECTED PERFORMANCE:
(based on a Project start date of 12/1/2021)

REVISED PROJECT LEVEL	
Project IRR	17.85%
Total Investment	\$197,122,315
Total Profit	\$593,773,286
Total Return	\$790,895,601
Project Multiple	4.01x

INVESTOR LEVEL	
IRR	15.31%
Equity Investment	\$25,000,000
Total Profit	\$47,860,313
Total Return	\$72,860,313
Equity Multiple	2.91x

REVISED INVESTOR LEVEL	
IRR	16.36%
Equity Investment	\$25,000,000
Total Profit	\$62,059,139
Total Return	\$87,059,139
Equity Multiple	3.48x

Updated Track Record

The Track Record attached as Exhibit B to this Supplement replaces in its entirety the Track Record attached as Exhibit K to the Memorandum and any subsequent iteration thereof.

Exhibit A

Revised Financial Forecast to include:

- 1) Consolidated Financials
- 2) Hotel Operations Only
- 3) Casino Only
[attached]

DREAM HOTEL LAS VEGAS
DRAFT PROFORMA - ANNUAL PROJECT CASHFLOW
December 07, 2022

Project Start Date: Q2 2022

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>
Year Ending	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Hotel NOI	\$0	\$0	\$32,672,197	\$40,567,454	\$44,399,458	\$44,229,715	\$45,503,000	\$46,725,138	\$47,981,964	\$49,274,488	\$50,603,747
% of NOI	0.0%	0.0%	85.8%	85.0%	84.8%	84.4%	84.5%	84.5%	84.5%	84.5%	84.7%
ROC			6.3%	7.8%	8.5%	8.5%	8.7%	8.9%	9.2%	9.4%	9.7%
Casino NOI	\$0	\$0	\$5,420,271	\$7,180,732	\$7,934,649	\$8,149,808	\$8,366,453	\$8,584,613	\$8,804,319	\$9,025,602	\$9,172,216
% of NOI	0.0%	0.0%	14.2%	15.0%	15.2%	15.6%	15.5%	15.5%	15.5%	15.5%	15.3%
ROC			12.4%	16.4%	18.2%	18.7%	19.2%	19.7%	20.2%	20.7%	21.0%
Combined Property NOI	\$0	\$0	\$38,092,468	\$47,748,185	\$52,334,107	\$52,379,523	\$53,869,452	\$55,309,752	\$56,786,284	\$58,300,090	\$59,775,963
ROC			6.7%	8.4%	9.2%	9.3%	9.5%	9.8%	10.0%	10.3%	10.6%
Operations Debt Service	\$0	\$0	(\$5,129,970)	(\$22,891,230)	(\$23,165,325)	(\$23,165,325)	(\$24,278,697)	(\$29,845,554)	(\$29,845,554)	(\$29,845,554)	\$0
PACE Financing			\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Ground Rent			(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	(\$3,850,000)	(\$3,850,000)	(\$3,850,000)	(\$3,850,000)	(\$3,850,000)
Tax Compliance/Accounting Fee	\$0	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
DREAM Incentive Fee	\$0	\$0	\$0	(\$210,142)	(\$393,278)	(\$367,816)	(\$167,144)	(\$350,465)	(\$538,988)	(\$732,867)	(\$0)
Asset Management Fee (1.25% of Total Equity)	\$0	\$0	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)	(\$2,464,029)
Ending Operational Cashflow	\$0	\$0	\$26,898,470	\$18,582,784	\$22,711,475	\$22,782,353	\$23,009,583	\$18,699,704	\$19,987,712	\$21,307,640	\$53,361,935
Development Costs	(\$122,330,643)	(\$317,966,284)	(\$125,585,267)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Draw	\$0	\$265,269,565	\$125,585,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Draw	\$122,330,643	\$52,696,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Load	(\$22,094,952)										
Dream Key Money			\$4,000,000								
Billboard Revenues (Jan 2024 Start)			\$2,275,000								
Refinance Proceeds	\$0	\$0	\$0	\$60,869,013	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$496,409,933
Cashflow from Refinance/Disposition	\$0	\$0	\$0	\$60,869,013	\$0	\$0	\$0	\$0	\$0	\$0	\$496,409,933
Total Cashflow for IRR Calculation	(\$144,425,595)	(\$52,696,720)	\$33,173,470	\$79,451,797	\$22,711,475	\$22,782,353	\$23,009,583	\$18,699,704	\$19,987,712	\$21,307,640	\$549,771,868

DREAM HOTEL LAS VEGAS
DRAFT PROFORMA - HOTEL PROFORMA
December 07, 2022

	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue									
Occupancy	76%	88%	93%	93%	93%	93%	93%	93%	93%
Average Daily Rate	\$302.25	\$316.20	\$333.84	\$342.91	\$353.20	\$363.80	\$374.71	\$385.95	\$397.53
RevPAR	\$228.20	\$276.68	\$308.80	\$317.20	\$326.71	\$336.51	\$346.61	\$357.01	\$367.72
Occupied Rooms	146,330	169,588	179,279	179,279	179,279	179,279	179,279	179,279	179,279
Available Rooms	193,815	193,815	193,815	193,815	193,815	193,815	193,815	193,815	193,815
Rooms Revenue	\$44,228,886	\$53,623,900	\$59,850,159	\$61,477,232	\$63,321,549	\$65,221,195	\$67,177,831	\$69,193,166	\$71,268,961
Resort Fee	\$4,287,479	\$5,068,311	\$5,465,087	\$5,574,389	\$5,685,877	\$5,799,594	\$5,915,586	\$6,033,898	\$6,154,576
Food & Beverage									
F&B	\$45,462,459	\$54,075,669	\$56,962,039	\$58,668,269	\$60,428,934	\$61,033,223	\$61,643,555	\$62,259,991	\$62,882,591
Banquet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other									
Garage	\$1,313,461	\$1,643,309	\$1,846,931	\$1,828,645	\$1,865,217	\$1,902,522	\$1,940,572	\$1,979,384	\$2,018,971
Minor Operated/Misc	\$994,274	\$1,132,092	\$1,206,529	\$1,242,725	\$1,280,007	\$1,318,407	\$1,357,959	\$1,398,698	\$1,440,659
Digital Experience - Dreamscapes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Billboard Revenue	\$4,000,000	\$4,080,000	\$4,161,600	\$4,244,832	\$4,329,729	\$4,416,323	\$4,504,650	\$4,594,743	\$4,686,638
TOTAL REVENUE	\$100,286,559	\$119,623,281	\$129,492,344	\$133,036,091	\$136,911,312	\$139,691,264	\$142,540,153	\$145,459,879	\$148,452,395
Expense									
Room	\$12,472,546	\$14,746,573	\$15,920,142	\$16,352,944	\$16,843,532	\$17,348,838	\$17,869,303	\$18,405,382	\$18,957,544
Resort Fee	\$1,500,617	\$1,773,909	\$1,912,780	\$1,951,036	\$1,990,057	\$2,029,858	\$2,070,455	\$2,111,864	\$2,154,101
F&B	\$34,324,156	\$40,015,995	\$42,151,909	\$43,414,519	\$44,717,411	\$45,164,585	\$45,616,231	\$46,072,393	\$46,533,117
Banquet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	\$525,384	\$657,324	\$738,772	\$731,458	\$746,087	\$761,009	\$776,229	\$791,753	\$807,589
Minor Operated/Misc	\$347,996	\$396,232	\$422,285	\$434,954	\$448,002	\$461,442	\$475,286	\$489,544	\$504,231
Billboard Revenue	\$1,400,000	\$1,428,000	\$1,456,560	\$1,485,691	\$1,515,405	\$1,545,713	\$1,576,627	\$1,608,160	\$1,640,323
Total Operating Expenses	\$50,570,700	\$59,018,032	\$62,602,449	\$64,370,602	\$66,260,494	\$67,311,445	\$68,384,131	\$69,479,097	\$70,596,904
<i>Percent of Revenue</i>	<i>50%</i>	<i>49%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>
Gross Operating Profit	\$49,715,859	\$60,605,249	\$66,889,895	\$68,665,490	\$70,650,818	\$72,379,819	\$74,156,022	\$75,980,781	\$77,855,491
General & Administration	\$5,716,334	\$6,340,034	\$6,733,602	\$6,917,877	\$7,119,388	\$7,263,946	\$7,412,088	\$7,563,914	\$7,719,525
Repairs & Maintenance	\$2,005,731	\$2,033,596	\$2,071,878	\$2,128,577	\$2,190,581	\$2,235,060	\$2,280,642	\$2,327,358	\$2,375,238
Sales & Marketing	\$3,108,883	\$3,229,829	\$3,237,309	\$3,325,902	\$3,422,783	\$3,492,282	\$3,563,504	\$3,636,497	\$3,711,310
Marketing Fee	\$1,504,298	\$1,794,349	\$1,942,385	\$1,995,541	\$2,053,670	\$2,095,369	\$2,138,102	\$2,181,898	\$2,226,786
Utilities	\$902,579	\$837,363	\$906,446	\$931,253	\$958,379	\$977,839	\$997,781	\$1,018,219	\$1,039,167
Management Fee (Excludes Billboards)	\$2,888,597	\$3,466,298	\$3,759,922	\$3,863,738	\$3,977,447	\$4,058,248	\$4,141,065	\$4,225,954	\$4,312,973
Billboard Oversight Fee	\$60,000	\$61,200	\$62,424	\$63,672	\$64,946	\$66,245	\$67,570	\$68,921	\$70,300
Property Taxes**	\$653,800	\$673,414	\$693,616	\$714,425	\$735,858	\$757,933	\$780,671	\$804,092	\$828,214
Pace Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1
Insurance	\$200,573	\$239,247	\$258,985	\$266,072	\$273,823	\$279,383	\$285,080	\$290,920	\$296,905
Permits & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-Operational Expenses	\$17,040,796	\$18,675,329	\$19,666,567	\$20,207,058	\$20,796,875	\$21,226,304	\$21,666,504	\$22,117,773	\$22,580,418
NOI Before FF&E	\$32,675,063	\$41,929,919	\$47,223,328	\$48,458,432	\$49,853,943	\$51,153,515	\$52,489,518	\$53,863,009	\$55,275,073
<i>Margin</i>	<i>32.6%</i>	<i>35.1%</i>	<i>36.5%</i>	<i>36.4%</i>	<i>36.4%</i>	<i>36.6%</i>	<i>36.8%</i>	<i>37.0%</i>	<i>37.2%</i>
FF&E & Capital Reserves	\$1,002,866	\$2,392,466	\$3,884,770	\$5,321,444	\$5,476,452	\$5,587,651	\$5,701,606	\$5,818,395	\$5,938,096
NOI After FF&E	\$31,672,197	\$39,537,454	\$43,338,558	\$43,136,988	\$44,377,491	\$45,565,864	\$46,787,912	\$48,044,614	\$49,336,977
<i>Margin</i>	<i>31.6%</i>	<i>33.1%</i>	<i>33.5%</i>	<i>32.4%</i>	<i>32.4%</i>	<i>32.6%</i>	<i>32.8%</i>	<i>33.0%</i>	<i>33.2%</i>
<i>Hotel ROC</i>	<i>6.1%</i>	<i>7.6%</i>	<i>8.3%</i>	<i>8.3%</i>	<i>8.5%</i>	<i>8.7%</i>	<i>9.0%</i>	<i>9.2%</i>	<i>9.4%</i>
Casino Shared Services	(\$1,000,000)	(\$1,030,000)	(\$1,060,900)	(\$1,092,727)	(\$1,125,509)	(\$1,159,274)	(\$1,194,052)	(\$1,229,874)	(\$1,266,770)
NOI After Shared Services Reimbursement	\$32,672,197	\$40,567,454	\$44,399,458	\$44,229,715	\$45,503,000	\$46,725,138	\$47,981,964	\$49,274,488	\$50,603,747

DREAM HOTEL LAS VEGAS
DRAFT PROFORMA - CASINO PROFORMA
December 07, 2022

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Base Lease Rent	\$3,370,725	\$3,438,140	\$3,506,902	\$3,577,040	\$3,648,581	\$3,721,553	\$3,795,984	\$3,871,903	\$3,871,903
Owner Percentage Rent	\$2,132,088	\$3,851,943	\$4,548,578	\$4,696,876	\$4,845,280	\$4,993,791	\$5,142,412	\$5,291,144	\$5,439,991
Casino Lease NOI*	\$5,502,813	\$7,290,083	\$8,055,481	\$8,273,917	\$8,493,861	\$8,715,343	\$8,938,395	\$9,163,048	\$9,311,895
Expenses									
Casino MGMT FEE	\$82,542	\$109,351	\$120,832	\$124,109	\$127,408	\$130,730	\$134,076	\$137,446	\$139,678
Net Operating Income	\$5,420,271	\$7,180,732	\$7,934,649	\$8,149,808	\$8,366,453	\$8,584,613	\$8,804,319	\$9,025,602	\$9,172,216
ROC	12.4%	16.4%	18.2%	18.7%	19.2%	19.7%	20.2%	20.7%	21.0%
Owner Percentage Rent Calc									
EBITDAR	\$14,764,176	\$18,203,887	\$19,597,157	\$19,893,753	\$20,190,559	\$20,487,581	\$20,784,823	\$21,082,289	\$21,379,983
Base Hurdle	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000
Over Hurdle	\$4,264,176	\$7,703,887	\$9,097,157	\$9,393,753	\$9,690,559	\$9,987,581	\$10,284,823	\$10,582,289	\$10,879,983
Owner Share	\$2,132,088	\$3,851,943	\$4,548,578	\$4,696,876	\$4,845,280	\$4,993,791	\$5,142,412	\$5,291,144	\$5,439,991

Exhibit B

Updated Track Record

Shopoff Realty Investments - Historical Performance, as of:

9/30/2022

NO OFFER OR SOLICITATION: The material herein does not constitute an offer to sell nor is it a solicitation of an offer to purchase any security. Offers will only be made through a private placement memorandum to accredited investors and where permitted by law. Alternative investment performance can be volatile and value-added real estate investments may involve additional risks. An investor could lose all or a substantial amount of their investment. There is no assurance that Partnership objectives will be achieved. Prior Performance is not indicative of future results.

DEFINITIONS

Program: A Program is the entity that purchases one or more assets. A Program can purchase multiple Sub-Program assets or one Program can be subdivided. E.g. "TSG Platinum LP" is the entity that has been formed to purchase two assets in the City of Anaheim to entitle and develop apartments.

Sub-Projects: A Sub-Program asset is an asset that is purchased within the program. Throughout the life of a Program, one or more assets may be purchased and sold. E.g. "TSG Platinum LP" has two Sub-Programs assets called "TSG Platinum LP - Platinum Vista" and "TSG Platinum LP - Platinum Gateway".

Asset: A loan or property such as an apartment complex, office, retail center, land, industrial building.

Number of Purchases: This figure represents how many purchase transactions occurred. Each transaction has its own closing statement and separate purchase & sale agreement. e.g. If one purchase and sale transaction occurred to purchase 125 separate loans or parcels of land, the number of purchases would reflect a count of "1".

Number of Assets: This figure represents how many assets were in the transaction. e.g. If one purchase and sale transaction occurred to purchase 125 separate loans or parcels of land, # of assets would reflect a count of "125"

Number of Sales: This figure represents how many sale transactions occurred. Each transaction has its own closing statement and separate purchase & sale agreement. e.g. If one purchase and sale transaction occurred to acquire 125 separate loans or parcels of land, and the assets were subsequently sold to 10 buyers in separate and distinct transactions, the number of sales would reflect a count of "10". Number of sales can be more than number of purchases in the case given or can be less than the number of purchases if multiple purchases were transacted to assemble and sell to one or more buyers.

General Partner: This is a Shopoff Entity that acts as the General Partner or Managing partner for the program.

Institutional Equity/Family Equity: Institutional equity/family equity is defined as equity provided by institutions or family offices. If not listed, the equity provided is from a Shopoff Fund.

Acquisition Price: Defined as the price that the Program or sub- Program acquired the asset for. Purchase prices are based on the closing statements and purchase and sales agreements in which the Program or Sub-Program is the buyer.

Sales Prices: Defined as the prices the Program or sub-Program was sold for. Sales prices are based on the closing statements and purchase and sales agreements in which the Program or Sub-Program is the seller.

IRR: The internal rate of return or IRR is the annualized return rate, that sets the net present value of all cash flows from the investment equal to zero.

Average IRR: The Average IRR is a weighted average of the IRR of all full-cycle assets in the track record at the asset level, exclusive of Tax Credit Programs, based on the Total Equity Invested.

Tax Credit Program: "Tax Credit" and "Positive Gain/Tax Loss" entries indicate investments where tax returns show a tax loss, but investors had a positive gain that was provided to the investors pursuant to the strategy of the investment. In the case of "Tax Credit and Positive Gain/Tax Loss" investment results vary based on each investor's individual tax circumstance.

Investment Strategy Definitions

Commercial: All programs that have an improved real estate, which may or may not have a current income, acquired with the strategy of increasing the value of the existing improvements through various methods, which may include repositioning, recapitalization, and rehabilitation, with the intent, upon the achievement of the strategy, to sell the asset to a buyer of stabilized real estate.

Land: Improved or unimproved real estate, which may or may not have current income, acquired with the strategy of increasing the value of the underlying land through entitlement or reentitlement, with the intent, upon achievement of the strategy, to sell the asset to a developer or a homebuilder.

Shopoff Realty Investments - Historical Performance, as of:

9/30/2022

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DEFINITIONS

Asset Class Definitions

Retail: Classified as real estate that is used for retail purposes, which includes superstores, markets, shopping centers, and restaurants.

Industrial: Classified as real estate that is used for industrial purposes. This includes warehouses, manufacturing, distribution, refrigeration buildings, data hosing centers, research and development and showrooms.

Raw Land: Classified as real estate that has no improvements on land.

Covered Land: Classified as real estate that has improvements on the land and may or may not have current income.

Apartment: Classified as real estate that is used for residential rental purposes. Includes 5+ units.

Single Family Residential: Classified as real estate that is a used as a residential building. Includes 1-4 units.

Storage: Classified as real estate that is a used as storage.

Manufactured Housing Community (MHC): Classified as real estate that is a used for installing and occupying numerous manufactured homes, operated collectively as a community, similar to multifamily.

Hard Asset: Hard asset is defined as a direct investment into a real estate asset where the investment entity has a ownership stake of the asset.

Loan Asset: Loan asset is defined as an investment on the note of the asset where the investment entity is lending money to a borrower.

Asset Holding Periods

Acquisition Date: This date represents when the purchase transaction occurred and when the asset(s) was/were purchased. Acquisition dates are based on closing statements.

Disposition Date: This date represents when the sale transaction occurred and when the asset(s) was/were sold. Disposition dates are based on closing statements.

Prior Assets Average Holding Period: This is an average holding period for programs that have been closed.

On-Going Assets Average Holding Period: This is an average holding period for programs that are on-going. The holding period will be based on the acquisition date and the date that the log was updated.

Total Transactions

On-going Programs: This value represents the Acquisition price of all on-going programs.

Closed Programs: This value represents the Acquisition price of all closed programs.

Total Dispositions: This value represents the Disposition price of all closed programs.

Total Transactions: This value is the sum of all the acquisition and disposition transactions. The transaction numbers are based on acquisition price and disposition price.

Shofoff Realty Investments - Performance Summary, as of: 9/30/2022

NO OFFER OR SOLICITATION: The material herein does not constitute an offer to sell nor is it a solicitation of an offer to purchase any security. Offers will only be made through a private placement memorandum to accredited investors and where permitted by law. Alternative investment performance can be volatile and value-added real estate investments may involve additional risks. An investor could lose all or a substantial amount of their investment. There is no assurance that Partnership objectives will be achieved. Prior Performance is not indicative of future results.

Transaction Count Breakdown		
	Number of Purchase Transactions*	Number of Sale Transactions*
Hard Asset	8	10
Loan	20	25
Apartments	28	35
Hard Asset	2	0
Loan	1	3
Industrial	3	3
Hard Asset	12	4
Loan	2	15
Office	14	19
Hard Asset	10	8
Loan	3	4
Retail	13	12
Hard Asset	1	9
Loan	9	242
SFR	10	251
Hard Asset	4	3
Storage	4	3
Hard Asset	2	0
Ground Lease	2	0
Hard Asset	1	1
Manufactured Housing Community	1	1
Commercial	74	324
Hard Asset	117	69
Loan	6	44
Raw Land	123	113
Hard Asset	24	15
Loan	7	6
Covered Land	31	21
Hard Asset	1	1
Finished Lots	1	1
Land	155	134
Grand Total	229	458

Asset Count Breakdown	
	Number of Assets Purchased
Hard Asset	10
Loan	339
Apartments	349
Hard Asset	2
Loan	3
Industrial	5
Hard Asset	14
Loan	15
Office	29
Hard Asset	10
Loan	5
Retail	15
Hard Asset	66
Loan	304
SFR	370
Hard Asset	5
Storage	5
Hard Asset	2
Ground Lease	2
Hard Asset	1
Manufactured Housing Community	1
Commercial	775
Hard Asset	162
Loan	45
Raw Land	207
Hard Asset	28
Loan	7
Covered Land	35
Hard Asset	65
Finished Lots	65
Land	307
Grand Total	1082
Number of Assets Sold	1041
Percentage of Assets Sold	96.2%

Asset Holding Periods	On-Going		Closed Assets	
	Asset Count	Avg Holding Period	Asset Count	Avg Holding Period
Land Hard Assets	23	4.22	232	4.40
Land Loans	2	7.91	50	2.82
Land Assets (Hard Assets & Loans)	25	4.52	282	4.19
Commercial Hard Assets	15	4.75	94	3.10
Commercial Loans	1	2.46	665	1.65
Commercial Assets (Hard Assets & Loans)	16	4.59	759	1.94
Total & Overall	41	4.54	1041	2.94

Total Transactions \$	
On-going programs	\$846,190,310
Closed programs	\$864,176,545
Total Acquisitions	\$1,710,366,855
Total Dispositions	\$1,297,466,639
Total Transactions	\$3,007,833,494

Tax Credit Programs	
Number of Purchases	5
Number of Assets	5
Number of Sale Transactions	5
Average Holding Period	9.70

*Note: Number of Sale Transactions exceeds the Number of Purchase Transactions as a result of certain Purchases that were bifurcated into more than one Sale.

**Fund Investment Summary
(as of 9/30/2022)**

Fund Name	Option ³	Loan/ Hard Asset	Date Acquired/Executed PSA ¹	Equity Invested from Fund (as of 9/30/2022) ²	Ownership %	Active/Inactive/ Sold/Paid
Shopoff Land Fund I, LP						
Uptown Newport Jamboree LLC	No	Hard Asset	12/22/2010	\$2,097,900	7.5%	Sold
TSG Platinum LP (Platinum Gateway)	Yes**	Hard Asset	2/28/2013	\$2,508,612	75.5%	Sold
TSG Platinum LP (Platinum Vista)	Yes**	Hard Asset	12/21/2012	\$2,508,612	75.5%	Sold
Morse Oceanside	No	Hard Asset	9/29/2011	\$3,693,322	100.0%	Sold
SLFI - Delpy's Corner LLC	Yes**	Hard Asset	5/8/2012	\$5,620,367	100.0%	Sold
SLF - Park Villas, LLC	Yes**	Hard Asset	6/3/2012	\$3,424,032	71.1%	Sold
SPT - Vantage Point	No	Hard Asset	11/18/2011	\$3,492,278	63.9%	Sold
Shopoff Land Fund II, LP						
TSG - 333 North Prairie LP	No	Hard Asset	12/27/2013	\$4,207,546	30.1%	Sold
SLF II - Ponto LP	Yes*	Hard Asset	8/27/2013	\$2,691,073	24.8%	Inactive
El Campo Real Estate, L.P.	No	Loan	10/2/2014	\$200,000	N/A	Paid
SLF - KC Towers LLC	Yes**	Hard Asset	11/21/2014	\$3,220,454	22.0%	Sold
TSG - Cherry Valley	No	Loan	3/23/2015	\$1,000,000	N/A	Paid
Bayside Investors LP	No	Hard Asset	11/12/2015	\$423,103	4.0%	Sold
SLF - Quarry Redeveloper, LLC	Yes*	Hard Asset	3/11/2016	\$1,382,710	40.0%	Sold
Shopoff Land Fund III, LP						
TSG - Cherry Valley	No	Loan	3/23/2015	\$1,000,000	N/A	Paid
SLF II - Ponto LP	Yes*	Hard Asset	8/27/2013	\$3,229,287	29.7%	Inactive
Bayside Investors LP	No	Hard Asset	11/12/2015	\$475,990	4.5%	Sold
The Resort at Taos Ski Valley LLC	No	Hard Asset	9/29/2015	\$804,266	10.0%	Sold
Parcel 1 Venture Member LLC	No	Hard Asset	7/15/2015	\$1,000,000	N/A	Active
SLF - KC Towers LLC	Yes**	Hard Asset	11/21/2014	\$3,623,011	24.8%	Sold
SLF - Quarry Redeveloper, LLC	Yes*	Hard Asset	3/11/2016	\$1,555,548	45.0%	Sold
SLF HB Magnolia, LLC ⁴	No	Hard Asset	8/15/2016	\$2,397,320	24.6%	Active
SLF - Adams Street La Quinta, LLC	No	Hard Asset	6/24/2016	\$2,428,313	22.5%	Active
SLF - South Street, LLC	No	Hard Asset	1/31/2017	\$2,097,669	13.5%	Sold
SLF - MHP El Monte, LLC	No	Hard Asset	4/13/2017	\$1,100,493	6.0%	Sold

1. Dates listed for option deals are based on the execution of the Purchase & Sales Agreement.

2. Equity invested from Fund is the amount of capital invested into an asset in a fund as of the date noted, and does not include reserves, costs, fees, affiliate loans, or uninvested capital from a fund, and therefore the total of Equity Invested from Fund may not match the total capital raised by the fund. Additionally, fund contributions can include capital that was recycled from prior sales and reinvested into the portfolio.

3. Indicates option as of initial investment. As of the date of this document, those options noted with Yes* have not been exercised and those options noted with Yes** have been exercised.

4. The original total contributed capital for the program was approximately \$30M but has reduced since then due to return of capital distributions from refinancing activity.

**Fund Investment Summary
(as of 9/30/2022)**

Fund Name	Option ³	Loan/ Hard Asset	Date Acquired/Executed PSA ¹	Equity Invested from Fund (as of 9/30/2022) ²	Ownership %	Active/Inactive/ Sold/Paid
SRI-SLF III, LP						
Bayside Investors LP	No	Hard Asset	11/12/2015	\$158,663	1.5%	Sold
SLF II - Ponto LP	Yes*	Hard Asset	8/27/2013	\$1,076,429	9.9%	Inactive
SLF - KC Towers LLC	Yes**	Hard Asset	11/21/2014	\$1,207,670	8.3%	Sold
SLF - Quarry Redeveloper, LLC	Yes*	Hard Asset	3/11/2016	\$518,516	15.0%	Sold
SLF HB Magnolia, LLC ⁶	No	Hard Asset	8/15/2016	\$799,107	8.2%	Active
SLF - Adams Street La Quinta, LLC	No	Hard Asset	6/24/2016	\$809,438	7.5%	Active
SLF - South Street, LLC	No	Hard Asset	1/31/2017	\$699,223	4.5%	Sold
SLF - MHP El Monte, LLC	No	Hard Asset	4/13/2017	\$366,464	2.0%	Sold
Shopoff Land Fund IV, LP						
TSG - Cherry Valley	No	Loan	12/29/2015	\$2,401,422	N/A	Paid
SLF II - Ponto LP	Yes*	Hard Asset	8/27/2013	\$3,767,502	34.7%	Inactive
SLF HB Magnolia, LLC ⁶	No	Hard Asset	8/15/2016	\$4,794,579	49.2%	Active
SLF - Adams Street La Quinta, LLC	No	Hard Asset	6/24/2016	\$7,554,751	70.0%	Active
SLF - South Street, LLC	No	Hard Asset	1/31/2017	\$1,816,440	11.7%	Sold
SLF - Victoria, LLC	No	Hard Asset	3/10/2017	\$8,673,073	12.5%	Active
SLF - MHP El Monte, LLC	No	Hard Asset	4/13/2017	\$4,035,507	22.0%	Sold
SLF - Five Points, LLC	No	Hard Asset	4/4/2017	\$3,777,960	50.0%	Sold
The Resort at Taos Ski Valley LLC	No	Hard Asset	3/20/2017	\$1,312,567	16.4%	Sold
TSG Venture 1	Yes*	Hard Asset	4/14/2017	\$2,629,730	N/A	Active
Grace Park Acquisitions, L.P.	No	Hard Asset	5/8/2017	\$2,800,000	8.8%	Sold
Falcon Quarry	No	Hard Asset	8/31/2017	\$4,833,145	50.0%	Sold
Westkin Acquisitions Co., LLC ⁵	No	Hard Asset	11/15/2017	\$321,355	8.7%	Active
Rancho Village Partners, LLC	No	Loan ⁴	6/21/2018	\$2,108,045	50.0%	Paid
SLF - Moss Street, LLC	Yes**	Hard Asset	10/3/2018	\$261,975	10.1%	Active
SLF - West Lincoln, LLC	Yes*	Hard Asset	12/20/2018	\$493,051	11.6%	Sold
HRP SM Campus Bay Property, LLC	No	Hard Asset	12/23/2019	\$2,051,330	2.7%	Active
Whittier Apartment Homes, LLC	No	Hard Asset	12/11/2020	\$4,268,000	21.5%	Active

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3. Indicates option as of initial investment. As of the date of this document, those options noted with Yes* have not been exercised and those options noted with Yes** have been exercised.

4. This loan has an additional common and preferred equity component.

5. The original total contributed capital for the program was approximately \$11.5M but has reduced since then due to return of capital distributions from refinancing activity.

6. The original total contributed capital for the program was approximately \$30M but has reduced since then due to return of capital distributions from refinancing activity.

**Fund Investment Summary
(as of 9/30/2022)**

Fund Name	Option ³	Loan/ Hard Asset	Date Acquired/Executed PSA ¹	Equity Invested from Fund (as of 9/30/2022) ²	Ownership %	Active/Inactive/ Sold/Paid
Shopoff Land Fund V, LP						
SLF - Victoria, LLC	No	Hard Asset	3/10/2017	\$8,673,073	12.5%	Active
The Resort at Taos Ski Valley LLC	No	Hard Asset	3/20/2017	\$3,546,455	44.2%	Sold
SLF - Five Points, LLC	No	Hard Asset	4/4/2017	\$3,777,960	50.0%	Sold
Grace Park Acquisitions, L.P.	No	Hard Asset	5/8/2017	\$400,100	1.3%	Sold
Done Deal investments, LLC	No	Loan	8/7/2017	\$1,750,000	N/A	Paid
Falcon Quarry	No	Hard Asset	8/31/2017	\$4,833,145	50.0%	Sold
El Campo Real Estate, LP	No	Loan	10/4/2017	\$200,000	N/A	Paid
Westkin Acquisitions Co., LLC ⁵	No	Hard Asset	11/15/2017	\$1,328,446	36.0%	Active
Parcel 1 Venture Member LLC	No	Hard Asset	3/27/2018	\$6,111,756	N/A	Active
SLF HB Magnolia, LLC ⁶	No	Hard Asset	6/29/2018	\$1,754,122	18.0%	Active
SLF - KC Towers LLC	Yes**	Hard Asset	7/3/2018	\$6,587,292	45.0%	Sold
TSG - Cherry Valley	No	Loan	1/29/2018	\$7,852,592	N/A	Paid
Rancho Village Partners, LLC	No	Loan ⁴	6/21/2018	\$2,108,045	50.0%	Paid
1875 N. Palm Canyon Partners II, LLC	No	Loan	7/17/2018	\$750,000	N/A	Paid
Clear Oak, LLC	No	Loan	11/7/2018	\$100,000	N/A	Paid
SLF - Moss Street, LLC	Yes**	Hard Asset	10/3/2018	\$261,975	10.1%	Active
SLF - West Lincoln, LLC	Yes*	Hard Asset	12/20/2018	\$493,051	11.6%	Sold
HRP SM Campus Bay Property, LLC	No	Hard Asset	12/23/2019	\$2,051,330	2.7%	Active
One Newport Development, LLC	No	Hard Asset	10/30/2020	\$12,531,547	25.0%	Active
Whittier Apartment Homes, LLC	No	Hard Asset	12/11/2020	\$4,268,000	21.5%	Active
Shopoff Opportunity Fund VI, LP						
SLF - Victoria, LLC	No	Hard Asset	8/23/2019	\$17,346,146	25.0%	Active
HRP SM Campus Bay Property, LLC	No	Hard Asset	12/23/2019	\$2,735,643	3.6%	Active
5051 SLV, LLC	No	Hard Asset	2/14/2020	\$1,831,308	19.0%	Active
Castilian Holding Co., LLC	No	Hard Asset	12/31/2020	\$1,005,000	6.7%	Active
Stephen D. Jacobsen Note	No	Loan	1/6/2021	\$250,000	N/A	Active
Sunrise Village Owner, LLC	No	Hard Asset	4/5/2021	\$3,322,254	20.0%	Active
Illinois MHC Partners, LLC	No	Hard Asset	4/16/2021	\$9,018,500	97.2%	Sold
DSP Santa Barbara, LLC	No	Hard Asset	10/29/2021	\$1,459,742	8.0%	Active

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3. Indicates option as of initial investment. As of the date of this document, those options noted with Yes* have not been exercised and those options noted with Yes** have been exercised.

4. This loan has an additional common and preferred equity component.

5. The original total contributed capital for the program was approximately \$11.5M but has reduced since then due to return of capital distributions from refinancing activity.

6. The original total contributed capital for the program was approximately \$30M but has reduced since then due to return of capital distributions from refinancing activity.

**Fund Investment Summary
(as of 9/30/2022)**

Fund Name	Option ³	Loan/ Hard Asset	Date Acquired/Executed PSA ¹	Equity Invested from Fund (as of 9/30/2022) ²	Ownership %	Active/Inactive/ Sold/Paid
Shopoff Opportunity Fund VI, LP						
Mesa Verde Owner, LLC	No	Hard Asset	11/23/2021	\$1,748,675	5.0%	Active
Euclid & Heil FV Owner, LLC	No	Hard Asset	12/9/2021	\$311,317	12.5%	Active
SC - Firestone Retail, LLC	No	Hard Asset	4/7/2022	\$1,736,281	17.5%	Active
Westminster Village Owner, LLC	No	Hard Asset	6/30/2022	\$12,498,665	10.0%	Active
Shopoff Fund VII, LP						
Buckeye 54, LLC	No	Hard Asset	11/24/2021	\$2,367,968	85.0%	Active
SHPR SRE Three Resource Owner, LLC	No	Hard Asset	3/8/2022	\$627,224	6.9%	Active
Mesa AZ Industrial Owner, LLC	No	Hard Asset	9/15/2022	\$4,745,405	14.0%	Active
Shopoff Properties Trust						
SPT Chino Hills	No	Hard Asset	11/5/2009	\$3,915,200	100.0%	Sold
SPT AZ Land Holdings - Desert Moon	No	Hard Asset	7/31/2009	\$8,002,159	100.0%	Sold
SPT Lake Elsinore Holdings - Wasson	No	Hard Asset	4/17/2009	\$1,311,000	100.0%	Sold
SPT Lake Elsinore Holdings - Underwood	No	Hard Asset	5/14/2009	\$1,954,000	100.0%	Sold
SPT Lake Elsinore Holdings - Tuscany West	No	Hard Asset	11/5/2009	\$2,102,401	100.0%	Sold
SPT Lake Elsinore Holdings - Coffman	No	Hard Asset	11/5/2009	\$499,115	100.0%	Sold
SPT-SWRC - Winchester Ranch	No	Hard Asset	12/31/2008	\$2,749,331	100.0%	Sold
SPT Lake Elsinore Holdings - Meadowbrook	No	Hard Asset	9/4/2009	\$3,293,285	100.0%	Sold
SPT Lake Elsinore Holdings - SR 74 Commercial	No	Hard Asset	9/4/2009	\$310,146	100.0%	Sold
SPT-AREP III Acquisitions, LLC	No	Hard Asset	11/5/2009	\$2,055,820	20.0%	Active
Mesquite Ventures I, LLC	No	Loan	9/1/2008	\$600,000	N/A	Active
SPT - Vantage Point	No	Hard Asset	11/18/2011	\$1,974,372	36.1%	Sold
Shopoff Strategic Income Fund, LP						
SSIF - Apple Valley, LLC	No	Hard Asset	4/10/2015	\$1,366,645	50.0%	Active
SSIF - Camino LP	No	Hard Asset	11/24/2014	\$978,828	20.0%	Sold
SCF - Coon Rapids, LLC	No	Hard Asset	10/1/2015	\$932,493	15.0%	Active
SCF - Los Alisos, LLC	No	Hard Asset	10/2/2015	\$858,637	20.0%	Sold
SSIF - Augusta Ranch, LLC	See Footnote 4	Hard Asset	4/9/2013	\$321,000	20.0%	Sold
Shopoff Commercial Growth & Income Fund II, LP						
SCF - Coon Rapids, LLC	No	Hard Asset	10/1/2015	\$932,493	15.0%	Active

1. Dates listed for option deals are based on the execution of the Purchase & Sales Agreement.

2. Equity invested from Fund is the amount of capital invested into an asset in a fund as of the date noted, and does not include reserves, costs, fees, affiliate loans, or uninvested capital from a fund, and therefore the total of Equity Invested from Fund may not match the total capital raised by the fund. Additionally, fund contributions can include capital that was recycled from prior sales and reinvested into the portfolio.

3. Indicates option as of initial investment. As of the date of this document, those options noted with Yes* have not been exercised and those options noted with Yes** have been exercised.

4. Plot purchased through the partial exercise of option related to TSG-Augusta Ranch, LLC. Sold in a combined transaction where third party purchased the assignment rights for the TSG-Augusta Ranch, LLC option under the terms of a separate Assignment of Purchase and Sale Agreement contract.

**Fund Investment Summary
(as of 9/30/2022)**

Fund Name	Option ³	Loan/ Hard Asset	Date Acquired/Executed PSA ¹	Equity Invested from Fund (as of 9/30/2022) ²	Ownership %	Active/Inactive/ Sold/Paid
Shopoff Commercial Growth & Income Fund II, LP						
SCF - Los Alisos, LLC	No	Hard Asset	10/2/2015	\$2,361,251	55.0%	Sold
SCGIF - Iron Horse, LLC	No	Hard Asset	2/19/2016	\$1,334,476	20.5%	Active
SCGIF - Skypointe, LLC	No	Hard Asset	9/29/2016	\$3,651,991	21.2%	Sold
SCGIF - Firecreek Owner, LLC	No	Hard Asset	3/8/2016	\$4,966,548	25.7%	Active
SCGIF II - Desplaines, LLC	No	Hard Asset	9/23/2016	\$3,868,993	54.2%	Active
SCGIF II - Franklin, LLC	No	Hard Asset	9/23/2016	\$5,124,378	68.8%	Active
SCGIF II - Hebron, LLC	No	Hard Asset	10/21/2016	\$135,309	7.3%	Sold
SCF - 4440 VKA, LC	No	Hard Asset	12/20/2016	\$1,092,895	13.8%	Active
Sacramento Bee	No	Hard Asset	9/6/2017	\$1,627,178	9.6%	Active
Westkin Acquisitions Co., LLC ⁴	No	Hard Asset	11/15/2017	\$698,946	18.9%	Active
SCGIF II - Firecreek Lender, LLC	No	Loan	4/14/2020	\$325,422	10.7%	Active
Shopoff Commercial Growth & Income Fund III, LP						
SCGIF II - Hebron, LLC	No	Hard Asset	10/21/2016	\$1,107,200	62.8%	Sold
SCF - 4440 VKA, LC	No	Hard Asset	12/20/2016	\$2,347,696	29.6%	Active
SCGIF II - Skypointe LLC	No	Hard Asset	9/29/2016	\$1,220,000	7.1%	Sold
Sacramento Bee	No	Hard Asset	9/6/2017	\$3,081,910	18.1%	Active
Westkin Acquisitions Co., LLC ⁴	No	Hard Asset	11/15/2017	\$953,075	25.8%	Active
4100 South Stream	No	Hard Asset	3/12/2019	\$4,662,001	74.0%	Active
Shopoff California Commercial Fund, LP						
SCF - Los Alisos, LLC	No	Hard Asset	10/2/2015	\$1,073,296	25.0%	Sold
SCGIF II - Desplaines, LLC	No	Hard Asset	9/23/2016	\$63,775	0.9%	Active
SCGIF II - Franklin, LLC	No	Hard Asset	9/23/2016	\$80,760	1.1%	Active
SCGIF II - Skypointe LLC	No	Hard Asset	9/29/2016	\$300,000	1.7%	Sold
SCF - 4440 VKA, LC	No	Hard Asset	12/20/2016	\$607,157	7.6%	Active
SLF - Park Villas, LLC	Yes**	Hard Asset	5/25/2017	\$1,394,184	28.9%	Sold
Sacramento Bee	No	Hard Asset	9/6/2017	\$2,888,753	17.0%	Active
Westkin Acquisitions Co., LLC ⁴	No	Hard Asset	11/15/2017	\$391,662	10.6%	Active

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3. Indicates option as of initial investment. As of the date of this document, those options noted with Yes* have not been exercised and those options noted with Yes** have been exercised.

4. The original total contributed capital for the program was approximately \$11.5M but has reduced since then due to return of capital distributions from refinancing activity.

Shopoff Realty Investments - On-Going Programs, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	Shopoff Limited Partners	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Zip	Acq. Date	Acquisition Price	Total Equity Invested	Status
Program	Mesa AZ Industrial Owner, LLC	Shopoff Investors XVII	SF7	1.00	1.00	Land	Raw Land	Hard Asset	Mesa	CA	85212	9/15/22	\$ 70,000,000	\$ 4,745,405	Open
Program	Westminster Village Owner, LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Land	Covered Land	Hard Asset	Westminster	CA	92683	6/30/22	\$ 95,300,000	\$ 13,094,865	Open
Program	SC - Firestone Retail, LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Commercial	Ground Lease	Hard Asset	La Mirada	CA	90638	4/7/22	N/A	\$ 1,736,281	Open
Program	SHPR SRE Three Resource Owner, LLC	Shopoff Investors XVII	SF7	1.00	1.00	Commercial	Office	Hard Asset	Charlotte	NC	28262	3/8/22	\$ 21,000,000	\$ 9,110,000	Open
Program	47260 Adams Owner, LP	SRI Managing Member 2	Shopoff SolTerra BTR Development, LLC	1.00	1.00	Land	Raw Land	Hard Asset	La Quinta	CA	92253	12/23/21	\$ 6,500,000	\$ 19,553,232	Open
Program	Euclid & Heil FV Owner, LLC	Shopoff Investors XIV SRI Managing Member 2	SOF VI Shopoff Fountain Valley Fund, LLC	1.00	1.00	Land	Covered Land	Hard Asset	Fountain Valley	CA	92708	12/9/21	\$ 65,000,000	\$ 19,788,796	Open
Program	Buckeye 54, LLC	Shopoff Investors XVII	SF7	1.00	1.00	Land	Raw Land	Hard Asset	Buckeye	AZ	85326	11/24/21	\$ 6,525,000	\$ 2,764,148	Open
Program	Mesa Verde Owner, LLC	Shopoff Investors XIV SRI Managing Member 3	SOF VI Shopoff Mesa Verde Fund, LLC	1.00	1.00	Land	Covered Land	Hard Asset	Calimesa	CA	N/A	11/23/21	\$ 45,250,000	\$ 48,537,553	Open
Program	DSP Santa Barbara, LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Land	Covered Land	Hard Asset	Santa Barbara	CA	93101	10/29/21	\$ 17,250,000	\$ 11,680,612	Open
Program	Sunrise Village Owner, LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Land	Covered Land	Hard Asset	Fullerton	CA	92833	4/5/21	\$ 27,500,000	\$ 16,611,274	Open
Program	Stephen D. Jacobsen Note	Shopoff Investors XIV	SOF VI	1.00	1.00	Land	Covered Land	Loan	Commerce City	CO	80022	1/6/21	\$ 750,000	\$ 250,000	Open
Program	Castilian Holding Co., LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Commercial	Office	Hard Asset	Goleta	CA	93117	12/31/20	\$ 61,000,000	\$ 15,075,000	Open
Program	Uptown Newport Development Co, LLC	Shopoff Investors XVI		1.00	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	95660	12/30/20	\$ 24,000,000	\$ 17,689,625	Open
Program	I-10 Logistics Owner, LLC	SRI I-10 LDC, LLC		1.00	1.00	Land	Raw Land	Hard Asset	Cherry Valley	CA	92223	12/29/20	\$ 38,737,186	\$ 97,340,708	Open
Program	Whittier Apartment Homes, LLC	Shopoff Investors X Shopoff Investors XII	SLF IV SLF V	1.00	1.00	Land	Covered Land	Hard Asset	Whittier	CA	90606	12/11/20	\$ 7,200,000	\$ 12,965,368	Open
Program	One Newport Development, LLC	Shopoff Investors XII	SLF V	1.00	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	95660	10/30/20	\$ 26,260,000	\$ 16,031,547	Open

Shopoff Realty Investments - On-Going Programs, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	Shopoff Limited Partners	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Zip	Acq. Date	Acquisition Price	Total Equity Invested	Status
Program	SCGIF II - Firecreek Lender, LLC	Shopoff Investors VIII	SCGIF II	1.00	1.00	Commercial	Retail	Loan	Reno	NV	89502	4/14/20	\$ 7,668,750	\$ 7,668,750	Open
Program	5051 SLV, LLC	Shopoff Investors XIV	SOF VI	1.00	1.00	Land	Raw Land	Hard Asset	Las Vegas	NV	89119	2/14/20	\$ 21,000,000	\$ 12,549,776	Open
Program	HRP SM Campus Bay Property, LLC	Shopoff Investors X Shopoff Investors XII Shopoff Investors XIV	SLF IV SLF V SOF VI	1.00	1.00	Land	Raw Land	Hard Asset	Richmond	CA	94804	12/23/19	\$ 36,500,000	\$ 65,780,762	Open
Program	4100 South Stream	Shopoff Investors XIII	SCGIF III	1.00	1.00	Commercial	Office	Hard Asset	Charlotte	NC	28217	3/12/19	\$ 17,000,000	\$ 6,300,001	Open
Program	SLF - Moss Street, LLC (Initial Option)	Shopoff Investors X Shopoff Investors XII	SLF IV SLF V	1.00	1.00	Land	Covered Land	Hard Asset	Chula Vista	CA	91911	10/3/18	\$ 10,200,000	\$ 2,605,800	Open
Program	Westkin Acquisitions Co., LLC	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII Shopoff Investors X Shopoff Investors XII	SCCF SCGIF II SCGIF III SLF IV SLF V	Listed Below	Listed Below	Commercial	Listed Below	Hard Asset	Cathedral City	CA	92234	11/15/17	\$ 23,000,000	\$ 3,693,483	Open
Sub Program	Westkin Acquisitions Co., LLC (Ground Lease)	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII Shopoff Investors X Shopoff Investors XII	SCCF SCGIF II SCGIF III SLF IV SLF V	0.90	0.90	Commercial	Ground Lease	Hard Asset	Cathedral City	CA	92234	11/15/17	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC
Sub Program	Westkin Acquisitions Co., LLC (Office)	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII Shopoff Investors X Shopoff Investors XII	SCCF SCGIF II SCGIF III SLF IV SLF V	0.05	0.05	Commercial	Office	Hard Asset	Cathedral City	CA	92234	11/15/17	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC
Sub Program	Westkin Acquisitions Co., LLC (Industrial)	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII Shopoff Investors X Shopoff Investors XII	SCCF SCGIF II SCGIF III SLF IV SLF V	0.05	0.05	Commercial	Industrial	Hard Asset	Cathedral City	CA	92234	11/15/17	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC	See Westkin Acquisitions Co., LLC
Program	Sacramento Bee	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII	SCCF SCGIF II SCGIF III	Listed Below	Listed Below	Commercial	Listed Below	Hard Asset	Sacramento	CA	95816	9/6/17	\$ 44,750,000	\$ 17,000,395	Open
Sub Program	Sacramento Bee (Office)	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII	SCCF SCGIF II SCGIF III	0.50	0.50	Commercial	Office	Hard Asset	Sacramento	CA	95816	9/6/17	See Sacramento Bee	See Sacramento Bee	See Sacramento Bee
Sub Program	Sacramento Bee (Industrial)	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII	SCCF SCGIF II SCGIF III	0.50	0.50	Commercial	Industrial	Hard Asset	Sacramento	CA	95816	9/6/17	See Sacramento Bee	See Sacramento Bee	See Sacramento Bee
Program	SLF - Victoria, LLC	Shopoff Investors X Shopoff Investors XII Shopoff Investors XIV	SLF IV SLF V SOF VI	1.00	1.00	Land	Covered Land	Hard Asset	Carson	CA	90746	3/10/17	\$ 3,362,104	\$ 37,722,603	Open

Shopoff Realty Investments - On-Going Programs, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	Shopoff Limited Partners	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Zip	Acq. Date	Acquisition Price	Total Equity Invested	Status
Program	SCF - 4440 VKA, LC	Shopoff Investors II Shopoff Investors VIII Shopoff Investors XIII	SCCF SCGIF II SCGIF III	1.00	1.00	Commercial	Office	Hard Asset	Newport Beach	CA	92660	12/20/16	\$ 15,360,000	\$ 7,944,515	Open
Program	SCGIF II - Desplaines, LLC	Shopoff Investors VIII Shopoff Investors II	SCGIF II SCCF	1.00	1.00	Commercial	Office	Hard Asset	Chicago	IL	60661	9/23/16	\$ 18,787,500	\$ 7,136,881	Open
Program	SCGIF II - Franklin, LLC	Shopoff Investors VIII Shopoff Investors II	SCGIF II SCCF	1.00	1.00	Commercial	Office	Hard Asset	Chicago	IL	60610	9/23/16	\$ 18,787,500	\$ 7,443,356	Open
Program	SCGIF II - Iron Horse	Shopoff Investors VIII	SCGIF II	1.00	1.00	Commercial	Retail	Hard Asset	Sparks	NV	89431	2/19/16	\$ 11,750,000	\$ 6,518,197	Open
Program	SLF - HB Magnolia, LLC	Shopoff Investors VII Shopoff Investors IX Shopoff Investors X Shopoff Investors XII	SLF III SRI-SLF III SLF IV SLF V	1.00	1.00	Land	Covered Land	Hard Asset	Huntington Beach	CA	92646	8/15/16	\$ 26,500,000	\$ 9,745,128	Open
Program	SCGIF II - Firecreek Owner, LLC	Shopoff Investors VIII	SCGIF II	1.00	1.00	Commercial	Retail	Hard Asset	Reno	NV	89502	3/8/16	\$ 48,290,000	\$ 19,297,067	Open
Program	SLF - Adams Street La Quinta, LLC (Part 3)	Shopoff Investors VII Shopoff Investors IX Shopoff Investors X	SLF III SRI-SLF III SLF IV	0.39	0.39	Land	Raw land	Hard Asset	La Quinta	CA	92253	6/24/16	\$ 2,844,900	\$ 5,049,986	Open
Program	SCF - Coon Rapids, LLC	Shopoff Investors V Shopoff Investors VIII	SSIF SCGIF II	1.00	1.00	Commercial	Industrial	Hard Asset	Coon Rapids	MN	55433	10/1/15	\$ 13,500,000	\$ 6,216,191	Open
Program	SSIF - Apple Valley, LLC	Shopoff Investors V	SSIF	1.00	3.00	Commercial	Office	Hard Asset	Beavercreek	OH	45430	4/10/15	\$ 7,150,000	\$ 2,733,290	Open
Program	SPT - AREP III Acquisitions, LLC (JV Owner of Tuscan Crest/Tuscany Valley With Argosy and SPT - Lake Elsinore Holdings LLC)	Shopoff General Partner	SPT	1.00	1.00	Land	Raw land	Hard Asset	Perris	CA	92570	11/5/09	\$ 6,117,370	\$ 10,279,101	Open
Program	Mesquite Ventures I, LLC	Shopoff General Partner	SPT	1.00	1.00	Land	Raw land	Loan	Mesquite	NV	89024	9/1/08	\$ 600,000	\$ 600,000	Open

Shopoff Realty Investments - On-Going Programs, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	Shopoff Limited Partners	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Zip	Acq. Date	Acquisition Price	Total Equity Invested	Status
Program	TSG - Parcel 1, LLC (Part 2) - consists of a 30 unit condominium project, a 66 unit for sale project and a one acre park parcel. The details of this asset provided in this track record reflect only information related to when this asset was acquired as raw land, as well as any additional equity invested, but does not reflect the current value of the asset. Due to regulatory limitations regarding unrealized gains, we are unable to provide actual valuation information.	Shopoff Investors VII Shopoff Investors XII	SLF III SLF V	0.07	0.27	Land	Covered Land	Hard Asset	Newport Beach	CA	95660	2/14/14	NA	\$ 7,026,883	Open
Program	TPG/TSG Venture I Acquisition, LLC - a joint venture which constructed and owns a 468 unit apartment complex. The details of this asset provided in this track record reflect only information related to when this asset was acquired as raw land, as well as any additional equity invested, but does not reflect the current value of the asset. The project is currently a fully completed 468-unit multifamily community. Due to regulatory limitations regarding unrealized gains, we are unable to provide actual valuation information.		SLF IV	0.25	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	95660	2/14/14	NA	\$ 35,884,117	Open
Program	Uptown Newport Jamboree, LLC (Parcels 2 and 4) - At present the three-story 323,357square foot building is 100% leased to Tower Jazz semi-conductor. Entitlements have been approved for the proposed construction of for-sale townhomes and condominiums. Development of the property is not anticipated to occur until after the Tower Jazz lease has expired. This program also include a development parcel for 11,500 square feet of retail space. The details of this asset provided in this track record reflect only information related to when this asset was acquired as raw land, as well as any additional equity invested, but does not reflect the current value of the asset. Due to regulatory limitations regarding unrealized gains, we are unable to provide actual valuation information.			0.50	2.00	Land	Covered Land	Hard Asset	Newport Beach	CA	59660	2/14/14	NA	\$ 21,365,283	Open
Program	MRF Groves - Box Springs	ARF Partners Development		1.00	1.00	Land	Raw land	Hard Asset	Highgrove	CA	94556	12/3/04	\$ 750,000	\$ 2,385,995	Open

Shopoff Realty Investments - Historical Performance, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	SSIF - Camino, L.P.	Shopoff Investors V	1.00	1.00	Commercial	Office	Hard Asset	San Diego	CA	11/24/14	7.56	\$ 11,165,000	\$ 4,894,139	\$ 3,527,637	\$ (1,366,502)	-4.51%	0.72x	Closed
Program	SCGIF II - Hebron, LLC	Shopoff Investors VIII Shopoff Investors XIII	1.00	1.00	Commercial	Retail	Hard Asset	Carrollton	TX	10/21/16	5.54	\$ 8,138,000	\$ 3,578,439	\$ 2,675,774	\$ (902,664)	-5.34%	0.75x	Closed
Program	SCF - Los Alisos, LLC	Shopoff Investors V Shopoff Investors VIII	1.00	1.00	Commercial	Retail	Hard Asset	Mission Viejo	CA	10/2/15	6.55	\$ 9,925,650	\$ 4,293,184	\$ 4,516,173	\$ 222,989	0.89%	1.05x	Closed
Program	VD Pacific Terrace, LLC	Van Daele Homes, Inc	1.00	1.00	Land	Raw Land	Hard Asset	Oceanside	CA	11/18/16	5.38	\$ 2,000,000	\$ 2,000,000	\$ 3,407,466	\$ 1,407,466	23.67%	1.70x	Closed
Program	SLF - Adams Street La Quinta, LLC (Part 1 & 2)	Shopoff Investors VII Shopoff Investors IX	0.61	0.61	Land	Raw land	Hard Asset	La Quinta	CA	6/24/16	5.70	\$ 4,405,100	\$ 6,557,943	\$ 4,945,671	\$ (1,612,272)	-1.50%	0.75x	Closed
Program	Illinois MHC Partners, LLC	Shopoff Investors XIV	1.00	1.00	Commercial	MHC	Hard Asset	Bourbonnais Lincoln	IL	4/16/21	0.79	\$ 26,500,000	\$ 9,018,500	\$ 10,601,943	\$ 1,583,443	22.93%	1.18x	Closed
Program	SLF - KC Tower, LLC (Initial Option)	Shopoff Investors VII Shopoff Investors IX	1.00	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	11/21/14	6.94	\$ 9,750,000	\$ 14,638,427	\$ 10,196,853	\$ (4,441,574)	-9.23%	0.70x	Closed
Program	SPT Lake Elsinore Holdings - Meadowbrook	Shopoff General Partner	1.00	1.00	Land	Raw land	Hard Asset	Meadowbrook	CA	9/4/09	12.16	\$ 2,744,868	\$ 3,293,285	\$ 1,135,070	\$ (2,158,215)	-12.62%	0.34x	Closed
Program	Ventana Village Commercial		1.00	1.00	Commercial	Retail	Hard Asset	Oceanside	CA	5/7/21	0.40	\$ 500,000	\$ 39,393	\$ 356,707	\$ 317,314	35332.03%	9.06x	Closed
Program	Falcon Quarry	Shopoff Investors X Shopoff Investors XII	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	8/31/17	3.82	\$ 4,000,000	\$ 9,666,291	\$ 17,771,401	\$ 8,105,110	29.74%	1.84x	Closed
Program	TSG - Parcel 1, LLC (Part 1)	Shopoff Investors VII Shopoff Investors XII	0.18	0.73	Land	Covered Land	Hard Asset	Newport Beach	CA	2/14/14	6.88	NA	\$ 17,146,473	\$ 25,059,767	\$ 7,913,294	15.80%	1.46x	Closed
Program	TSG -Cherry Valley, LP	TSG GP	1.00	1.00	Land	Raw land	Hard Asset	Cherry Valley	CA	9/7/04	16.32	\$ 5,000,000	\$ 9,790,023	\$ 12,096,350	\$ 2,306,327	1.63%	1.24x	Closed
Program	SLF - Five Points, LLC	Shopoff Investors X Shopoff Investors XII	1.00	1.00	Land	Covered Land	Hard Asset	Whittier	CA	4/4/17	3.69	\$ 5,500,000	\$ 7,555,920	\$ 7,280,767	\$ (275,153)	-1.83%	0.96x	Closed
Program	The Resort at Taos Ski Valley, LLC	Shopoff Investors VII Shopoff Investors X	1.00	1.00	Land	Raw land	Hard Asset	Taos	NM	9/29/15	5.20	\$ -	\$ 8,071,875	\$ 7,000,826	\$ (1,071,049)	-4.00%	0.87x	Closed
Program	SLF - West Lincoln, LLC (Initial Option)	Shopoff Investors X Shopoff Investors XII	1.00	1.00	Land	Covered Land	Hard Asset	Anaheim	CA	12/20/18	1.90	\$ 9,250,000	\$ 4,243,051	\$ 6,372,952	\$ 2,129,900	35.57%	1.50x	Closed
Program	SPT Chino Hills	Shopoff General Partner	Listed Below	Listed Below	Land	Listed Below	Listed Below	Chino Hills	CA	11/5/09	11.65	\$ 4,004,180	\$ 3,915,200	\$ 1,891,245	\$ (2,023,955)	-7.27%	0.48x	Closed
Sub Program	SPT Chino Hills (Phase I)	Shopoff General Partner	0.80	0.80	Land	Raw land	Hard Asset	Chino Hills	CA	11/5/09	10.74	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	Closed
Sub Program	SPT Chino Hills (Phase II)	Shopoff General Partner	0.20	0.20	Land	Raw land	Hard Asset	Chino Hills	CA	11/5/09	11.65	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	See SPT Chino Hills	Closed
Program	SR 74 Commercial	Shopoff General Partner	1.00	2.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	9/4/09	10.66	\$ 272,679	\$ 310,146	\$ 322,743	\$ 12,597	0.43%	1.04x	Closed
Program	Rancho Village Partners, LLC	Shopoff Investors X Shopoff Investors XII	1.00	1.00	Land	Covered Land	Loan	Las Vegas	NV	6/21/18	1.67	\$ 3,500,000	\$ 4,216,090	\$ 7,815,261	\$ 3,599,170	51.79%	1.85x	Closed
Program	Done Deal investments, LLC	Shopoff Investors XII	1.00	1.00	Land	Covered Land	Loan	Phoenix	AZ	8/7/17	2.52	\$ 1,750,000	\$ 1,750,000	\$ 2,015,350	\$ 265,350	16.96%	1.15x	Closed
Program	SLF II - Ponto, L.P. (Initial Option)	Shopoff Investors VII Shopoff Investors IX Shopoff Investors IV Shopoff Investors X	0.00	0.00	Land	Raw land	Hard Asset	Carlsbad	CA	8/27/13	5.35	\$ 40,000,000	\$ 10,873,021	\$ -	\$ (10,873,021)	-100.00%	0.00x	Closed
Program	SPT AZ Land Holdings - Desert Moon (Phase I & II)	Shopoff General Partner	Listed Below	Listed Below	Land	Listed Below	Listed Below	Buckeye	AZ	7/31/09	12.00	\$ 6,765,094	\$ 8,002,159	\$ 6,519,048	\$ (1,483,111)	-3.08%	0.81x	Closed
Sub Program	SPT AZ Land Holdings - Desert Moon (Phase I)	Shopoff General Partner	0.34	0.34	Land	Raw Land	Hard Asset	Buckeye	AZ	7/31/09	10.16	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	SPT AZ Land Holdings - Desert Moon (Phase II)	Shopoff General Partner	0.35	0.35	Land	Raw Land	Hard Asset	Buckeye	AZ	7/31/09	11.17	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	Closed
Sub Program	SPT AZ Land Holdings - Desert Moon (Phase III)	Shopoff General Partner	0.30	0.30	Land	Raw Land	Hard Asset	Buckeye	AZ	7/31/09	12.00	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	See SPT - Desert Moon (Phase I & II)	Closed
Program	SLF - South Street, LLC	Shopoff Investors VII Shopoff Investors IX Shopoff Investors X	Listed Below	Listed Below	Land	Listed Below	Listed Below	Anaheim	CA	1/31/17	2.42	\$ 38,000,000	\$ 15,413,880	\$ 40,052,728	\$ 24,638,848	71.5%	2.60x	Closed
Sub Program	SLF - South Street, LLC (Part 1)	Shopoff Investors VII Shopoff Investors IX Shopoff Investors X	0.66	0.66	Land	Covered Land	Hard Asset	Anaheim	CA	01/31/17	1.42	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	Closed
Sub Program	SLF - South Street, LLC (Part 2)	Shopoff Investors VII Shopoff Investors IX Shopoff Investors X	0.34	0.34	Land	Covered Land	Hard Asset	Anaheim	CA	01/31/17	2.42	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	See SLF - South Street, LLC	Closed
Program	1875 N. Palm Canyon Partners II, LLC	Shopoff Investors XII	1.00	1.00	Land	Covered Land	Loan	Riverside	CA	7/17/18	0.75	\$ 750,000	\$ 750,000	\$ 941,788	\$ 191,788	35.44%	1.26x	Closed
Program	SCGIF II Skypointe LLC	Shopoff Investors VIII Shopoff Investors XIII	1.00	1.00	Commercial	Apartments	Hard Asset	Las Vegas	NV	9/29/16	2.42	\$ 72,600,000	\$ 23,543,486	\$ 31,073,222	\$ 7,529,736	14.90%	1.32x	Closed
Program	Clear Oak, LLC	Shopoff Investors XII	1.00	1.00	Land	Covered Land	Loan	N/A	N/A	11/7/18	0.07	\$ 100,000	\$ 100,000	\$ 101,767	\$ 1,767	26.72%	1.02x	Closed
Program	Bayside Investors LP	Shopoff Investors IV Shopoff Investors VII	1.00	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	11/12/15	2.93	\$ 22,000,000	\$ 12,270,198	\$ 10,729,766	\$ (1,540,432)	-4.71%	0.87x	Closed
Program	El Campo Real Estate, LP	Shopoff Investors XII	1.00	1.00	Land	Covered Land	Loan	N/A	N/A	10/4/17	0.83	\$ 200,000	\$ 200,000	\$ 226,227	\$ 26,227	17.04%	1.13x	Closed
Program	Spring Mountain Investments, LLC	Portfolio Partners	1.00	1.00	Land	Raw land	Hard Asset	Riverside	CA	4/1/16	2.26	\$ 3,000,000	\$ 1,626,348	\$ 1,215,000	\$ (411,348)	-6.05%	0.75x	Closed
Program	SLF - MHP El Monte, LLC	Shopoff Investors X Shopoff Investors XII Shopoff Investors IX	1.00	1.00	Land	Covered Land	Hard Asset	El Monte	CA	4/12/17	0.88	\$ 52,675,000	\$ 18,341,550	\$ 32,242,517	\$ 13,900,967	89.54%	1.76x	Closed
Program	SLF - Quarry Redeveloper, LLC (Initial Option)	Shopoff Investors VII Shopoff Investors IX	1.00	6.00	Land	Raw land	Hard Asset	Bernards Township, Basking Ridge	NJ	3/11/16	1.53	\$ 3,410,523	\$ 3,456,774	\$ 5,444,615	\$ 1,987,841	41.98%	1.58x	Closed
Program	SLF I - Delpy's Corner, LLC (Initial Option)	Shopoff Investors III	1.00	1.00	Land	Raw land	Hard Asset	Vista	CA	5/8/12	5.26	\$ 3,250,000	\$ 5,620,367	\$ 1,494,234	\$ (4,126,133)	-46.78%	0.27x	Closed
Program	SLF - Park Villas, LLC (Initial Option)	Shopoff Investors III Shopoff Investors II	1.00	1.00	Land	Raw land	Hard Asset	Oceanside	CA	6/3/12	5.11	\$ 6,500,000	\$ 4,828,157	\$ 2,216,930	\$ (2,611,227)	-57.04%	0.46x	Closed
Program	SLFII - 333 North Prairie, L.P.	Shopoff Investors IV	1.00	1.00	Land	Covered Land	Hard Asset	Inglewood	CA	12/27/13	3.36	\$ 20,000,000	\$ 14,219,577	\$ 14,816,220	\$ 596,643	1.70%	1.04x	Closed
Program	Grace Park Acquisitions, LP	SRI Managing Member, LLC	1.00	1.00	Land	Covered Land	Hard Asset	Inglewood	CA	5/8/17	0.00	\$ 33,750,000	\$ 3,200,100	\$ 6,380,637	\$ 3,180,537	NA	1.99x	Closed
Program	TSG-Morse Oceanside, LLC	Shopoff Investors III	1.00	1.00	Land	Raw land	Hard Asset	Oceanside	CA	9/29/11	5.14	\$ 2,600,000	\$ 3,693,322	\$ 3,192,399	\$ (500,923)	-7.60%	0.86x	Closed
Program	SPT - Vantage Point, LLC	SPT/SLF I	1.00	1.00	Land	Raw land	Hard Asset	Parker	CO	11/18/11	4.12	\$ 3,250,000	\$ 5,466,649	\$ 5,769,466	\$ 302,817	1.88%	1.06x	Closed
Program	El Campo Real Estate, L.P.	Shopoff Investors IV, LP	1.00	1.00	Land	Covered Land	Loan	Austin	TX	10/2/14	0.79	\$ 200,000	\$ 200,000	\$ 228,307	\$ 28,307	18.33%	1.14x	Closed
Program	TSG - Augusta Ranch, LP (Initial Option)		0.50	0.50	Commercial	Retail	Hard Asset	Mesa	AZ	04/09/13	1.89	\$ 9,630,360	\$ 1,385,000	\$ 2,042,000	\$ 657,000	35.0%	1.47x	Closed
Program	SSIF - Augusta Ranch, LLC (Initial Option)	Shopoff Investors V, LP	0.50	0.50	Commercial	Retail	Hard Asset	Mesa	AZ	04/09/13	1.89	\$ 2,407,590	\$ 321,000	\$ 521,000	\$ 200,000	37.0%	1.62x	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	Uptown Newport, LP	TSG Newport Class A (Individuals) TSG Newport Class B (SLF I)	1.00	1.00	Land	Covered Land	Hard Asset	Newport Beach	CA	12/22/10	3.15	\$ 23,500,000	\$ 28,000,000	\$ 64,722,057	\$ 36,722,057	33.8%	2.31x	Closed
Program	SPT Lake Elsinore Holding Co. LLC - Coffman	SPT Lake Elsinore Holding Co. LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	11/05/09	5.43	\$ 590,785	\$ 499,115	\$ 840,978	\$ 341,863	9.3%	1.68x	Closed
Program	SPT Lake Elsinore Holding Co. LLC - Wasson	SPT Lake Elsinore Holding Co. LLC	1.00	65.00	Land	Finished Lots	Hard Asset	Lake Elsinore	CA	04/17/09	0.80	\$ 650,000	\$ 1,311,000	\$ 2,035,000	\$ 724,000	109.0%	1.55x	Closed
Program	SPT Lake Elsinore Holding Co. LLC - Underwood	SPT Lake Elsinore Holding Co. LLC	1.00	1.00	Land	Raw Land	Hard Asset	Menifee	CA	05/14/09	1.99	\$ 2,370,760	\$ 1,954,000	\$ 4,083,000	\$ 2,129,000	54.0%	2.09x	Closed
Program	SPT Lake Elsinore Holding Co. LLC - Tuscany West	SPT Lake Elsinore Holding Co. LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	11/05/09	1.52	\$ 1,900,000	\$ 2,102,401	\$ 1,685,890	\$ (416,511)	-14.2%	0.80x	Closed
Program	SPT-SWRC - Winchester Ranch	SPT - SWRC	1.00	1.00	Land	Raw Land	Hard Asset	Winchester	CA	12/31/08	0.22	\$ 2,000,000	\$ 2,749,331	\$ 4,793,331	\$ 2,044,000	924.0%	1.74x	Closed
Program	TSG Platinum LP (Initial Option)	Shopoff Land Fund I	Listed Below	Listed Below	Land	Listed Below	Listed Below	Anaheim	CA	12/21/12	1.09	\$ 33,650,000	\$ 6,642,340	\$ 7,775,250	\$ 1,132,910	19.5%	1.17x	Closed
Sub Program	TSG Platinum LP - Platinum Vista	Shopoff Land Fund I	1.50	2.00	Land	Covered Land	Hard Asset	Anaheim	CA	12/21/12	1.09	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	Closed
Sub Program	TSG Platinum LP - Platinum Gateway	Shopoff Land Fund I	1.50	2.00	Land	Covered Land	Hard Asset	Anaheim	CA	02/28/13	0.00	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	See TSG Platinum LP	Closed
Program	TSG Canyon Vista LP	TSG GP	2.00	2.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	6/23/05	10.01	\$ 3,480,000	\$ 4,837,242	\$ 450,810	\$ (4,386,432)	-21.1%	0.09x	Closed
Program	Wasson Canyon Investments, LP	Wasson GP, LLC	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	07/25/03	1.93	\$ 12,755,850	\$ 8,380,177	\$ 19,305,238	\$ 10,925,061	31.9%	2.30x	Closed
Sub Program	Wasson Canyon Investments, LP - Chang/Wang/Chen	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	05/12/05	0.13	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - Henry	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	03/30/05	0.25	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - Matte	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	06/04/04	1.07	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - Tayir	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	01/03/05	0.48	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - TMP Inland Empire	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/05/03	1.56	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - TMP Tuscany	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/05/03	1.56	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - TMP Mortgage	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/05/03	1.56	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Sub Program	Wasson Canyon Investments, LP - Ziad	Wasson GP, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	02/27/04	1.33	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon	See Wasson Canyon Investments LP	See Wasson Canyon	See Wasson Canyon	Closed
Program	Wasson Canyon Investments II, LP	TSG Investors, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	06/30/05	9.09	\$ 300,000	\$ 1,315,046	\$ 4,869,968	\$ 3,554,922	316.4%	3.70x	Closed
Program	Wasson West LP	Wasson GP, LLC	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	04/09/04	10.32	\$ 1,925,000	\$ 3,246,670	\$ 824,384	\$ (2,422,286)	-98.0%	0.25x	Closed
Sub Program	Wasson West LP - Bartolotti	Wasson West LP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/22/06	7.61	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	Closed
Sub Program	Wasson West LP - Henderson	Wasson West LP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	04/09/04	10.32	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	Closed
Sub Program	Wasson West LP - Hernandez	Wasson West LP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	10/26/05	8.77	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	Closed
Sub Program	Wasson West LP - Newhouse	Wasson West LP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	08/31/05	8.92	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	Closed

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Sub Program	Wasson West LP - Pabon	Wasson West LP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	05/31/06	8.18	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	See Wasson West	Closed
Program	TSG Fund III, L.P.	TSG GP	1.00	1.00	Land	Raw Land	Loan	Lake Elsinore	CA	4/19/06	8.29	N/A	\$ 2,011,082	\$ 2,495,212	\$ 484,130	6.0%	1.24x	Closed
Program	TSG Kona Kahua, L.P.	TSG Kona GP	2.00	2.00	Land	Raw Land	Hard Asset	Kailua Kona	HI	10/02/06	4.38	\$ 5,086,358	\$ 3,500,000	\$ 399,768	\$ (3,100,232)	-72.7%	0.11x	Closed
Program	Abusamra-Peloton Partners, LP	Peloton Partners, LP	1.00	10.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	04/01/05	5.63	\$ 3,000,000	\$ 3,279,281	\$ 2,846,107	\$ (433,174)	-1.9%	0.87x	Closed
Program	WR - Ramsgate	ARF	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	1/28/98	11.78	\$ 8,390,000	\$ 13,251,771	\$ 47,037,720	\$ 33,785,949	22.7%	3.55x	Closed
Sub Program	WR - Ramsgate - Stonebridge Centex Sale	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	1/28/98	5.77	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Sub Program	WR - Ramsgate - Mitigation Land to County	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	1/28/98	5.04	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Sub Program	WR - Ramsgate - Fairfield Sale	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	1/28/98	6.65	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Sub Program	WR - Ramsgate - MBK Sale	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	1/28/98	8.80	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Sub Program	WR - Ramsgate - Tuscany-West & Crest & Little Valley	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	1/28/98	11.78	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Sub Program	WR - Ramsgate	ARF	0.167	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	06/01/04	0.14	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	See WR Ramsgate	Closed
Program	TSG Little Valley, LP	TSG GP	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	09/30/04	5.10	\$ 3,581,000	\$ 2,815,000	\$ 2,777,924	\$ (37,076)	-1.0%	0.99x	Closed
Sub Program	TSG Little Valley, LP - James Hayes	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	09/30/04	5.10	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Jose Cortes	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	08/09/05	4.24	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - David Garber	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	02/09/05	4.74	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Mike Rulifson	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	02/28/05	4.69	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Judy Weston	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/02/04	4.93	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Calvin Mank	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/02/04	4.93	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Kirby Humble	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	12/02/04	4.93	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Sub Program	TSG Little Valley, LP - Thomas Blake	TSG GP	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	02/28/05	4.69	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	See TSG Little Valley, LP	Closed
Program	TSG Waterview	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	03/30/07	0.92	\$ 2,500,000	\$ 1,772,000	\$ 2,539,000	\$ 767,000	44.0%	1.43x	Closed
Program	TSG El Toro, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	01/16/07	0.67	\$ 2,200,000	\$ 1,859,000	\$ -	\$ (1,859,000)	-100.0%	0.00x	Closed
Program	Two Tanglewood, Ltd	Tanglewood GP, LLC	1.00	1.00	Commercial	Storage	Hard Asset	Austin	TX	10/06/99	8.03	\$ 150,000	\$ 296,131	\$ 1,715,860	\$ 1,419,729	25.1%	5.79x	Closed
Program	Tanglewood Self Storage, Ltd	Shopoff Enterprises Inc.	1.00	1.00	Commercial	Storage	Hard Asset	Austin	TX	6/6/96	11.36	See Two Tanglewood, LTD	\$ 577,682	\$ 897,722	\$ 320,040	12.1%	1.55x	Closed
Program	MRF Carbon Canyon, LP		Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	11/10/98	11.15	\$ 10,124,584	\$ 15,493,152	\$ 3,981,944	\$ (11,511,208)	-74.3%	0.26x	Closed

Shopoff Realty Investments - Historical Performance, as of:

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Sub Program	MRF Carbon Canyon, LP - Kamps Trust/Chandler Trust		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	11/10/98	11.15	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Sub Program	MRF Carbon Canyon, LP - Ruth Trust		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	12/23/98	11.03	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Sub Program	MRF Carbon Canyon, LP - Warwick		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	8/27/99	10.36	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Sub Program	MRF Carbon Canyon, LP - Hayashi		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	11/4/02	7.16	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Sub Program	MRF Carbon Canyon, LP - Hayashi - AY United		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	11/4/02	7.16	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Sub Program	MRF Carbon Canyon, LP - Hayashi - Ishikawa		1.00	1.00	Land	Raw Land	Hard Asset	Brea	CA	11/4/02	7.16	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	See MRF Carbon Canyon, LP	Closed
Program	MRF Carbon Canyon II, LP	TSG Investors, LLC	2.00	2.00	Land	Raw Land	Hard Asset	Brea	CA	10/04/05	4.25	\$ 240,000	\$ 3,568,801	\$ -	\$ (3,568,801)	-100.0%	0.00x	Closed
Program	SEI Multi-Family Fund 2003, LP	NES Investments Inc.	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	01/22/03	3.43	\$ 14,150,000	\$ 751,000	\$ 1,008,015	\$ 257,015	10.3%	1.34x	Closed
Sub Program	SEI Multi-Family Fund 2003, LP - Sky Harbor Apartments	NES Investments Inc.	0.33	1.00	Commercial	Apartments	Hard Asset	Detroit	MI	01/22/03	3.43	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund 2003, LP	See SEI Multi-Family Fund	See SEI Multi-Family Fund	Closed
Sub Program	SEI Multi-Family Fund 2003, LP - Oasis West Apartments	NES Investments Inc.	0.33	1.00	Commercial	Apartments	Hard Asset	Phoenix	AZ	01/22/03	3.43	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund 2003, LP	See SEI Multi-Family Fund	See SEI Multi-Family Fund	Closed
Sub Program	SEI Multi-Family Fund 2003, LP - Scottsdale New Ventura	NES Investments Inc.	0.33	1.00	Commercial	Apartments	Hard Asset	Scottsdale	AZ	01/22/03	3.43	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund	See SEI Multi-Family Fund 2003, LP	See SEI Multi-Family Fund	See SEI Multi-Family Fund	Closed
Program	Springbrook Investments, LP	Highgrove Inc.	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	03/01/02	8.75	\$ 18,226,519	\$ 12,432,983	\$ 52,414,463	\$ 39,981,480	84.6%	4.22x	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	09/03/02	4.09	\$ 300,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	09/06/02	4.08	\$ 330,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	08/15/03	3.14	\$ 25,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	02/13/04	2.64	\$ 507,569	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	12/02/04	1.84	\$ 900,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	12/02/04	1.84	\$ 1,250,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	09/17/04	2.05	\$ 2,062,650	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	02/13/04	2.64	\$ 455,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	12/03/04	1.84	\$ 400,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, LP	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	09/03/02	4.07	\$ 6,230,219	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Program	Springbrook Investments II, LP	TSG Investors, LLC	1.00	1.00	Land	Raw Land	Hard Asset	Highgrove	CA	05/11/05	1.40	\$ -	\$ 704,500	\$ 5,287,402	\$ 4,582,902	713.0%	7.51x	Closed
Program	Springbrook South, LP	Highgrove Inc.	2.00	2.00	Land	Raw Land	Hard Asset	Highgrove	CA	08/04/06	0.00	\$ 644,358	\$ 186,829	\$ 1,850,852	\$ 1,664,023	477.9%	9.91x	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	03/31/06	3.43	\$ 7,346,300	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed

Shopoff Realty Investments - Historical Performance, as of:

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Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	05/26/06	3.28	\$ 650,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	09/26/06	2.94	\$ 1,497,300	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	06/02/06	3.26	\$ 23,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	06/02/06	3.26	\$ 100,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	03/31/06	3.43	\$ 1,000,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	06/02/06	3.26	\$ 211,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	06/02/06	3.26	\$ 223,500	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	03/31/06	3.43	\$ 108,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Perris	CA	03/31/06	3.43	\$ 200,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 235,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 255,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 631,500	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 689,500	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 250,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 261,500	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Meadowbrook Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/31/06	3.43	\$ 461,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Coffman Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Lake Elsinore	CA	01/31/06	3.59	\$ 1,650,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Kula Nei Project)	Highgrove Inc.	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	05/17/06	3.30	\$ 3,000,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Kula Nei Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Kona	HI	08/31/05	5.25	\$ 3,000,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Kula Nei Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Kona	HI	02/16/05	5.79	\$ 2,750,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Sub Program	Springbrook Investments, L.P. (Kula Nei Project)	Highgrove Inc.	1.00	1.00	Land	Raw Land	Hard Asset	Kona	HI	05/17/06	4.54	\$ 3,000,000	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	See Springbrook Investments, LP	Closed
Program	MRF - Groves Development LP (Spring Mountain Ranch)	ARF Partners Development Inc	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	03/28/98	7.70	\$ 15,083,500	\$ 9,827,899	\$ 32,220,010	\$ 22,392,111	28.5%	3.28x	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Stevning	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/28/98	5.79	\$ 1,376,079	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Lyon Trust	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	05/20/98	5.64	\$ 4,500,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Bee Ten	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	03/28/98	5.79	\$ 123,921	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed

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Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Latimier	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	11/08/02	1.17	\$ 3,350,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Tsai	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	11/08/02	1.17	\$ 450,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Cardy	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	11/08/02	1.17	\$ 300,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Drummond	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/03/04	1.01	\$ 450,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Martin	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/03/04	1.01	\$ 450,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Dunham	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	01/08/04	0.00	\$ 200,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Kiid Spring Street	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/02/04	1.02	\$ 500,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Kidd Center Street	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/02/04	1.02	\$ 1,917,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Kidd Springbrook Wash	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/02/04	1.02	\$ 575,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - County Waste Management	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/03/04	1.01	\$ 441,500	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Sub Program	MRF - Groves Development LP (Spring Mountain Ranch) - Washburn	ARF Partners Development Inc	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	12/02/04	1.02	\$ 450,000	See MRF - Groves (Spring	See MRF - Groves (Spring	See MRF - Groves (Spring Mountain Ranch)	See MRF - Groves (Spring Mountain)	See MRF - Groves (Spring Mountain)	Closed
Program	MRF Groves II, L.P.	Eastbridge GP LLC	1.00	1.00	Land	Raw Land	Hard Asset	Riverside	CA	11/08/02	1.17	\$ 3,800,000	\$ 2,242,458	\$ 6,985,599	\$ 4,743,141	39.3%	3.12x	Closed
Program	MRF Rockport	Asset Recovery Fund, Inc	1.00	1.00	Land	Raw Land	Hard Asset	N/A	TX	8/24/93	11.84	\$ 335,000	\$ 620,816	\$ 487,941	\$ (132,875)	-6.0%	0.79x	Closed
Program	MRF-North Central, L.P.	Mortgage Recovery Fund Inc.	1.00	3.00	Commercial	Apartments	Loan	San Antonio	TX	09/04/96	6.28	\$ 4,032,579	\$ 1,725,001	\$ 2,574,336	\$ 849,335	49.2%	1.49x	Closed
Program	Mortgage Recovery Fund - Cedar Run, Ltd.	Asset Recovery Fund, Inc	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	01/31/95	7.83	\$ 775,000	\$ 844,380	\$ 954,754	\$ 110,374	3.8%	1.13x	Closed
Sub Program	Mortgage Recovery Fund - Cedar Run LTD - Cedar Run	Mortgage Recovery Fund - Cedar Run LTD	0.50	1.00	Commercial	Apartments	Hard Asset	Odessa	TX	01/31/95	1.58	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	See Mortgage Recovery Fund - Cedar Run, Ltd.	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	Closed
Sub Program	Mortgage Recovery Fund - Cedar Run LTD - AA American Storage	Mortgage Recovery Fund - Cedar Run LTD	0.50	1.00	Commercial	Storage	Hard Asset	Odessa	TX	01/31/95	7.83	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	See Mortgage Recovery Fund - Cedar Run, Ltd.	See Mortgage Recovery Fund -	See Mortgage Recovery Fund -	Closed
Program	ST Fund, LP		0.50	1.00	Land	Raw Land	Loan	Orange County	CA	03/31/99	2.76	\$ 686,000	\$ 701,000	\$ 500,000	\$ (201,000)	-28.7%	0.71x	Closed
Program	Santiago Land Holdings, LP	ST Development	0.50	1.00	Land	Raw Land	Hard Asset	Orange County	CA	03/31/99	2.40	\$ 12,888,300	\$ 1,739,709	\$ 1,545,699	\$ (194,010)	-11.2%	0.89x	Closed
Program	MRF Hollywood News, LP	MRF	1.00	1.00	Commercial	Office	Hard Asset	Los Angeles	CA	12/30/97	3.73	\$ 2,779,000	\$ 1,025,500	\$ 3,338,272	\$ 2,312,772	37.5%	3.26x	Closed
Program	MAP AZ-7706, L.P. (Palo Verde Apts.)	ARF Map AZ 7706 Inc.	1.00	1.00	Commercial	Apartments	Hard Asset	Phoenix	AZ	05/15/98	3.60	\$ 4,100,000	\$ 344,325	\$ 51,027	\$ (293,298)	-85.2%	0.15x	Closed
Program	Texas Land Company Bedford Center, Ltd	Brown Trail Center	1.00	1.00	Commercial	Retail	Hard Asset	Austin	TX	6/2/98	3.09	\$ 5,350,000	\$ 1,475,101	\$ 2,665,899	\$ 1,190,798	26.4%	1.81x	Closed
Program	L&A Michigan Partners, LTD	Loan Star Retail Recovery, Inc	1.00	1.00	Commercial	Retail	Hard Asset	San Antonio	TX	7/16/98	3.06	\$ 10,200,000	\$ 1,760,118	\$ 875,234	\$ (884,884)	-50.3%	0.50x	Closed
Program	1994 S Dallas Associates, L.P.	1994-S Dallas GP Corp	1.00	125.00	Commercial	SFR	Loan	N/A	NA	09/28/94	5.26	\$ 46,000,000	\$ 12,603,952	\$ 17,680,752	\$ 5,076,800	19.5%	1.40x	Closed
Program	1994 Land Fund II-Dallas 1, LP (Project)	Mortgage Recovery Fund - Land Fund Dallas LP	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	11/10/94	10.15	\$ 18,826,372	\$ 4,706,593	\$ 16,870,663	\$ 12,164,070	28.5%	3.58x	Closed

Shopoff Realty Investments - Historical Performance, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Georgetown	TX	11/10/94	2.01	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Georgetown	TX	11/10/94	4.97	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Caldwell	TX	11/10/94	4.88	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Royce City	TX	11/10/94	1.67	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Georgetown	TX	11/10/94	5.39	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Carrollton	TX	11/10/94	0.78	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Georgetown	TX	11/10/94	0.75	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Denton	TX	11/10/94	1.53	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Forth Worth	TX	11/10/94	1.12	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	San Antonio	TX	11/10/94	5.96	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Wylie	TX	11/10/94	5.75	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Georgetown	TX	11/10/94	5.75	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Wylie	TX	11/10/94	5.73	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Wylie	TX	11/10/94	5.45	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	San Antonio	TX	11/10/94	5.06	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	San Antonio	TX	11/10/94	4.78	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	San Antonio	TX	11/10/94	2.12	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	2.07	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.73	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.82	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.38	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.64	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Wylie	TX	11/10/94	4.41	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.25	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	Office	Loan	Carrollton	TX	11/10/94	1.11	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed

Shoppoff Realty Investments - Historical Performance, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	El Paso	TX	11/10/94	0.18	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	1.09	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.98	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.96	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.92	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.90	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.88	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.86	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.81	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.77	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Commercial	SFR	Loan	Grand Prairie	TX	11/10/94	0.77	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Harris County	TX	11/10/94	3.32	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	Jefferson Parish	LA	11/10/94	2.14	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Sub Program	1994 Land Fund II-Dallas 1, LP	Mortgage Recovery Fund - Land Fund Dallas LP	0.03	1.00	Land	Raw Land	Loan	N/A	NA	11/10/94	1.59	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1, LP (Project)	See 1994 Land Fund II-Dallas 1,	See 1994 Land Fund II-Dallas 1,	Closed
Program	MRF Way Forest	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Hard Asset	Houston	TX	05/27/93	1.41	\$ 2,764,288	\$ 2,525,939	\$ 3,334,238	\$ 808,299	28.0%	1.32x	Closed
Program	WR Santa Fe Railroad	White Rock Acquisition Co. LP	Listed Below	Listed Below	Land	Listed Below	Listed Below	Listed Below	Listed Below	12/03/97	6.04	\$ 2,253,000	\$ 3,452,706	\$ 3,847,219	\$ 394,513	11.0%	1.11x	Closed
Sub Program	WR Santa Fe Railroad - Parcel 1	White Rock Acquisition Co. LP	0.25	1.00	Land	Raw Land	Hard Asset	San Bernardino	CA	12/19/97	5.99	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	Closed
Sub Program	WR Santa Fe Railroad - Parcel 2	White Rock Acquisition Co. LP	0.25	1.00	Land	Raw Land	Hard Asset	San Bernardino	CA	12/19/97	5.99	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	Closed
Sub Program	WR Santa Fe Railroad - Parcel 3	White Rock Acquisition Co. LP	0.25	1.00	Land	Raw Land	Hard Asset	San Bernardino	CA	12/19/97	5.99	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	Closed
Sub Program	WR Santa Fe Railroad - Parcel 4	White Rock Acquisition Co. LP	0.25	1.00	Land	Raw Land	Hard Asset	San Bernardino	CA	02/25/98	5.81	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	See WR Santa Fe Railroad	Closed
Program	MRF-Atlanta Pools, LP	Asset Recovery Fund, Inc	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	03/08/95	6.57	\$ 5,164,702	\$ 4,603,000	\$ 4,445,501	\$ (157,499)	-3.4%	0.97x	Closed
Sub Program	MRF - Atlanta Pools, LP - 3240 Douglas Road	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Miami	FL	08/26/96	5.04	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 2030 N Carpenter Road	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Titusville	FL	08/25/95	4.04	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - Oakvale Heights Subdivision (14 lots & 34 acres)	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	08/01/95	0.45	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1022	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.41	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	MRF - Atlanta Pools, LP - 1030	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.20	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1047	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.75	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1075	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.79	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1069	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.33	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1100	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.39	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1070	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.39	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1071	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.39	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1093	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.45	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1006	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.56	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1014	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.18	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1055	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.71	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1028/1029	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	1.34	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1011	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	1.04	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1027	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	1.10	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Sub Program	MRF - Atlanta Pools, LP - 1062	Asset Recovery Fund, Inc	0.05	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	1.46	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	See MRF-Atlanta Pools, LP	Closed
Program	MRF Atlanta 20, L.P.	Asset Recovery Fund, Inc	1.00	1.00	Commercial	SFR	Loan	Decatur	GA	03/13/95	0.33	N/A	\$ 948	\$ -	\$ (948)	-100.0%	0.00x	Closed
Program	MRF Atlanta 5, LTD	Asset Recovery Fund, Inc	1.00	1.00	Commercial	Apartments	Loan	Orlando	FL	12/1/95	0.55	\$ 1,501,944	\$ 1,502,705	\$ 1,748,717	\$ 246,012	16.3%	1.16x	Closed
Program	MRF Atlanta 1, LTD	Asset Recovery Fund, Inc	1.00	2.00	Land	Raw Land	Loan	Lake Ridge	VA	01/01/96	3.61	\$ 2,050,851	\$ 1,397,840	\$ 180,119	\$ (1,217,721)	-87.1%	0.13x	Closed
Program	MRF - 1995 NP2C, LP	Mortgage Recovery Fund - Land Fund Inc.	1.00	30.00	Land	Raw Land	Loan	VAR	TX	09/29/95	6.09	N/A	\$ 2,250,070	\$ 5,631,449	\$ 3,381,379	75.9%	2.50x	Closed
Program	MRF Pool 73A and B	Asset Recovery Fund, Inc	Listed Below	Listed Below	Commercial	SFR	Listed Below	Lewisville/Dallas	TX	Listed Below	Listed Below	\$ 2,300,000	\$ 1,793	\$ 420,832	\$ 419,039	37479.0%	234.71x	Closed
Sub Program	MRF Pool 73A	Asset Recovery Fund, Inc	0.59	34.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.28	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 1566	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.24	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 3683	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.75	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 4923	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.52	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6681	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.10	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	MRF Pool 73B - 6838	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.88	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 7664	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 7721	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.72	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 7783	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 5270	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 9033	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.44	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 1639	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	3.05	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 5292	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.71	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 5338	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	2.12	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6677	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.10	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6703	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6728	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6730	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6731	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.30	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6732	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6745	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 6783	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.29	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B -1204	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.56	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B - 1571	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	1.59	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Sub Program	MRF Pool 73B -3943	Asset Recovery Fund, Inc	0.02	1.00	Commercial	SFR	Loan	Lewisville/Dallas	TX	12/13/95	0.64	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	See MRF Pool 73 A and B	Closed
Program	MRF Eastchase, LP	Asset Recovery Fund, Inc	1.00	1.00	Commercial	Apartments	Hard Asset	Fort Worth	TX	5/15/97	2.81	\$ 750,000	\$ 884,284	\$ 545,728	\$ (338,556)	-38.3%	0.62x	Closed
Program	MRF Denver	Asset Recovery Fund, Inc	1.00	1.00	Commercial	Office	Hard Asset	Aurora	CO	7/6/93	2.92	\$ 120,000	\$ 208,000	\$ 266,130	\$ 58,130	8.8%	1.28x	Closed
Program	WR - Post Oak Place	Asset Recovery Fund, Inc	1.00	1.00	Commercial	Office	Hard Asset	Houston	TX	04/09/98	2.15	\$ 5,351,000	\$ 5,415,539	\$ 5,428,515	\$ 12,976	0.2%	1.00x	Closed
Program	WR - Chino Hills	White Rock Acquisition Co. LP	1.00	1.00	Land	Raw Land	Loan	San Bernardino	CA	06/28/99	5.99	\$ 2,238,000	\$ 3,405,426	\$ 1,669,751	\$ (1,735,675)	-50.0%	0.49x	Closed
Program	WR - Casa Feliz	White Rock Acquisition Co. LP	1.00	1.00	Commercial	Apartments	Hard Asset	Tucson	AZ	01/29/98	1.56	\$ 4,000,000	\$ 4,225,000	\$ 5,030,322	\$ 805,322	19.0%	1.19x	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	MRF - Lanai, LP	Mortgage Recovery Fund - Land Fund, Inc	1.00	1.00	Land	Raw Land	Hard Asset	Lanai	HI	2/11/98	2.49	\$ 2,695,000	\$ 1,401,000	\$ 1,017,000	\$ (384,000)	-27.4%	0.73x	Closed
Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	05/16/94	3.13	\$ 3,047,000	\$ 1,343,573	\$ 1,782,268	\$ 438,695	11.2%	1.33x	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.02	1.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.58	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.03	2.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.66	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.02	1.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.71	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.27	18.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.83	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.20	13.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.84	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.03	2.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	2.02	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.02	1.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	2.19	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.02	1.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	1.79	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Sub Program	MRF-Catalina West, Ltd.	Asset Recovery Fund Joint Venture	0.41	27.00	Commercial	SFR	Hard Asset	Houston	TX	05/16/94	2.08	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West,	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	See MRF-Catalina West, LTD	Closed
Program	MRF-Fort Knox, LTD	Mortgage Recovery Fund Inc.	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	6/1/94	1.77	\$ 475,000	\$ 222,162	\$ 429,740	\$ 207,578	41.7%	1.93x	Closed
Sub Program	MRF-Fort Knox, LTD - Military Parkway	Mortgage Recovery Fund Inc.	0.50	1.00	Commercial	Storage	Hard Asset	Dallas	TX	6/1/94	1.77	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	Closed
Sub Program	MRF-Fort Knox, LTD - Maddox Avenue	Mortgage Recovery Fund Inc.	0.50	1.00	Commercial	Storage	Hard Asset	Dallas	TX	6/1/94	1.77	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	See MRF-Fort Knox, LTD	Closed
Program	MRF-Sunrise, Ltd.	Asset Recovery Fund, Inc	1.00	22.00	Land	Raw Land	Hard Asset	Round Rock	TX	03/10/95	3.38	\$ 142,576	\$ 400,000	\$ 502,850	\$ 102,850	12.5%	1.26x	Closed
Program	MRF 3939, LTD	Retail Asset Investment Fund, Inc	1.00	1.00	Commercial	Retail	Hard Asset	Houston	TX	4/5/95	2.40	\$ 1,500,000	\$ 1,721,000	\$ 2,458,246	\$ 737,246	26.8%	1.43x	Closed
Program	MRF-Spring Village, L.P	Mortgage Recovery Fund Inc.	1.00	1.00	Commercial	Apartments	Hard Asset	San Bernardino	CA	3/7/97	2.68	\$ 4,000,000	\$ 2,529,929	\$ 1,540,800	\$ (989,129)	-39.1%	0.61x	Closed
Program	MRF - KWS, L.P.	Asset Recovery Fund, Inc	1.00	3.00	Commercial	Retail	Loan	VAR	VAR	10/08/97	0.69	\$ 1,684,605	\$ 351,000	\$ 550,650	\$ 199,650	56.9%	1.57x	Closed
Program	MRF Pool 208, LTD	Asset Recovery Fund Joint Venture	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	09/01/93	4.89	\$ 535,000	\$ 580,223	\$ 897,287	\$ 317,064	14.6%	1.55x	Closed
Sub Program	MRF Pool 208, LTD - 4300 Frederickburg	Asset Recovery Fund Joint Venture	0.50	1.00	Commercial	Apartments	Loan	San Antonio	TX	09/01/93	2.99	\$ 317,379	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	Closed
Sub Program	MRF Pool 208, LTD - 5519 East Helene Street	Asset Recovery Fund Joint Venture	0.50	1.00	Commercial	Apartments	Loan	Tucson	AZ	09/01/93	4.89	\$ 255,170	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	See MRF Pool 208, LTD	Closed
Program	MRF Malibu		1.00	1.00	Commercial	Apartments	Loan	Malibu	CA	12/21/95	0.17	\$ 2,306,047	\$ 100,000	\$ 800,000	\$ 700,000	283.0%	8.00x	Closed
Program	MRF WFBB, LP	Mortgage Recovery Fund, Inc	1.00	1.00	Commercial	Retail	Hard Asset	Missouri City	TX	12/02/97	2.03	\$ 1,650,000	\$ 1,177,690	\$ 1,124,555	\$ (53,135)	-4.6%	0.95x	Closed
Program	MRF I, LTD	Asset Recovery Fund Joint Venture	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	7/7/92	4.07	\$ 301,844	\$ 409,668	\$ 484,169	\$ 74,501	9.1%	1.18x	Closed
Sub Program	MRF I, LTD - 121 Saddle Club	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Boerne	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Sub Program	MRF I, LTD - Lot 4, Westwood Drive	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Comfort	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 5306 Vista Court (Lot 40, Block 3, Vista Subdivision, Unit 4)	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	San Antonio	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 7880 Micron, Unit 3250	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	San Antonio	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 223 Tampico Street	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	San Marcos	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 3711 Spring Ranch	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Round Rock	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 7400 Crystalbrook Drive	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Austin	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 210 Woodmont	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Georgetown	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - 614 Frey Rd	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Boerne	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Sub Program	MRF I, LTD - Lot 2 4th St.	Asset Recovery Fund Joint Venture	0.10	1.00	Commercial	SFR	Loan	Johnson City	TX	7/7/92	4.07	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	See MRF I, LTD	Closed
Program	ARF I JV		1.00	1.00	Commercial	Apartments	Loan	Tucson	AZ	10/28/92	1.34	\$ 85,000	\$ 90,000	\$ 350,000	\$ 260,000	6.0%	3.89x	Closed
Program	Walburg (No Verifiable information)		1.00	21.00	Commercial	SFR	Loan	Georgetown	TX	01/26/96	0.00	\$ 1,911,187	\$ 1,911,187	\$ 1,968,523	\$ 57,336	3.0%	1.03x	Closed
Program	Elbo Properties (No Verifiable Info)		1.00	12.00	Commercial	SFR	Loan	Austin/San Antonio	TX	01/01/92	3.00	\$ -	\$ 340,000	\$ 650,000	\$ 310,000	91.0%	1.91x	Closed
Program	Fabur (No verifiable info)		1.00	10.00	Commercial	SFR	Loan	Austin/San Antonio	TX	01/01/92	3.00	\$ -	\$ 375,000	\$ 547,500	\$ 172,500	46.0%	1.46x	Closed
Program	MRF - Alameda, L.P.	Mortgage Recovery Fund, Inc	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	03/26/97	0.35	\$ 4,000,000	\$ 1,755,985	\$ 2,838,516	\$ 1,082,531	321.5%	1.62x	Closed
Sub Program	MRF - Alameda, L.P. - 1050 Stanford	Mortgage Recovery Fund, Inc	0.50	1.50	Commercial	Industrial	Loan	Los Angeles	CA	03/26/97	0.35	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	Closed
Sub Program	MRF - Alameda, L.P. - 4444 Pacific Blvd	Mortgage Recovery Fund, Inc	0.50	1.50	Commercial	Industrial	Loan	Los Angeles	CA	03/26/97	0.31	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	See MRF - Alameda, L.P.	Closed
Program	MRF-Highland, Ltd. (Project)	Mortgage Recovery Fund, Inc	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	08/26/93	1.01	\$ 2,150,000	\$ 2,250,000	\$ 3,042,566	\$ 792,566	35.0%	1.35x	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.30	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.23	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.28	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.30	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.42	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.03	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.30	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.32	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed

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Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.55	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.41	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.44	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.54	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.39	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.28	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	1.00	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.90	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.27	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.47	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.57	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.60	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.82	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.35	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.75	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	1.01	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.64	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.96	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.55	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.80	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.54	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.59	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Sub Program	MRF-Highland, Ltd.	Mortgage Recovery Fund, Inc	0.03	1.00	Commercial	SFR	Loan	Austin	TX	08/26/93	0.34	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd	See MRF-Highland, Ltd (Project)	See MRF-Highland, Ltd	See MRF-Highland, Ltd	Closed
Program	MRF Pool 196, LTD	Asset Recovery Fund Joint Venture	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	9/2/93	3.10	\$ 6,450,000	\$ 782,799	\$ 1,387,669	\$ 604,870	50.6%	1.77x	Closed
Sub Program	MRF Pool 196, LTD - 1900 Estrada Parkway	Asset Recovery Fund Joint Venture	0.33	1.00	Commercial	Apartments	Loan	Irving	TX	12/09/93	2.83	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	Closed

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Sub Program	MRF Pool 196, LTD - 305 S. San Patricio Avenue	Asset Recovery Fund Joint Venture	0.33	1.00	Commercial	Apartments	Loan	Sinton	TX	2/01/94	1.75	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	Closed
Sub Program	MRF Pool 196, LTD - 1950 Oak Creek Ln	Asset Recovery Fund Joint Venture	0.33	1.00	Commercial	Apartments	Loan	Bedford	TX	9/3/93	0.28	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	See MRF Pool 196, Ltd	Closed
Program	MRF-Riverbend, Ltd	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Loan	West Columbia	SC	10/13/93	2.28	\$ 2,400,800	\$ 2,965,864	\$ 6,437,295	\$ 3,471,431	33.8%	2.17x	Closed
Program	MRF Timberline	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Office	Loan	Wallingwood	TX	01/29/93	1.62	\$ 1,600,000	\$ 2,600,000	\$ 4,464,000	\$ 1,864,000	72.0%	1.72x	Closed
Program	MRF-Summertree, Ltd.	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Loan	Odessa	TX	03/01/94	2.58	\$ 325,000	\$ 469,172	\$ 887,661	\$ 418,489	43.0%	1.89x	Closed
Program	MRF-Cedar Cove, Ltd.	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Loan	Houston	TX	03/03/94	1.82	\$ 875,000	\$ 1,320,504	\$ 1,369,627	\$ 49,123	2.0%	1.04x	Closed
Program	MRF-Rushcreek, Ltd.	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Loan	Houston	TX	05/31/94	0.01	\$ 1,251,000	\$ 2,000,000	\$ 3,014,120	\$ 1,014,120	81.1%	1.51x	Closed
Program	MRF-Mesa, LTD	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Office	Loan	Mesa	AZ	06/24/94	1.87	\$ 467,837	\$ 450,000	\$ 810,439	\$ 360,439	22.3%	1.80x	Closed
Program	MRF Clear Lake, LTD	RAIF Partners, Inc	1.00	1.00	Commercial	Retail	Loan	Houston	TX	04/04/95	4.02	\$ 1,952,000	\$ 1,535,000	\$ 1,507,867	\$ (27,133)	-1.8%	0.98x	Closed
Program	MRF-Village Glen, Ltd.	Asset Recovery Fund, Inc	1.00	1.00	Commercial	Apartments	Loan	Austin	TX	05/02/95	0.66	\$ 4,178,518	\$ 1,501,015	\$ 1,960,810	\$ 459,795	85.0%	1.31x	Closed
Program	Praedium Odessa L.P.	Asset Recovery Fund, Inc	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	11/14/95	0.79	\$ 2,275,000	\$ 2,275,000	\$ 3,008,460	\$ 733,460	28.0%	1.32x	Closed
Sub Program	Mortgage Recovery - Cedar Run LTD - Cedar Run	Asset Recovery Fund, Inc	0.25	1.00	Commercial	Apartments	Loan	Odessa	TX	11/14/95	0.79	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	Closed
Sub Program	Praedium Odessa L.P. - Hyde Park	Asset Recovery Fund, Inc	0.25	1.00	Commercial	Apartments	Loan	Midland	TX	11/14/95	0.79	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	Closed
Sub Program	Praedium Odessa L.P. - Villa East	Asset Recovery Fund, Inc	0.25	1.00	Commercial	Apartments	Loan	Odessa	TX	11/14/95	0.79	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	Closed
Sub Program	Praedium Odessa L.P. - Winwood	Asset Recovery Fund, Inc	0.25	1.00	Commercial	Apartments	Loan	Odessa	TX	11/14/95	0.79	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	See Praedium Odessa LP	Closed
Program	Playa Pacifica	Credit Suisse First Boston Mortgage Capital Corp	1.00	1.00	Commercial	Apartments	Loan	Hermosa Beach	CA	08/22/96	1.20	\$ -	\$ 16,000,000	\$ 19,026,333	\$ 3,026,333	16.4%	1.19x	Closed
Program	Flatiron Corporation (Franklin Village)	Credit Suisse First Boston Mortgage Capital Corp	4.00	308.00	Commercial	Apartments	Loan	Alta Loma	CA	03/03/94	3.58	\$ 11,993,100	\$ 15,413,801	\$ 17,025,991	\$ 1,612,190	10.5%	1.10x	Closed
Program	Maxxam (Credit Suisse)	Credit Suisse First Boston Mortgage Capital Corp	1.00	4.00	Commercial	Apartments	Loan	No property associated - loans only	NA	08/21/96	1.52	\$ 13,000,000	\$ 12,995,521	\$ 15,870,902	\$ 2,875,381	22.0%	1.22x	Closed
Program	MRF Paradise (Paradise Apartments)	Asset Recovery Fund Joint Venture	1.00	1.00	Commercial	Apartments	Loan	Phoenix	AZ	10/22/92	0.35	\$ 117,150	\$ 117,150	\$ 154,150	\$ 37,000	26.0%	1.32x	Closed
Program	MRF Chimayo (Project)	Asset Recovery Fund Joint Venture	Listed Below	Listed Below	Commercial	Listed Below	Listed Below	Listed Below	Listed Below	07/22/93	4.21	\$ 440,000	\$ 425,000	\$ 525,000	\$ 100,000	24.0%	1.24x	Closed
Sub Program	MRF Chimayo - 7804 Chimayo	Asset Recovery Fund Joint Venture	0.20	1.00	Commercial	Apartments	Loan	Austin	TX	07/22/93	4.21	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo (Project)	See MRF Chimayo	See MRF Chimayo	Closed
Sub Program	MRF Chimayo - 7805 Chimayo	Asset Recovery Fund Joint Venture	0.20	1.00	Commercial	Apartments	Loan	Austin	TX	07/22/93	4.21	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo (Project)	See MRF Chimayo	See MRF Chimayo	Closed
Sub Program	MRF Chimayo - 7806 Chimayo	Asset Recovery Fund Joint Venture	0.20	1.00	Commercial	Apartments	Loan	Austin	TX	07/22/93	4.21	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo (Project)	See MRF Chimayo	See MRF Chimayo	Closed
Sub Program	MRF Chimayo - 7807 Chimayo	Asset Recovery Fund Joint Venture	0.20	1.00	Commercial	Apartments	Loan	Austin	TX	07/22/93	4.21	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo (Project)	See MRF Chimayo	See MRF Chimayo	Closed
Sub Program	MRF Chimayo - 7808 Chimayo	Asset Recovery Fund Joint Venture	0.20	1.00	Commercial	Apartments	Loan	Austin	TX	07/22/93	4.21	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo	See MRF Chimayo (Project)	See MRF Chimayo	See MRF Chimayo	Closed

Shopoff Realty Investments - Historical Performance, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	# of Purchase Transactions	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
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TAX CREDIT PROGRAMS

The Low Income Housing Tax Credit (LIHTC or Tax Credit) program was created by the Tax Reform Act of 1986 as an alternate method of funding housing for low- and moderate-income households, and has been in operation since 1987. Until 2000, each state received a tax credit of \$1.25 per person that it can allocate towards funding housing that meets program guidelines (currently, legislation is pending to increase this per capita allocation). This per capita allocation was raised to \$1.50 in 2001, to \$1.75 in 2002, and adjusted for inflation beginning in 2003. These tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. The tax credits are determined by the development costs, and are used by the owner. However, often, because of IRS regulations and program restrictions, the owner of the property will not be able to use all of the tax credits, and therefore, many LIHTC properties are owned by limited partnership groups that are put together by syndicators. In this manner, a variety of companies and private investors participate within the LIHTC program, investing in housing development and receiving credit against their federal tax liability in return.

Tax Credits must be used for new construction, rehabilitation, or acquisition and rehabilitation and projects must also meet the following requirements:

20 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 50 percent or less of area median gross income or 40 percent or more of the residential units in the project are both rent restricted and occupied by individuals whose income is 60 percent or less of area median gross income.

When the LIHTC program began in 1987, properties receiving tax credits were required to stay eligible for 15 years. This eligibility time period has since been increased to 30 years.

As detailed below by asset, each LIHTC program has produced aggregate losses which are a combination of operational deficits and depreciation. However, our limited partners have received 100% of the projected tax credits as underwritten despite the ongoing operating deficits at each entity. Through 2005, \$7,736,247 in tax credits have been delivered by the sponsor to the program members. In addition, the operating deficits have continued to be funded by our sponsor under the guarantee imbedded in the limited partnership agreement. ROI on this type of program is not the measure of success, as the partnerships are designed to create tax losses as well as to provide tax credits to the limited partners.

Program/ Sub Program	Program Name	General Partner	# of Purchases	# of Assets	Investment Strategy	Asset Class	Loan/Hard Asset	City	State	Acq. Date	Years Held	Acquisition Price	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	Arbor Apartments Lp	Asset Recovery Fund Joint Venture	1.00	1.00	Tax Credit	Apartments	Hard Asset	Little Rock	AR	2/28/98	10.85	NA	\$ 1,965,168	NA	\$ (2,799,153)	NA	NA	Closed
Program	Arbor Place II, Lp	Asset Recovery Fund Joint Venture	1.00	1.00	Tax Credit	Apartments	Hard Asset	Little Rock	AR	12/30/98	10.01	\$ 75,000	\$ 1,399,729	NA	\$ (2,616,761)	NA	NA	Closed
Program	MAP AZ-980, L.P. (Scottsdale Apts.)	Asset Recovery Fund Joint Venture	1.00	1.00	Tax Credit	Apartments	Hard Asset	Scottsdale	AZ	5/1/98	8.67	\$ 4,000,000	\$ 1,458,240	NA	\$ (1,176,761)	NA	NA	Closed
Program	MRF Map 15001	Asset Recovery Fund Joint Venture	1.00	1.00	Tax Credit	Apartments	Hard Asset	Romulus	MI	9/22/99	10.28	\$ 8,150,000	\$ 10,729,227	NA	\$ (10,729,227)	NA	NA	Closed
Program	MAP AZ-5235, L.P. (Camelback Apts.)	Asset Recovery Fund Joint Venture	1.00	1.00	Tax Credit	Apartments	Hard Asset	Phoenix	AZ	5/1/98	8.67	\$ 2,000,000	\$ 766,952	NA	\$ (2,478,468)	NA	NA	Closed

Shopoff Realty Investments - On-Going Affiliate Notes, as of:

9/30/2022

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Program/ Sub Program	Program Name	General Partner	Shopoff Limited Partners	Investment Strategy	Asset Class	Loan/Hard Asset	Acq. Date	Total Equity Invested	Status
Program	SCGIF II - Franklin, LLC Note	Shopoff Investors XIII	SCGIF III	Commercial	Note	Loan	5/5/20	\$ 614,839	Open
Program	SLF - Moss Street, LLC Note	Shopoff Investors XII	SLF V	Land	Note	Loan	2/28/20	\$ 7,417,420	Open
Program	SCGIF II - Franklin, LLC	Shopoff Investors VIII	SCGIF II	Commercial	Note	Loan	6/1/19	\$ 3,329,710	Open
Program	SCGIF II - Desplaines, LLC Note	Shopoff Investors VIII	SCGIF II	Commercial	Note	Loan	4/30/18	\$ 3,658,266	Open
Program	SCGIF II - Iron Horse Owner, LLC Note	Shopoff Investors XIII	SCGIF III	Commercial	Note	Loan	1/22/18	\$ 3,144,000	Open
Program	2100 Q Street TIC 1 Owner, LLC Note	Shopoff Investors XIII	SCGIF III	Commercial	Note	Loan	8/31/17	\$ 675,000	Open
Program	SCF - 4440 Von Karman, LLC Note	Shopoff Investors XIII	SCGIF III	Commercial	Note	Loan	8/3/17	\$ 2,818,245	Open
Program	SCF - Coon Rapids, LLC Note	Shopoff Investors VIII	SCGIF II	Commercial	Note	Loan	4/21/17	\$ 2,560,000	Open

Shopoff Realty Investments - Historical Performance of Affiliate Note 9/30/2022

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Program/ Sub Program	Program Name	General Partner	Investment Strategy	Asset Class	Loan/Hard Asset	Acq. Date	Years Held	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	SSIF - Camino LP, Note	Shopoff Investors XIII	Commercial	Note	Loan	4/21/17	5.16	\$ 1,055,700	\$ 1,335,272	\$ 279,572	9.21%	1.26x	Closed
Program	SCGIF II - Hebron, LLC Note	Shopoff Investors XIII	Commercial	Note	Loan	9/25/18	3.64	\$ 879,316	\$ 1,326,072	\$ 446,756	11.62%	1.51x	Closed
Program	SCGIF II - Iron Horse Owner, LLC Note	Shopoff Investors VIII	Commercial	Note	Loan	3/8/19	3.16	\$ 2,330,000	\$ 3,165,993	\$ 835,993	11.57%	1.36x	Closed
Program	SCF - Coon Rapids, LLC Note	Shopoff Investors VIII	Commercial	Note	Loan	3/4/20	1.64	\$ 367,550	\$ 432,143	\$ 64,593	12.73%	1.18x	Closed
Program	SCF - Coon Rapids, LLC Note	Shopoff Investors XIII	Commercial	Note	Loan	9/19/19	2.09	\$ 255,000	\$ 319,582	\$ 64,582	12.29%	1.25x	Closed
Program	MRF Groves Development, L.P. Note	Shopoff Investors XII	Land	Note	Loan	1/24/20	1.09	\$ 998,400	\$ 1,066,808	\$ 68,408	14.34%	1.07x	Closed
Program	TSG - Cherry Valley. LP Note	Shopoff Investors IV	Land	Participating Note	Loan	5/29/14	6.60	\$ 1,000,000	\$ 2,260,775	\$ 1,260,775	13.80%	2.26x	Closed
Program	TSG - Cherry Valley. LP Note	Shopoff Investors VII	Land	Participating Note	Loan	3/23/15	5.78	\$ 1,000,000	\$ 2,101,185	\$ 1,101,185	14.43%	2.10x	Closed
Program	TSG - Cherry Valley. LP Note	Shopoff Investors X	Land	Participating Note	Loan	12/29/15	5.01	\$ 2,401,422	\$ 4,262,311	\$ 1,860,889	15.84%	1.77x	Closed
Program	TSG - Cherry Valley. LP Note	Shopoff Investors XII	Land	Participating Note	Loan	1/29/18	2.92	\$ 7,852,592	\$ 10,807,772	\$ 2,955,181	17.90%	1.38x	Closed
Program	SCF - Los Alisos. LLC Note	Shopoff Investors XIII	Commercial	Note	Loan	6/30/18	2.50	\$ 534,347	\$ 634,092	\$ 99,745	10.06%	1.19x	Closed
Program	SCF - Los Alisos. LLC Note	Shopoff Investors VIII	Commercial	Note	Loan	6/20/18	2.53	\$ 993,030	\$ 1,219,640	\$ 226,610	9.81%	1.23x	Closed
Program	TSG Venture 1	Shopoff Investors XII	Land	Note	Loan	3/20/19	1.48	\$ 4,693,354	\$ 4,957,486	\$ 264,132	15.14%	1.06x	Closed
Program	SPT - Lake Elsinore Holding Co., LLC Note	Shopoff Investors VII	Land	Note	Loan	9/28/15	3.99	\$ 637,500	\$ 898,351	\$ 260,851	8.97%	1.41x	Closed
Program	MRF Groves Development, L.P. Note	Shopoff Investors X	Land	Note	Loan	07/11/16	2.62	\$ 1,593,907	\$ 1,852,418	\$ 258,511	12.12%	1.16x	Closed
Program	SCGIF II - Skypointe Note	Shopoff Investors XIII	Commercial	Note	Loan	09/25/18	0.34	\$ 358,019	\$ 399,512	\$ 41,492	41.17%	1.12x	Closed
Program	SSIF Apple Valley Note	Shopoff Investors XIII	Commercial	Note	Loan	03/21/18	0.16	\$ 55,000	\$ 56,617	\$ 1,617	20.00%	1.03x	Closed
Program	Spring Mountain Investments, LLC Note	Shopoff Investors X	Land	Note	Loan	1/31/18	0.43	\$ 1,444,771	\$ 1,549,244	\$ 104,473	18.29%	1.07x	Closed

Shopoff Realty Investments - Historical Performance of Affiliate Note 9/30/2022

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Program/ Sub Program	Program Name	General Partner	Investment Strategy	Asset Class	Loan/Hard Asset	Acq. Date	Years Held	Total Equity Invested	Total Equity Returned	Program Realized Earnings	Program IRR/ Annual ROI	Program Multiple	Status
Program	SLF-KC Towers LLC Note	Shopoff Investors XII	Land	Note	Loan	01/31/18	0.42	\$ 7,529,602	\$ 8,061,419	\$ 531,817	17.68%	1.07x	Closed
Program	Spring Mountain Investments, LLC Note	Shopoff Investors X	Land	Note	Loan	05/30/17	1.10	\$ 349,000	\$ 383,267	\$ 34,267	11.16%	1.10x	Closed
Program	SLF-Park Villas, LLC Note	Shopoff Investors X Shopoff Investors XII	Land	Note	Loan	05/24/17	0.13	\$ 4,844,374	\$ 4,956,525	\$ 112,151	19.01%	1.02x	Closed
Program	Plenitude Holdings, LLC Note	Shopoff Investors X	Land	Note	Loan	12/12/16	0.24	\$ 316,665	\$ 320,238	\$ 3,573	5.22%	1.01x	Closed
Program	SCGIF II Hebron Heights Note	Shopoff Investors X	Land	Note	Loan	10/21/16	1.93	\$ 1,725,293	\$ 1,935,905	\$ 210,612	10.73%	1.12x	Closed
Program	SCGIF II Skypointe, LLC Note	Shopoff Investors X	Land	Note	Loan	09/29/16	1.99	\$ 2,000,000	\$ 2,204,316	\$ 204,316	13.57%	1.10x	Closed
Program	SPT - Lake Elsinore Holding Co., LLC Note	Shopoff Investors IX	Land	Note	Loan	9/28/15	2.55	\$ 212,500	\$ 268,827	\$ 56,327	9.66%	1.27x	Closed
Program	SLF - HB Magnolia, LLC Note	Shopoff Investors IV Shopoff Investors IX Shopoff Investors VII Shopoff Investors X	Land	Note	Loan	8/15/16	0.04	\$ 7,997,599	\$ 8,100,937	\$ 103,338	41.51%	1.01x	Closed
Program	SLF - HB Magnolia, LLC Note	Shopoff Investors VIII	Commercial	Note	Loan	08/15/16	0.04	\$ 8,934,547	\$ 9,062,951	\$ 128,404	41.51%	1.01x	Closed
Program	SCGIFII - Firecreek, LLC Note	Shopoff Investors X	Land	Note	Loan	07/12/16	0.78	\$ 8,000,000	\$ 8,566,356	\$ 566,356	10.31%	1.07x	Closed
Program	SCGIF II - Iron Horse, LLC Note	Shopoff Investors X	Land	Note	Loan	02/19/16	0.21	\$ 6,140,000	\$ 6,280,988	\$ 140,988	13.64%	1.02x	Closed
Program	SCF - Coon Rapids Note	Shopoff Investors VII	Land	Note	Loan	10/1/15	1.56	\$ 2,560,000	\$ 2,838,209	\$ 278,209	7.23%	1.11x	Closed
Program	SPT - Vantage Point, LLC Note	Shopoff Investors VII	Land	Note	Loan	5/14/15	0.63	\$ 1,100,000	\$ 1,187,578	\$ 87,578	12.87%	1.08x	Closed
Program	TSG Canyon Vista, L.P. Note	Shopoff Investors VII	Land	Note	Loan	4/24/15	0.17	\$ 550,000	\$ 566,892	\$ 16,892	19.16%	1.03x	Closed
Program	Magnolia Special Care Center, LLC Note	Shopoff Investors VII	Land	Note	Loan	4/10/15	0.21	\$ 392,403	\$ 402,079	\$ 9,676	12.59%	1.02x	Closed
Program	SPT - Lake Elsinore Holding Co., LLC	Shopoff Investors IV	Land	Note	Loan	2/13/15	0.16	\$ 800,000	\$ 834,811	\$ 34,811	30.15%	1.04x	Closed
Program	SSIF - Augusta Ranch Note	Shopoff Investors V	Commercial	Note	Loan	01/16/15	0.12	\$ 1,530,833	\$ 1,567,783	\$ 36,950	22.44%	1.02x	Closed
Program	SPT AZ Land Holdings, LLC	Shopoff Investors IV	Land	Note	Loan	7/8/14	0.60	\$ 1,180,000	\$ 1,298,000	\$ 118,000	17.22%	1.10x	Closed
Program	SPT Vantage Point Note	Shopoff Investors III	Land	Note	Loan	10/2/12	0.49	\$ 1,593,120	\$ 1,713,519	\$ 120,398	18.94%	1.08x	Closed



INTEGRIS DLV OPPORTUNITY ZONE FUND, LLC

Supplement No. 2 dated June 28, 2022

to

Offering Memorandum dated November 3, 2021

This Supplement No. 2, dated June 28, 2022 (this “Supplement”), contains information that amends, supplements, or modifies certain information contained in the Confidential Private Placement Memorandum of Integrus DLV Opportunity Zone Fund, LLC (the “Fund”) dated November 3, 2021 (including all exhibits thereto, the “Original Memorandum”) as amended by that certain Supplement No. 1, dated March 18, 2022 (the “First Supplement” and, together with the Original Memorandum, the “Memorandum”). All capitalized terms used herein, but not otherwise defined, have the meanings set forth in the Memorandum.

You should carefully read and consider the “Risks Factors” beginning on page 81 of the Memorandum before you decide to invest.

Status of Offering

Since commencing the Offering, and through June 28, 2022, the Fund has sold approximately 5,575 units of Interests for gross investment proceeds of approximately \$5,575,000. Taking into account all capital raised for investment in the Project from all sources (including from Affiliates of the Sponsor), through June 28, 2022, a total of \$44,930,661 in gross investment proceeds have been raised for the Project.

Extension of the Offering Period

The Offering Period for the fund is currently set to terminate on June 30, 2022. Pursuant to the Operating Agreement, the Manager, in its sole discretion, has chosen to extend the Offering Period for one six-month period. Accordingly, the Offering is now scheduled to terminate on December 31, 2022. The Manager feels that this extension is necessary to conclude negotiations with interested parties, including institutions that have indicated that may want to invest up to the balance of the remaining equity, which would help the Project achieve its maximum capital raise objectives and is therefore in the best interests of Investors.

General Contractor Update

On May 19, 2022, the Manager entered into the Construction Contract with the General Contractor, McCarthy Building Companies, Inc., a Missouri corporation, for approximately \$390,500,000. The Construction Contract is a “guaranteed maximum price” general construction contract. The Manager consulted with Rider Levett Bucknall Ltd. (“RLB”), a global construction and quantity surveying practice, to provide an independent cost estimate for all construction costs for the Project, including trade work and indirect costs. RLB determined that the General Contractor’s bid was fair and reasonable for the construction of a hotel and casino in Las Vegas, Nevada. See “EXECUTIVE SUMMARY – *Development Agreement*” for additional information on the General Contractor or the Construction Contract.

To date, the General Contractor has awarded 31% of the total value of the Construction Contract through a competitive bid process with the approval of each bid by RLB. Furthermore, the General Contractor has received bids for an additional 41% of the Construction Contract. RLB will continue to review and approve all bids prior to the General Contractor awarding a bid for any trade, to assess and ensure the reasonableness of the costs, and confirm they are in line with the Construction Contract, for the best interest of the Project.

Updated Estimated Use of Proceeds

Please see the comparison of the sources and uses for the Project from the First Supplement and the revised sources and uses below for the Project.

Summary of Revised Sources and Uses

<u>ORIGINAL SOURCES AND USES</u>			<u>REVISED SOURCES AND USES</u>			<u>VARIANCE O/(U)</u>	
Sources			Sources				
Debt	Amount	%	Debt	Amount	%		
Construction Debt	\$363,610,369	68%	Construction Debt	\$365,975,317	65%	\$2,364,948	1%
Total Debt	\$363,610,369	68%	Total Debt	\$365,975,317	65%	\$2,364,948	1%
Equity	Amount	%	Equity	Amount	%		
Managing Member	\$4,000,000	1%	Managing Member	\$4,000,000	1%	\$0	0%
Alternate Equity			Alternate Equity				
Sources	\$143,632,601	27%	Sources	\$168,063,632	30%	\$24,431,031	14.5%
Investor Equity	\$25,000,000	5%	Investor Equity	\$25,000,000	4%	\$0	0%
Total Equity*	\$172,632,601	32%	Total Equity*	\$197,063,632	35%	\$24,431,031	14.2%
Total Sources	\$536,242,970	100%	Total Sources	\$563,038,949	100%	\$26,795,979	5%
Uses			Uses			<u>VARIANCE O/(U)</u>	
Costs	Amount	%	Costs	Amount	%		
Soft Costs	\$75,851,665	14%	Soft Costs	\$79,770,802	14%	\$3,919,137	7%
Hard Costs	\$386,730,653	72%	Hard Costs	\$418,300,000	74%	\$31,569,347	8%
Financing Expense	\$25,874,250	5%	Financing Expense	\$35,993,948	6%	\$10,119,698	39%
Total Selling Costs	\$15,799,586	3%	Total Selling Costs	\$18,487,000	3%	\$2,687,414	17%
Project Contingency	\$31,986,817	6%	Project Contingency	\$10,487,199	2%	(\$21,499,618)	(67%)
Total	\$536,242,970	100%	Total	\$563,038,949	100%	\$26,795,979	5%

**Investor equity may include a variety of sources including institutional partners and investments from other QOFs. We anticipate that up to ninety percent 90% of the equity will be provided by other QOFs or institutional sources.*

We anticipate that debt will now make up approximately sixty-five (65%) of the Project's total funding. With the change in debt assumptions along with the additional costs outlined below, the equity requirement has increased by approximately \$24.4 million. We have engaged Walker & Dunlop to assist in securing the construction loan for the Project. We anticipate selecting a construction lender and entering into a construction loan in Q3 2022.

The Project's total costs increased by approximately \$26.8 million (approximately a 5% increase in total costs) since the First Supplement. The primary drivers of the increase in costs are related to the additional \$10.1

million of financing expenses, related to an increase in the assumed interest rate to 6.5% and the additional debt proceeds, as well as an additional estimated 8% or \$31.5 million in hard costs. Included in the cost increases was the addition of a digital billboard, which is expected to add significantly to the NOI, to offset some of the other cost increases. Much of the hard and soft costs were refined when the Construction Contract was secured.

The increased selling costs of approximately \$2.6 million are directly correlated with the increase in equity sources.

Revised Projected Financial Summary

The revised financial model has inherent assumptions in it that generate the investment result being forecasted. This includes numerous variables including revenues, occupancy rates, operating expenses, as well as the cost of debt during the hold period, and is based on pre-tax calculations. In addition, we have utilized exit cap rates that, although we believe are representative of the market, there is no guarantee the exit sales price will be realized. This model assumes the Fund will be liquidated upon the expiration of the 10-year holding period, which is the minimum holding period for Investors to achieve one hundred percent (100%) fair market value basis step-up upon a disposition of its interests in the Fund or the disposition of the Project.

We anticipate, with respect to the Fund, there will be distributions made to Investors both as a function of debt-financed, tax-free distributions once a specific asset is stabilized and recapitalized, as well as distributions from cash flow from operations following recapitalization. These interim distributions are included as part of the analysis and the timing is part of the internal rate of return (“IRR”) calculation. A change in the timing of these distributions could materially affect the IRR an Investor receives.

The information labeled as “Project Level” represents the potential performance for one hundred percent (100%) ownership of the Property and is not intended to represent or predict actual investment returns to Investors. The information labeled as “Investor Level” represents the potential performance for returns from the total project that Investors may realize. ***Please note that all projections shown below are currently pre-tax forecasts.***

The projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There is no assurance that projections will be met. Performance projections numbers are subject to change without notice and based on information available at this time.

Updated Assumptions: Please see material updated assumptions below:

- **Room Count:** Based on the continued design efforts the Project now has an increased room count of 531. Dream Hotel Group has also revised the average daily rate assumptions yielding a higher stabilized revenue per available room of \$294.10 vs. \$289.10.
- **Revised Performance:** As design has continued, Dream Hotel Group has submitted a revised budget estimate for the Hotel. This includes additional increases to food and beverage revenue, “other revenue” (parking, and miscellaneous revenue drivers), and the addition of billboard revenue. These increases coupled with some reduction in expenses have yielded a 6.6% increase in stabilized net operating income (“NOI”).
- **Construction Loan:** We have engaged Walker & Dunlop to act as our capital advisor to source construction financing for the Project. We currently anticipate a \$365 million construction loan with an annualized interest rate of 6.5% with loan proceeds to go to the development of the Project. We expect to secure this financing in Q3 2022.
- **Additional Contribution from Hotel Operator:** Dream Hotel Group has agreed to increase its contribution to \$4 million from \$2.5 million.

- **Refinance and Exit Cap Improvements:** Based on recent transactions in the market, we have improved our refinance exit cap rates to 7.25% of Year 2 NOI for both the Hotel and Casino Lease. We have also improved the exit cap rates to 6.25%.

Please see the following page for the revised financial projections. The scenario below represents the Project's anticipated performance based on the updated underwriting assumptions discussed above. The Fund will target a net 12-17% annual compounded IRR on its investments over a minimum ten (10) year anticipated holding period.

The "Revised Projected Performance" below shows estimated IRRs, however, IRRs for Investors that subscribed prior to the date of this Supplement will be marginally lower than the Revised Projections (but higher than originally projected) due to the additional time that Investors have been in the Project, however, the equity multiple should be essentially the same as the Revised Projected Performance.

The projections are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The projected investor returns below do not include any calculation of tax benefits. There is no assurance that projections will be met. Performance projections numbers are subject to change without notice and based on information available at this time. The revised Financial Forecast attached as Exhibit A to this Supplement replaces in its entirety the Financial Forecast attached as Exhibit E to the Memorandum and any subsequent iteration thereof.

This information should not be construed as tax advice. Investors should consult their own tax advisors to determine their individual benefits in a QOF investment.

PRIOR PROJECTED PERFORMANCE:
(based on a Project start date of 12/1/2021)

PROJECT LEVEL	
Project IRR	16.11%
Total Investment	\$172,632,601
Total Profit	\$432,777,053
Total Return	\$605,409,655
Project Multiple	3.51x

INVESTOR LEVEL	
IRR	14.74%
Equity Investment	\$25,000,000
Total Profit	\$52,744,933
Total Return	\$77,744,933
Equity Multiple	3.11x

REVISED PROJECTED PERFORMANCE:
(based on a Project start date of 12/1/2021)

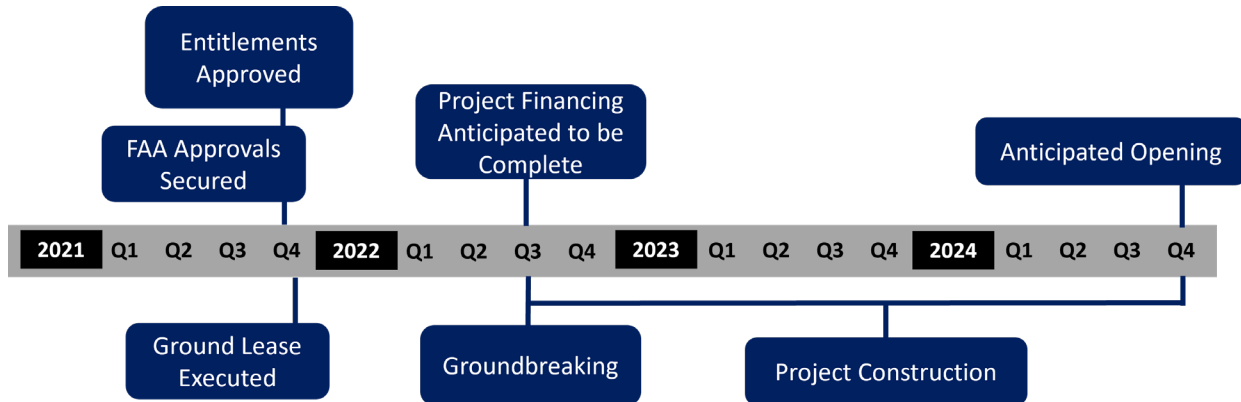
REVISED PROJECT LEVEL	
Project IRR	16.63%
Total Investment	\$197,063,632
Total Profit	\$442,229,731
Total Return	\$639,293,363
Project Multiple	3.24x

REVISED INVESTOR LEVEL	
IRR	15.31%
Equity Investment	\$25,000,000
Total Profit	\$47,860,313
Total Return	\$72,860,313
Equity Multiple	2.91x

Project Update

Below is a summary of the current timeline for the Project and the most recent architectural renderings. The Project is in the pre-design and development phase; therefore, timelines and renderings are subject to change. A groundbreaking ceremony is planned for July 8, 2022.

Project Timeline (as of June 2022)



Updated Architectural Renderings



Figure 1 – Front Façade



Figure 2 – Day Club Pool



Figures 3 & 4 – Stateside Kitchen



Figure 5 – Lobby View



Figure 6 - Salon



Figures 7, 8, 9 – Guest Rooms

Management Team – New Chief Financial Officer

On March 28, 2022, Mark Schultz took over the Shopoff Realty Investments' Chief Financial Officer role from Ed Morrell, who now serves as Shopoff's Senior Financial Advisor. This Supplement replaces Mr. Morrell's Biography in the Management Team section of the Memorandum with Mr. Schultz's (below).

Mark Schultz serves as Shopoff Realty Investment's Chief Financial Officer. As a key member of the Management Team, Mr. Schultz is accountable for the administrative, financial, and risk management operations of the company, including the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results.

Mr. Schultz has closed over \$4 billion in debt and equity throughout his more than 35 years in commercial real estate finance. Previously, Mr. Schultz was CFO of The Picerne Group, Hopkins Real Estate Group in Orange County, as well as The Broe Group in Denver, Colorado. He also acted as COO/CFO for Sower Capital in Omaha, Nebraska. Throughout his career, he has been involved in the discounted note business, real estate syndication and development, and served in leadership roles of accounting, finance, IT, and M&A teams. Mr. Schultz's vast experience covers national platforms in multifamily, senior housing, affordable housing, office, retail, and master-planned land developments (including construction, management, and operations).

Mr. Schultz graduated from the University of Iowa with a Bachelor's degree in Accounting and earned his MBA in Finance from DePaul University. He is also a certified public accountant.

Please see the press release about Mr. Schultz available online at: <https://www.shopoff.com/4637/news-release-shopoff-realty-investments-names-mark-schultz-as-chief-financial-officer/>

Updated Track Record

The Track Record attached as Exhibit B to this Supplement replaces in its entirety the Track Record attached as Exhibit K to the Memorandum and any subsequent iteration thereof.

Exhibit A

Revised Financial Forecast

[Replaced by Exhibit A to Supplement No. 3]

Exhibit B

Updated Track Record

[Replaced by Exhibit B to Supplement No. 3]

INTEGRIS DLV OPPORTUNITY ZONE FUND, LLC

Supplement No. 1 dated March 18, 2022

to

Offering Memorandum dated November 3, 2021

This Supplement No. 1, dated March 18, 2022 (this “Supplement”), contains information that amends, supplements or modifies certain information contained in the Confidential Private Placement Memorandum of Integris DLV Opportunity Zone Fund, LLC (the “Fund”) dated November 3, 2021 (including all exhibits thereto, the “Original Memorandum”). All capitalized terms used herein, but not otherwise defined, have the meanings set forth in the Memorandum.

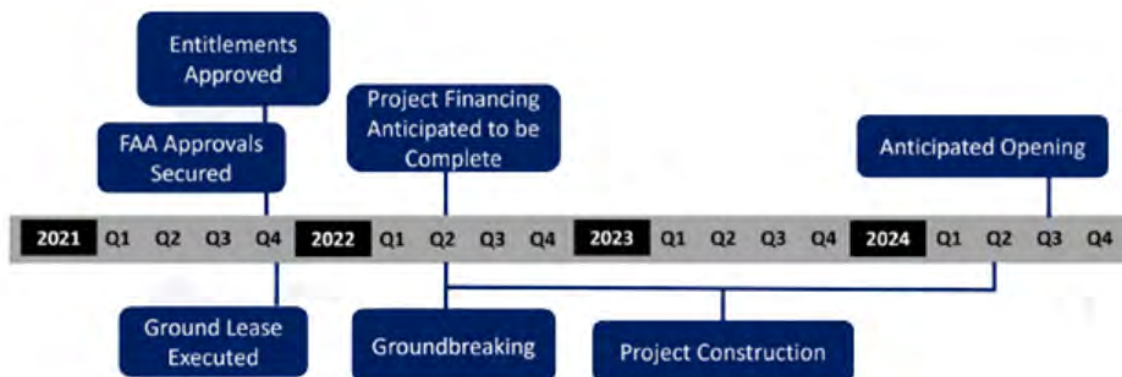
You should carefully read and consider the “Risks Factors” beginning on page 81 of the Memorandum before you decide to invest.

Status of Offering and Overall Equity Capital Raised for the Project

Since commencing the Offering, and through March 10, 2022, the Fund has sold approximately 5,300 units of Interests for gross investment proceeds of approximately \$5,300,000. Taking into account all capital raised for investment in the Project from all sources (including from Affiliates of the Sponsor), through March 10, 2022, a total of \$36,471,606 in gross investment proceeds have been raised for the Project.

Project Update

Below is the current Project timeline and most recent architectural renderings. Groundbreaking is anticipated to occur in June 2022. The Project is in the pre-design and development phase; therefore, timelines and renderings are subject to change.





Financing Update

We have engaged Walker & Dunlop (NYSE: WD; www.walkeranddunlop.com) as our capital advisor to secure both equity and senior construction financing for the Project. Walker & Dunlop is the largest provider of capital to the multifamily industry in the United States and the fourth largest lender on all commercial real estate including industrial, office, retail, and hospitality with over 1,000 employees across every major U.S. market.

We have had multiple conversations with several possible construction lenders and, although we have not yet selected a construction lender, we are pleased at the strong interest in the Project. We expect to secure senior construction financing in Q2 2022 prior to the start of construction, which is anticipated to begin in Q2 2022.

Additionally, we have begun discussions with some family office and institutional Qualified Opportunity Funds to invest additional equity in the Project. These discussions are preliminary in nature but are progressing as we would expect at this point.

Las Vegas Market Recovery Update

According to the Las Vegas Review-Journal,^{*} in November 2021, the Nevada Gaming Control Board (the “Board”) reported that Nevada casinos set an all-time record for the longest streak of consecutive months winning more than \$1 billion from players. The Board reported that Nevada’s more than 400 licensed casinos won \$1.322

^{*} Nevada casinos set record for consecutive \$1B months of gaming win by Richard N. Velotta, Las Vegas Review Journal, December 29, 2021. Available online at <https://www.reviewjournal.com/business/casinos-gaming/nevada-casinos-set-record-for-consecutive-1b-months-of-gaming-win-2503961/>.

billion from players, a 71.4% increase over November 2020. This was the second-highest month for wins in 2021, trailing only the \$1.36 billion total won in July 2021. The winning streak of nine months, which began in March 2021, topped a record that had stood for 14 years. Michael Lawton, a senior economic analyst for the Board, stated that 2021 casino revenue also eclipsed most 2019 figures. For the first 11 months of 2021, casinos have won \$12.3 billion, the third-highest annual total in history. Every submarket monitored by the Board saw increased revenue in 2021 compared to 2020, led by the Strip with a 115.9% increase. Lawton attributed the banner numbers to demand being buoyed by healthy consumer savings, the sustained rebound of leisure travel and the return of international flights, other than from Canada and Mexico, which allowed vaccinated foreign nationals to travel to the United States beginning on November 8, 2021.

As reported by Travel Weekly,[†] Allegiant Stadium, home to the NFL's Las Vegas Raiders and located less than 1 mile from the Property, attracted more than 1 million guests to NFL and college football games, concerts and other events during the last six months of 2021. An estimated 400,000 of those guests would likely not have come to Las Vegas if not for events held at the stadium, according to Steve Hill, President and CEO of the Las Vegas Convention and Visitors Authority. According to Vegas Chamber president Mary Beth Sewald, "Things bode well for a great economy and a great outlook for 2022" as conventions come back stronger and international tourists return.

The Sponsor has not independently verified the accuracy of statements made in the foregoing excerpts from periodicals covering Las Vegas and the Las Vegas gaming and tourism industry. Such statements are provided to illustrate what appears to be a growing market consensus that Las Vegas continues to recover from the COVID-19 pandemic; however, there are many outside influences, including the continued effects of COVID-19 (e.g., cancellations of flights, group bookings, shows, etc.) that make it difficult to predict future trends in the Las Vegas market.

Update to the Questions and Answers About This Offering

The answer to the question "What are the benefits of investing eligible capital gains in an Opportunity Fund" is hereby deleted in its entirety and replaced with the following:

A: The following are the potential current benefits of investing capital gains in a Qualified Opportunity Fund:

1. **Defer** the payment of your capital gains tax on the sale or exchange of property.
2. **Eliminate** taxes on the capital gains resulting from certain sales or exchanges of the qualified opportunity fund investment after a 10-year holding period.
3. **Eliminate taxes on depreciation recapture.** In a typical real estate investment, depreciation used to reduce taxes due on income during the holding period is recaptured upon sale, triggering a taxable event. With respect to capital gains from certain sales or exchange of a qualified opportunity fund investment after a 10-year holding period, depreciation is not recapturable, eliminating tax on some or all of the cash flow generated by the investment.

In addition, as the property and operations are domiciled in Nevada, non-California residents may not be required to pay California income taxes on income generated by or received from the Fund.

Investors who invested in the Fund prior to December 31, 2021 may be able to reduce the federal tax they owe on their initial deferred capital gains investment in the Qualified Opportunity Fund by up to 10% if, subject to certain conditions, their investment is held for at least 5 years. The potential tax benefits related to this Fund are the federal income tax aspects, and state, local or other tax implications may vary.

The information above should not be construed as tax advice. Investors should consult their own tax advisors to determine their individual benefits of an investment in the Fund.

[†] Allegiant Stadium will speed a Vegas tourism comeback, officials say by Paul Szydelko, Travel Weekly, January 25, 2022. Available online at <https://www.travelweekly.com/North-America-Travel/Insights/Allegiant-Stadium-role-Las-Vegas-tourism>.

Updated Track Record

The Track Record attached as Exhibit A to this Supplement replaces in its entirety the Track Record attached as Exhibit K to the Memorandum and any subsequent iteration thereof.

Tax Opinion of Special Tax Counsel

The Tax Opinion of Special Tax Counsel attached as Exhibit B to this Supplement.

Exhibit A

Updated Track Record
[Updated and Replaced in Whole by
Exhibit B of Supplement No. 2]

Exhibit B

Tax Opinion of Special Counsel
[attached]



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March 18, 2022

Integrus DLV Opportunity Fund, LLC
c/o Shopoff Realty Investments, L.P.
2 Park Plaza, Suite 700
Irvine, California 92614

Re: Status of Integrus DLV Opportunity Fund, LLC as a Qualified Opportunity Fund
and Treatment of Debt Financed Distributions for Federal Income Tax Purposes

Ladies and Gentlemen:

You have requested our opinion as to (a) whether Integrus DLV Opportunity Fund, LLC (the “Fund”) should constitute a qualified opportunity fund within the meaning of section 1400Z-2(d)(1) of the Internal Revenue Code of 1986, as amended (the “Code”), and (b) whether a distribution of loan proceeds as described below should (i) constitute an inclusion event that would prematurely terminate the deferral period in respect of capital gains invested in the Fund (an “Inclusion Event”) and/or (ii) convert all or a portion of an investment in the Fund that would otherwise be eligible for the Federal income tax benefits available for an investment in a qualified opportunity fund (a “Qualifying Investment”) into an investment in the Fund that would not be eligible for the Federal income tax benefits available for an investment in a qualified opportunity fund (a “Non-Qualifying Investment”).

Facts

The Fund is a Delaware limited liability company. The purpose of the Fund as set forth in its Limited Liability Company Agreement dated as of September 20, 2021 (the “Fund Agreement”) is (a) to acquire 100% of the membership interests (the “Casino Owner Interest”) in Integrus-C Owner, LLC, a Delaware limited liability company (the “Casino Owner”) and a membership interest (the “Operating Company Interest”) in DLV-H, LLC, a Delaware limited liability company (the “Operating Company”), and to cause the Casino Owner and DLV-H Owner, LLC, a Delaware limited liability company (the “Hotel Owner”), through the Operating Company, to enter into a lease of the casino condominium unit described below and the hotel condominium unit described below, respectively, (b) to develop and construct, or cause to be developed and constructed, the casino and hotel projects described below, and (c) to the extent required, to reinvest proceeds from the Casino Owner Interest and the Operating Company Interest, cause the Casino Owner to reinvest proceeds from its interest in the casino project and/or cause the Operating Company and/or the Hotel Owner to reinvest proceeds from the hotel project, and to take or cause the Casino Owner, the Operating Company and/or the Hotel Owner to take such actions so that the

Fund shall constitute a qualified opportunity fund for Federal income tax purposes, and (d) to engage in all activities incidental thereto.

Investors (the “Investors”) will acquire membership interests in the Fund in exchange for cash contributions to the capital of the Fund. Integris Manager, LLC, a Delaware limited liability company that is an affiliate of Shopoff Realty Investments, L.P. (the “Sponsor”) and of Contour (as defined below), will be the manager of the Fund (in such capacity, the “Fund Manager”).

The Fund will acquire the Casino Owner Interest in exchange for a cash contribution to the capital of the Casino Owner. The Casino Owner and DLV-C Owner, LLC (the “Other Casino Owner”; the Casino Owner and the Other Casino Owner are together the “Casino Owners”) will lease (the “Casino Condo Leases”) undivided interests in the first of two condominium units (the “Casino Condo”) of that certain condominium that 5051 SLV, LLC, a Delaware limited liability company that is an affiliate of the Sponsor (the “Site Owner”), has created on that certain 5.25 acre parcel of unimproved real property located in population census tract 32003006800 at 5051 South Las Vegas Boulevard, Las Vegas, Nevada (the “Site”). The Site Owner acquired the Site in February 2020, and is expected to complete the condominium process with respect to the Casino Condo upon the later of (a) within fifteen (15) days of the Site Owner securing entitlements, (b) January 1, 2021, or (c) such later time as the condominium creation process with respect to the casino condo unit is completed (which in any event will be prior to the commencement of construction with respect to the casino to be constructed on the Casino Condo). The casino constructed on the Casino Condo will be an approximately 42,000 square foot casino (consisting of 30,000 square feet of gaming floor space and approximately 12,000 square feet of back of house support space) with approximately 500 slot machines, 38 table games, and a sports book (the “Casino”; the Casino Condo Leases and the Casino are, collectively, the “Casino Project”). The Sponsor and Contour Real Estate, a Nevada corporation that is unaffiliated with the Sponsor (“Contour”), will be the developers for the Casino.

Upon the completion of construction of the Casino, the Casino Owners will enter into a tenants in common agreement (the “TIC Agreement”; the arrangement formed by the TIC Agreement is the “Tenancy in Common”) with respect to their undivided interests in the Casino Project, and will sublease their respective interests in the Casino Project (the “Casino Subleases”) to a casino operator to be identified (the “Casino Operator”) for a term of not less than 10 years. The Casino Operator will hold the gaming license with respect to the Casino.

The Fund will acquire the Operating Company Interest in exchange for a cash contribution to the capital of the Operating Company. Shopoff DLV QOZ Fund, LLC, a Delaware limited liability company (the “Other Fund”), will also be a member of the Operating Company. Shopoff-Contour Manager, LLC is the manager of the Operating Company (in such capacity, the “OpCo Manager”). The Operating Company owns 100% of the membership interests in the Hotel Owner (the “Hotel Owner Interest”).

The Hotel Owner will lease the second condominium unit (the “Hotel Condo”) on the Site (the “Hotel Condo Lease”). The Site Owner is expected to complete the condominium process with respect to the Hotel Condo upon the later of (a) within fifteen (15) days of the Site Owner securing entitlements, (b) January 1, 2021, or (c) such later time as the condominium creation process with respect to the hotel condo unit is completed (which in any event will be prior to the commencement of construction with respect to the hotel to be constructed on the Hotel Condo). The hotel will be a luxury lifestyle hotel with 450 rooms and suites, multiple day time and night

time centric food and beverage venues, a rooftop Tulum style pool and day club, resort pool, nightclub, multiple retail venues and a full-service spa and fitness center (the "Hotel"; the Hotel Condo Lease and the Hotel are, together, the "Hotel Project"). The Sponsor and Contour will be the developers for the Hotel.

Prior to and during construction of the Casino and the Hotel, the Operating Company will have access to the Site pursuant to a 99 year ground lease from the Site Owner (the "Ground Lease") and will fund construction of the Casino and Hotel in part with the proceeds of a construction loan (the "Construction Loan"). The Casino Owners will become the lessees of the Casino condo unit and the owners of the Casino as tenants in common prior to the date on which the Casino is placed in service for Federal income tax purposes. The Hotel Owner will become the lessee of the Hotel condo unit and the owner of the Hotel prior to the date on which the Hotel is placed in service for Federal income tax purposes.

The Site Owner entered into that certain Agreement Between Owner and Design-Builder (Costs-Plus-Fee with a Guaranteed Maximum Price) for Dream Hotel - Las Vegas, NV, dated as of September 18, 2020 (the "Construction Contract") with McCarthy Building Companies, Inc., a Delaware corporation that is unaffiliated with the Sponsor (the "General Contractor") to provide general contractor services with respect to the construction of the Casino and the Hotel. Specifically, the General Contractor has agreed to perform (collectively, the "Work"): (a) the Preconstruction Scope of Work (as defined in the Construction Contract); (b) development and preparation of all designs, plans, specifications and other Contract Documents (as defined in the Construction Contract) required for the Casino Project and the Hotel Project consistent with the Standard of Care (as defined in the Construction Contract); (c) scheduling, procuring and supervising construction, and providing all construction management services related thereto; (d) managing and coordinating all Subcontractors and Vendors (as defined in the Construction Contract); (e) supplying all necessary labor, materials, equipment and related work and services, including all things reasonably inferable from the Contract Documents as being necessary to fully complete the Work, all in accordance with the requirements of the Contract Documents; and (f) delivering and/or assigning, as applicable, to Site Owner, on or before Final Completion (as defined in the Construction Contract), all documents relevant to the operation and maintenance of the Casino Project and the Hotel Project, including without limitation (i) the Final As-Built Drawings (as defined in the Construction Contract), and (ii) all manufacturers' data, catalogues, warranties, and maintenance manuals for equipment and systems installed at the Casino Project and the Hotel Project. In addition to the foregoing, General Contractor shall be solely responsible for determining the means, methods, techniques and sequences of construction and for finishing the Work in compliance with the Contract Documents and all laws.

In exchange for the Work, the Site Owner agreed to pay the General Contractor five and one half percent (5.5%) of the Cost of the Work (as defined in the Construction Contract) plus the Cost of Work itself up to a Guaranteed Maximum Price, which will be proposed and either approved or disapproved by the Site Owner within 45 days of the date on which at least 75% of the plans and specifications are complete.

The Site Owner entered into that certain Technical and Pre-Opening Services Agreement, dated as of January 10, 2020 (the "T&PO Service Contract"), and that certain Operating Services Agreement, also dated as of January 10, 2020 (the "Operating Service Contract"; the T&PO Service Contract and the Operating Service Contract are together the "Hotel Management Agreements"), each with DHG Las Vegas, LLC, a Nevada limited liability company that is

unaffiliated with the Sponsor (the “Hotel Manager”), to perform the services described below. Prior to the commencement of construction of the Hotel and the Casino, the Site Owner and the Hotel Manager will amend the Hotel Management Agreements to reflect the role of the Operating Company during construction of the Casino and the Hotel and the ownership of the Casino and Hotel Projects by the Casino Owners and the Hotel Owner, respectively.

Pursuant to the T&PO Service Contract, the Site Owner appointed and engaged the Hotel Manager as a consultant and independent contractor for a fee of \$550,000 payable in four installments (plus monthly reimbursement of out of pocket expenses), to (a) assist the Site Owner, its architects, consultants and engineers in the planning, design, equipping and programming of the Hotel, including whether to include a casino and a theatre and other entertainment venues and amenities, and (b) provide pre-opening services with respect to the opening of the Hotel including budgeting, training of personnel and development of a marketing program. The T&PO Service Contract provides that the Site Owner is responsible for the development and construction of the Hotel in all material respects in accordance with specified operating standards (the “Operating Standards”) and design and construction standards (the “Design and Construction Standards”) and has responsibility with respect to all aspects of the Hotel including permitting, design, budgeting, construction, scheduling, accounting and administration and for coordination of efforts between the Hotel Manager and any designer or contractor engaged by the Site Owner. The Hotel Manager is not the project manager and will not have a project manager role for the development and construction of the Hotel. The conformance of all design documents and specifications for certain equipment and other items with the Operating Standards and the Design and Construction Standards is subject to review and approval (not unreasonably to be withheld or delayed) by the Hotel Manager. The Hotel Manager is to provide to the Site Owner a program for its technology system consistent with its standards for DREAM lodging brand hotels in the United States. Nothing in the T&PO Service Contract is to be construed as creating a partnership or an agency relationship between the parties.

Pursuant to the Operating Service Contract, the Site Owner also appointed and engaged the Hotel Manager to exclusively supervise and direct the management and operation of the Hotel, excluding the Casino. The Hotel Manager is to determine operating policy, standards of operation, quality of service and any other matters affecting customer relations or efficient management and operation of the Hotel, and is to supervise, direct and control the operation of the Hotel on behalf of the Site Owner in a business-like and efficient manner consistent with the Operating Standards and comprehensive annual plans prepared by the Hotel Manager and approved by the Site Owner, using such degree of skill, care and diligence as is customary and usual for comparable international branded operators of hotels and consistent with the purposes and intention of maximizing the long term profitability of the Hotel under the DREAM lodging brand. In the performance of its duties, the Hotel Manager shall be an agent.

The Operating Service Contract has a basic term of 20 years from the opening of the Hotel, subject to possible extension for two additional consecutive periods of five years each upon mutual agreement of the parties, and subject to possible early termination upon the occurrence of an event of default. In addition, the Site Owner may terminate the Operating Services Contract on the fifth, tenth and fifteenth anniversaries of the opening date of the Hotel if there are fewer than 10 lifestyle hotels then operated and/or licensed by the Hotel Manager and/or its affiliates and open to the public or under development. The Site Owner may also terminate the Operating Service Contract if the Hotel does not satisfy certain minimum financial performance requirements for two consecutive full operating years at any time after the fourth full operating year of the Hotel,

subject to limited cure rights on the part of the Hotel Manager. The Site Owner may further terminate the Operating Service Contract upon a direct or indirect sale of the Hotel, subject to payment of a termination fee to the Hotel Manager.

The Hotel Manager grants to the Site Owner a nonexclusive license to use the trademarks and other intellectual property of the Hotel Manager and its affiliates at the Hotel during the continuance of the Operating Service Contract. The Hotel Manager is to provide or cause to be provided \$2.5 million to the Site Owner within 30 days after the opening of the Hotel in consideration for the development of the Hotel and the engagement of the Hotel Manager, such “key money” to amortize ratably over the basic term of the Operating Service Contract with any then unamortized portion to be refunded to the Hotel Manager upon the early termination of the Operating Service Contract or in certain other circumstances. Hotel personnel are to be employees of the Hotel Manager but the costs of such personnel, and the other costs of Hotel operation, maintenance, repairs and capital improvements, are expenses of the Site Owner rather than the Hotel Manager. The Site Owner has various approval rights and disputes are subject to resolution by a hospitality industry expert or by mediation, arbitration or, in limited circumstances, litigation. The Hotel Manager is required to provide monthly and annual reports to the Site Owner. Nothing in the Operating Service Contract creates or is to be construed as creating a partnership between the parties or a lease of the Hotel by the Site Owner to the Hotel Manager.

The Hotel Manager is entitled to various fees in consideration of its services rendered under the Operating Service Contract. A base fee (the “Base Fee”) is payable in an amount equal to 3% of total operating revenues, provided that if a Coordination Fee (as defined below) is payable then total operating revenues exclude food and beverage operating revenue from the applicable food and beverage outlet, casino net income and/or billboard revenue, as applicable. A “Coordination Fee” applies if the Hotel Manager and the Site Owner mutually decide to engage a third party operator of a food and beverage outlet, if the Hotel includes a casino or if there is billboard or similar signage at the Hotel, and is payable in an amount equal to 1.5% of the food and beverage operating revenue, rental income from the casino or sign revenue, as applicable. A marketing fee in the amount of 1.5% of total operating revenue is also payable to the Hotel Manager. In addition, an incentive fee is payable to the Hotel Manager in an amount equal to 15% of the excess of adjusted gross operating profit (that is, gross operating profit less Base Fees, property taxes and insurance premiums other than those allocable to any part of the Hotel operated by a third party, and contributions to replacement reserves) over a priority return to the Site Owner equal to 8% escalating to 10% of the total costs incurred by the Site Owner in constructing and developing the Hotel not to exceed \$297 million, subject to adjustment on the tenth anniversary of the opening of the Hotel to reflect the change in the consumer price index over such ten year period. The Hotel Manager is not required to advance any of its funds or to utilize its credit or incur any liability in connection with the operation of the Hotel, and is entitled to reimbursement for its out of pocket expenses. Affiliates of the Hotel Manager are entitled to periodic payments from the Site Owner for the Hotel’s proportionate share of certain centrally provided brand services, including reservation system fees and fees for accounting services and website development and maintenance.

Promptly after the date hereof, the Operating Company, the Casino Owner, the Other Casino Owner and the Hotel Owner will enter into an agreement (the “Agency Agreement”) which will (a) recite that the Operating Company has been acting as a principal for its own account and as the agent of the Hotel Owner with respect to the arrangements for the Hotel and as the agent of the Casino Owner and the Other Casino Owner with respect to the arrangements for the

Casino, in each case since the dates of their respective formations, (b) provide that the Operating Company shall continue to act as a principal for its own account and as the agent of the Hotel Owner with respect to the arrangements for the Hotel and as the agent of the Casino Owner and the Other Casino Owner with respect to the arrangements for the Casino through substantial completion of construction of the Hotel and the Casino, respectively, and (c) require the Operating Company to hold itself out as such to all third parties including the Site Owner, the Construction Loan lender, the General Contractor and the Hotel Manager. The Agency Agreement will be referenced in the Construction Loan documents and in amendments to the Ground Lease, the Construction Contract and the Hotel Management Agreements or in written notices to the parties thereto given by the Operating Company promptly after the execution and delivery of the Agency Agreement.

Upon substantial completion of construction of the Casino and the Hotel, the Fund, the Other Fund, the Casino Owner, the Other Casino Owner, the Tenancy in Common, the Operating Company and/or the Hotel Owner will borrow funds on a long term basis from a third-party lender to repay the Construction Loan (the "Permanent Loan"). The Tenancy in Common may distribute some or all of the proceeds of a Permanent Loan to the Casino Owner, the Casino Owner may distribute some or all of the proceeds of a Permanent Loan to the Fund, the Hotel Owner may distribute some or all of the proceeds of a Permanent Loan to the Operating Company, the Operating Company may distribute some or all of the proceeds of a Permanent Loan to the Fund, and the Fund may distribute some or all of the proceeds of a Permanent Loan to the Investors (a "Debt Financed Distribution").

The Fund will not own any material assets other than the Casino Owner Interest and the Operating Company Interest, the Operating Company will not own any material assets other than the Hotel Owner Interest, the Casino Owner will not own any material assets other than its interest in the Casino Project and the Tenancy in Common, the Tenancy in Common will not own any material assets other than any interest it may have in the Casino Project, and the Hotel Owner will not own any material assets other than the Hotel Project. None of the Fund, the Operating Company, the Hotel Owner, the Casino Owner and the Tenancy in Common will be the lessee of any material assets other than the Casino and Hotel condo units. The Fund, the Operating Company and the Casino Owners are calendar year taxpayers.

Assumptions

In expressing the opinions set forth below, we have with your permission assumed that:

1. There are no agreements or understandings relevant to the matters considered herein except as expressly described herein.
2. The Tenancy in Common will constitute a tenancy in common for Federal income tax purposes.
3. No person or entity that sells tangible property to the Fund, the Other Fund, the Operating Company, the Casino Owner, the Other Casino Owner, the Tenancy in Common or the Hotel Owner will have, at the time of such sale, any plan or intent to become, or that a related person become, a member of the Fund, the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner.

4. No member of the Fund is or will be a partnership that was formed or is availed of with a significant purpose of avoiding the requirement that a gain be recognized for Federal income tax purposes and subject to Federal income taxation before 2027 in order to be gain that is eligible for investment as a Qualifying Investment in the Fund.

Representations

In expressing the opinions set forth below, we have with your permission relied upon representations of the Sponsor, the Fund Manager and the OpCo Manager (collectively, the "Sponsor Group") that:

1. The Fund will at all times be operated in accordance with its purposes as set forth in its Fund Agreement.

2. No "check the box" election has been or will be made under Treasury Regulation section 301.7701-3 to classify the Fund, the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner as a corporation for Federal income tax purposes or to classify the Tenancy in Common as a partnership for Federal income tax purposes.

3. No interest in the Fund, the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner is or will be traded on an established securities market or readily tradable on a secondary market or the substantial equivalent thereof (as described in section 7704 of the Code).

4. No certification has been or will be made to classify the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner as a qualified opportunity fund for Federal income tax purposes.

5. The Fund will timely and properly self-certify as a qualified opportunity fund for Federal income tax purposes effective as of the admission of the first Investor as a member of the Fund and continuing throughout the life of the Fund; and the Fund will timely and properly file each Internal Revenue Service Form 8996 or other applicable forms and make all certifications required thereby.

6. Although the Operating Company and the Hotel Owner were formed in September 2020, neither has yet placed any asset in service, both are still in the organizational phase, and the Operating Company and the Hotel Owner are new entities that are being organized for purposes of being a qualified opportunity zone business.

7. Based upon advice to the Sponsor Parties from independent Nevada counsel of recognized standing, under applicable Nevada law (a) the Tenancy in Common will constitute a tenancy in common with respect to real property, (b) the Casino, the Casino Condo, the Hotel and the Hotel Condo will constitute tangible property that is real property, (c) the leasehold estates of the Casino Owner and the Hotel Owner under the Casino Condo Lease and the Hotel Condo Lease will constitute tangible property that is real property, and (d) the Casino and the Hotel will be included in the property leased by the Site Owner as they are being constructed.

8. Neither the General Contractor nor any of its subcontractors is or will be a related person to the Fund, the Casino Owner, the Tenancy in Common, the Operating Company or the

Hotel Owner (within the meaning of sections 1400Z-2(d) and (e) of the Code and the OZ Regulations (as defined below)).

9. Any tangible property used in the trade or business of the Casino Owner, the Tenancy in Common, the Hotel Owner and the Operating Company will have a cost basis, will not be acquired by one component member of a controlled group of corporations from another component member of the same controlled group, will not be acquired or pass to the Casino Owner, the Tenancy in Common, the Hotel Owner or the Operating Company from a decedent, and will be acquired by purchase from an unrelated person (within the meaning of sections 1400Z-2(d) and (e) of the Code and the OZ Regulations); the Casino is being developed with the intent that the Casino Owner use the Casino in its trade or business; the Hotel is being developed with the intent that the Hotel Owner use the Hotel in its trade or business; the work on development of the Casino will be done for the Casino Owner in accordance with its specifications; and the work on development of the Hotel will be done for the Hotel Owner and the Operating Company in accordance with their specifications.

10. The terms of any lease of tangible property to the Casino Owner or the Tenancy in Common, the Operating Company and the Hotel Owner, including the Casino Condo Lease and the Hotel Condo Lease, will be market rate (as defined in the OZ Regulations); and if the lessor of any tangible property leased to the Casino Owner, the Tenancy in Common, the Hotel Owner and the Operating Company is a related person, then (a) no prepayment will be made in connection with the lease relating to a period of use of the property that exceeds 12 months, and (b) if the original use of leased personal property in the qualified opportunity zone (as defined in section 1400Z-1(a) of the Code) that includes the Site did not commence with the Casino Owner, the Tenancy in Common, the Hotel Owner and/or the Operating Company, then the Casino Owner, the Tenancy in Common, the Hotel Owner and/or the Operating Company, as applicable, will timely become the owner of sufficient tangible qualified opportunity zone business property as required under the OZ Regulations.

11. At the time any real property is purchased by the Fund, the Operating Company, the Casino Owner, the Tenancy in Common and/or the Hotel Owner, and at the time any lease of real property to the Fund, the Operating Company, the Casino Owner, the Tenancy in Common and/or the Hotel Owner is entered into, there will be no plan, intent or expectation for the real property to be (a) repurchased by the seller or a related person for an amount other than the fair market value of the property determined at the time of the repurchase (in the case of real property purchased by the Fund, the Operating Company, the Casino Owner, the Tenancy in Common and/or the Hotel Owner) or (b) purchased by the Fund, the Operating Company, the Casino Owner, the Tenancy in Common, the Hotel Owner or a person related to any thereof for an amount other than the fair market value of the property determined at the time of the purchase without regard to any lease payments (in the case of real property leased to the Fund, the Operating Company, the Casino Owner, the Tenancy in Common and/or the Hotel Owner).

12. Either the original use in the qualified opportunity zone that includes the Site of the tangible property used in the trade or business of the Casino Owner, the Tenancy in Common, the Operating Company and the Hotel Owner, whether owned or leased, will commence with the Casino Owner, the Tenancy in Common, the Operating Company and the Hotel Owner, or else the Casino Owner, the Tenancy in Common, the Operating Company and the Hotel Owner will substantially improve such property (in each case within the meaning of section 1400Z-2(d) of the Code and the OZ Regulations); and the Fund, the Operating Company, the Casino Owner, the

Tenancy in Common and the Hotel Owner will not purchase an interest in any land which is unimproved or minimally improved with an expectation or intention to not improve such land by more than an insubstantial amount within 30 months of the date of purchase.

13. The Tenancy in Common will not file a partnership tax return, execute any agreement identifying the Casino Owners as partners, or otherwise hold the Tenancy in Common out as a partnership for Federal income tax or any other purpose; neither Casino Owner (nor their respective members) will treat itself as a partner in a partnership with respect to the Casino for Federal income tax or any other purpose; each Casino Owner will have the right to transfer or encumber its interest in the Tenancy in Common without the consent or approval of any other person, except as may be required by a lender consistent with customary commercial lending practices; the TIC Agreement will include deemed elections out of all of subchapter K of the Code pursuant to section 761(a) of the Code and sections 1.761-2(a)(2), -2(a)(3) and -2(b)(2)(ii) of the Income Tax Regulations promulgated thereunder; and the TIC Agreement will state that each Casino Owner (and each of their respective members) intends the Tenancy in Common to constitute, and that it shall constitute, a tenancy in common and not a partnership for Federal income tax and all other purposes.

14. At least 70% of the use of the tangible property of each of the Casino Owner, the Operating Company, the Tenancy in Common and the Hotel Owner will be in a qualified opportunity zone during at least 90% of the holding period of the Fund for its Casino Owner Interest and its Operating Company Interest, the holding period of the Operating Company for its Hotel Owner Interest, the holding period of the Casino Owner for its interest in the Casino Project, and the holding period of the Hotel Owner for the Hotel Project (in each case within the meaning of section 1.400Z-2(d) of the Code and the OZ Regulations).

15. The Fund and the Operating Company intend that the Hotel Owner realize, and reasonably expect that the Hotel Owner will realize, a not insignificant economic profit from its investment in the Hotel Project; the OpCo Manager and officers, employees, and agents of the Operating Company and the Hotel Owner, including the Hotel Manager under the Operating Service Contract, in each case in their capacities as such (excluding activities performed by others, including independent contractors), will engage on a considerable, continuous and regular basis in each taxable year in carrying on a group of activities for the purpose of earning income or profit, including every operation that forms part of, or a step in, the process of earning income and profit, including the collection of income and the payment of expenses; and the activities of the Hotel Owner in each taxable year will not be limited to the mere receipt of income from real property, the sporadic negotiation of leases and the payment of expenses incident to the collection of the income.

16. The Fund and the Casino Owner intend that the Casino Owner will realize, and reasonably expect that the Casino Owner will realize, a not insignificant economic profit from its investment in the Casino Project; the Casino Sublease will not be a triple net lease; the Casino Operator will pay rent in fixed dollar amounts; and the Fund and/or the Casino Owner or the Tenancy in Common or its or their respective officers, employees and agents, including the Fund Manager, in each case in their capacities as such (excluding activities performed by others, including independent contractors and the Casino Operator), will engage on a considerable, continuous and regular basis in each taxable year in carrying on a group of activities for the purpose of earning income or profit, provided that the activities of the Fund, the Casino Owner

and the Tenancy in Common will be limited to those customarily performed in connection with the maintenance and repair of rental real property under a lease that is not a triple net lease.

17. Under each of the Hotel Condo Lease and the Casino Condo Lease, the Site Owner will be required to pay to the Hotel Owner or the Casino Owner, as the case may be, upon expiration of the term of such Lease, the fair market value of the Hotel or the Casino, as applicable, as of the expiration of the term of such Lease.

18. At least 70% by value of the gross tangible property and at least 70% by value of the net tangible property owned by and leased to the Operating Company and the Hotel Owner will be qualified opportunity zone business property during at least 90% of the holding period of the Fund for the Operating Company Interest, of the holding period of the Operating Company for the Hotel Owner Interest, and of the holding period of the Hotel Owner for the Hotel Project (within the meaning of section 1400Z-2(d) of the Code and the OZ Regulations).

19. At least 50% of the total gross income of the Operating Company and the Hotel Owner in each taxable year will be derived from the active conduct of a trade or business within a qualified opportunity zone (in each case determined as required under section 1400Z-2(d) of the Code and the OZ Regulations, and treating revenues from triple net leases as not derived from the active conduct of a trade or business).

20. The OpCo Manager and officers, employees, and agents of the Operating Company and the Hotel Owner, including the Hotel Manager under the Operating Service Contract, in each case in their capacities as such (excluding activities performed by others, including independent contractors), will perform active and substantial management and operational functions and significant services in each taxable year with respect to the operation and management of the Hotel Project; the Hotel Owner in each taxable year will own the significant assets included in its business and the goodwill in respect thereof; and the Hotel Owner is reasonably expected to generate revenues within three years after the acquisition by the Fund of its Operating Company Interest.

21. At least 40% of the intangible property owned by the Hotel Owner and the Operating Company or licensed to the Hotel Owner and the Operating Company will be used in the active conduct of the trade or business of the Hotel Owner in a qualified opportunity zone; such use of the intangible property will be normal, usual and/or customary in the conduct of such trade or business, and will be in the performance of an activity of such trade or business that contributes to the generation of gross income for the trade or business; and to the extent such intangible property is so purchased or licensed pursuant to a reasonable written plan with a written schedule for the expenditure of working capital, the Hotel Owner and the Operating Company will proceed in a manner that is substantially consistent with the Working Capital Safe Harbor referred to below (excluding any extension thereof resulting from a Federally declared disaster).

22. All working capital assets of the Hotel Owner and the Operating Company will be held in cash, cash equivalents or debt instruments with a term of 18 months or less and will remain in working capital assets until used; all working capital assets of the Operating Company and the Hotel Owner will satisfy the Working Capital Safe Harbor (as defined below) at all times from the acquisition of such working capital assets through the earlier of (i) the expenditure of the funds designated in writing pursuant to the safe harbor for the development of a trade or business, or (ii) the end of the permissible safe harbor period under the OZ Regulations commencing with the

acquisition of the working capital assets by the Operating Company or the Hotel Owner; and all working capital assets of the Operating Company and the Hotel Owner not subject to the Working Capital Safe Harbor will be reasonable in amount.

23. Less than 5% of each of the gross income, net rentable square footage of real property and value of other tangible property of the Hotel Owner and the Operating Company in each taxable year will be attributable to (including attributable to land for) a private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises, including the spa included in the Hotel.

24. Less than 5% of the average of the aggregate unadjusted bases of the property of the Hotel Owner and the Operating Company will be attributable in each taxable year to debt (including prepaid expenses), stock, partnership interests, options (including options to acquire property), futures contracts, forward contracts, warrants, notional principal contracts, annuities and other similar property (not including (a) reasonable amounts of working capital held in cash, cash equivalents or debt instruments with a term of 18 months or less, or (b) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of stock in trade or other property of a kind which would properly be included in inventory if on hand at the close of the taxable year or property held primarily for sale to customers in the ordinary course of trade or business).

25. On all applicable semi-annual testing dates under section 1400Z-2(d)(1) of the Code and the OZ Regulations, the Fund will hold at least 90% of its assets in qualified opportunity zone property (treating cash held by or for the account of the Fund and the Casino Owner as property that is not qualified opportunity zone property), determined by the average of the percentage of qualified opportunity zone property held in the Fund as measured on the last day of the first 6-month period of the taxable year of the Fund and on the last day of the taxable year of the Fund).

26. The Fund is and will be under no legal obligation or economic compulsion to transfer the Casino Owner Interest and the Operating Company Interest together; the Other Fund is and will be under no legal obligation or economic compulsion to transfer its interest in the Other Casino Owner and its interest in the Operating Company together; the Fund is and will remain entitled to and may in fact transfer the Casino Owner Interest and the Operating Company Interest separately and without need for consent of or transfer of any corresponding interest by the Other Fund; the Other Fund is and will remain entitled to and may in fact transfer its interest in the Other Casino Owner and its interest in the Operating Company separately and without need for consent or transfer of any corresponding Interest by the Fund; the Fund, the Other Fund and the Operating Company do not earn and divide a single joint profit; and none of the Fund, the Casino Owner, the Other Fund, Other Casino Owner and the Operating Company intends that there be, or will hold itself out for any purpose as a partner in, an overall joint venture among them.

27. The Fund and the Casino Owner plan and intend that the Casino Owner develop or otherwise utilize the Casino in a trade or business that will substantially increase the economic productivity of the Site; the Fund and the Operating Company plan and intend that the Hotel Owner develop or otherwise utilize the Hotel in a trade or business that will substantially increase the economic productivity of the Site; the Fund plans and intends to constitute a qualified

opportunity fund throughout its existence, and the Fund and the Operating Company plan and intend that the Operating Company and the Hotel Owner constitute a qualified opportunity zone business that owns and/or leases qualified opportunity zone business property as substantially all of their assets throughout their existence; the Casino Owner will not hold its interest in the Casino Project solely for speculative investment and the business of the Casino Owner will not be merely speculative in nature; the Hotel Owner will not hold the Hotel Project solely for speculative investment and the business of the Hotel Owner will not be merely speculative in nature; the Casino Owner will make a significant investment in the business activities on the Site, which investment is reasonably expected significantly to increase economic activity in the qualified opportunity zone that includes the Site; the Hotel Owner will make a significant investment in the business activities on the Site, which investment is reasonably expected significantly to increase economic activity in the qualified opportunity zone that includes the Site; and achieving a tax result that is inconsistent with the purposes of the Code provisions with respect to qualified opportunity funds and of the OZ Regulations is not any one of the significant purposes of the transactions described herein.

28. No commitment for a Permanent Loan exists as of the date hereof or will be obtained for at least one year from the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund; each of the Casino Owner, the Tenancy in Common and the Hotel Owner has no obligation and will incur no obligation to distribute any proceeds of a Permanent Loan to the Fund and/or the Operating Company, the Operating Company has no obligation and will incur no obligation to distribute any such loan proceeds to the Fund, and the Fund has no obligation and will incur no obligation to distribute any such loan proceeds to the Investors, in each case for at least two years and a day after the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund; and no such distribution by the Casino Owner, the Tenancy in Common, the Hotel Owner, the Operating Company or the Fund will be made within two years and a day after the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund or within 91 days after the Casino Owner, the Tenancy in Common, the Hotel Owner, the Operating Company or the Fund incurs the Permanent Loan.

29. All information set forth under the heading “Facts” above is true and correct.

Opinion

Based upon the facts, assumptions and representations set forth under the headings “Facts,” “Assumptions” and “Representations” above, and for the reasons discussed under the heading “Discussion” below, in our opinion (a) the Fund should constitute a qualified opportunity fund within the meaning of section 1400Z-2(d)(1) of the Code, and (b) a Debt Financed Distribution (i) should not result in an Inclusion Event with respect to an Investor so long as the distribution to the Investor does not exceed the Investor’s basis in its Qualifying Investment in the Fund, and (ii) should not convert all or any portion of the investment by an Investor in the Fund into a Non-Qualifying Investment. In expressing the foregoing opinions, and in evaluating the issues related thereto, we have not taken into account the possibility that a tax return will not be audited or that an issue will not be raised on audit.

Discussion

The Tax Cuts and Jobs Act of 2017, P.L. 115-97, added provisions to the Code in respect of qualified opportunity funds. Final Income Tax Regulations issued in December 2019 and corrected in April 2020 (as so corrected, the “OZ Regulations”) describe the purposes of the Code provisions on qualified opportunity funds and of such Regulations as being to provide specified Federal income tax benefits to owners of qualified opportunity funds to encourage the making of longer-term investments, through qualified opportunity funds and qualified opportunity zone businesses, of new capital in one or more qualified opportunity zones and to increase the economic growth of such qualified opportunity zones. Treas. Reg. § 1.1400Z2(f)-1(c)(1). See also, Conf. Rept. No. 115-466, 115th Congress, 1st Session (December 15, 2017), at 538; IRS Notice of Proposed Rulemaking in respect of proposed regulations issued in October 2018 (the “2018 Proposed Regulations”), at 3; Opportunity Zone Frequently Asked Questions (posted on the Internal Revenue Service (“IRS”) website); General Explanation of Public Law 115-97 prepared by the Staff of the Joint Committee on Taxation, at 316 (December 2018); IRS Notice of Proposed Rulemaking in respect of amended proposed regulations issued in April 2019, at 3.

The OZ Regulations are applicable for taxable years beginning after March 13, 2020. The IRS projected upon issuance of the OZ Regulations that 5,500 to 12,000 qualified opportunity funds, 6,000 to 15,000 qualified opportunity zone businesses, and 55,000 to 120,000 investors in qualified opportunity funds would eventually be affected by the OZ Regulations. Treas. Reg. §§ 1.1400Z2(a)-1(g), 1.1400Z2(b)-1(j), 1.1400Z2(d)-1(e), 1.1400Z2(d)-2(e), 1.1400Z2(f)-1(d), 1.1502-14Z(k), 1.1504-3(e); IRS Notice of Rulemaking in respect of the OZ Regulations (the “Summary of Comments and Explanation of Revisions” or the “Explanation”), at 2, 3, 314; RIN 1545-BO4 (April 2020).

I. Status of the Fund as a Qualified Opportunity Fund

A “qualified opportunity fund” is defined by section 1400Z-2(d)(1) of the Code to mean any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity fund) that holds at least 90% of its assets in qualified opportunity zone property, determined by the average of the percentage of qualified opportunity zone property as measured on the last day of the first six month period of its taxable year and on the last day of its taxable year. The requirements for status of the Fund as a qualified opportunity fund as so defined are discussed in turn below.

1. Investment Vehicle Requirement. In order for the Fund to constitute a qualified opportunity fund for tax purposes, it must be an “investment vehicle.” A taxpayer filing IRS Form 8996 for the first period it is a qualified opportunity fund is required to certify that by the end of its first qualified opportunity fund year its organizing documents will include a statement of its purpose of investing in qualified opportunity zone property and a description of the qualified opportunity zone business that it expects to engage in, either directly or indirectly through a first-tier operating entity.

The Fund Agreement states the purpose of the Fund to invest in qualified opportunity zone property and describes the qualified opportunity zone partnership interest it intends to acquire with respect to the Hotel and the qualified opportunity zone business that it intends to engage in with respect to the Casino. And the Sponsor Group has represented that the Fund will timely and properly file each IRS Form 8996 or other applicable forms and make all certifications required

thereby. Accordingly, the Fund should constitute an investment vehicle within the meaning of section 1400Z-2(d)(1) of the Code.

2. Organizational Requirement. In order for the Fund to constitute a qualified opportunity fund for tax purposes, it must be “organized as a corporation or a partnership.” The Fund is organized as a limited liability company as a matter of commercial law. The Fund is classified as a partnership for Federal income tax purposes because it has at least two members and, as the Sponsor Group has represented, has not elected to be classified as a corporation for tax purposes and is not a publicly traded partnership treated as a corporation for tax purposes. Accordingly, the Fund should be considered to be organized as a partnership for purposes of section 1400Z-2(d)(1) of the Code. See, Treas. Reg. §§1.1400Z2(d)-1(a)(1) (the term eligible entity means an entity organized under State law that is classified as a corporation or partnership for Federal income tax purposes), 1.1400Z2(a)-1(b)(25) (the term QOF partnership means a qualified opportunity fund that is classified as a partnership for Federal income tax purposes).

3. Purpose Requirement. In order for the Fund to constitute a qualified opportunity fund for tax purposes, it must have as its purpose investing in qualified opportunity zone property (other than in another qualified opportunity fund). The Sponsor Group has represented that no certification has been or will be made to classify the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner as a qualified opportunity fund for Federal income tax purposes. Accordingly, the purpose requirement for status as a qualified opportunity fund should be satisfied if the Casino Owner Interest and the Operating Company Interest constitute qualified opportunity zone property.

4. Certification Requirement. The Code does not require any election to be made by a qualified opportunity fund in order for it to be classified as such. The Code does, however, authorize the IRS to prescribe such regulations as may be necessary or appropriate to carry out the purposes of the qualified opportunity fund regime, including rules for the certification of qualified opportunity funds. Under the OZ Regulations, an eligible taxpayer self-certifies to become a qualified opportunity fund, with no approval or action by the IRS required. The self-certification must be timely filed and effected annually in such form and manner as may be prescribed by the IRS. Code § 1400Z-2(e)(4)(A); Treas. Reg. §§ 1.1400Z2(d)-1(a)(1)(i), (2).

The Sponsor Group has represented that the Fund will timely and properly self-certify as a qualified opportunity fund for Federal income tax purposes effective as of the admission of the first Investor as a member of the Fund and continuing throughout the life of the Fund, and that the Fund will make all certifications required by applicable IRS forms.

5. Qualified Opportunity Zone Property Requirement. The term “qualified opportunity zone property” is defined by section 1400Z-2(d)(2)(A) of the Code to mean property which is qualified opportunity zone stock, a qualified opportunity zone partnership interest or qualified opportunity zone business property. No qualified opportunity zone stock is involved in the current situation because the Fund will not own stock in any corporation or equity in any other entity classified as a corporation for Federal tax purposes. Nor will the Fund own any meaningful amount of property other than the Operating Company Interest and the Casino Owner Interest. Accordingly, in order for the Fund to constitute a qualified opportunity fund, the Operating Company Interest must constitute a qualified opportunity zone partnership interest and, unless the Casino Owner Interest is of small enough value relative to the Operating Company Interest and any other assets of the Fund (as described below), the Casino Owner Interest must

constitute qualified opportunity zone business property. Code §§ 1400Z2(d)(2)(B), (C); Treas. Reg. § 1.1400Z2(d)-1(c)(2)(i).

6. Qualified Opportunity Zone Business Property Requirement. The term “qualified opportunity zone business property” is defined by section 1400Z-2(d)(2)(D) of the Code to mean tangible property (a) that is used in a trade or business of a qualified opportunity fund, (b) that is acquired by the qualified opportunity fund by purchase after 2017, (c) the original use of which in the qualified opportunity zone commences with the qualified opportunity fund or the qualified opportunity fund substantially improves the property, and (d) substantially all of the use of which is in a qualified opportunity zone during substantially all of the qualified opportunity fund’s holding period for the property. The OZ Regulations relax the purchase requirement in the case of certain leased property, as described below, and provide that “substantially all” of the holding period for property means at least 90% of such holding period. Treas. Reg. § 1.1400Z2(a)-1(b)(6).

As indicated above, qualified opportunity zone business property is defined in the first instance as tangible property used by a qualified opportunity fund. For purposes of determining whether a given business is a qualified opportunity zone business, however, the Code looks to the property of the qualified opportunity zone business rather than the property of the qualified opportunity fund. Accordingly, the Casino Owner Interest (or more precisely, the Casino Owner’s undivided interest in the Casino Project, since the Casino Owner is disregarded as an entity separate from the Fund for Federal income tax purposes) must constitute qualified opportunity zone business property in the hands of the Fund and the Hotel Owner Interest (or more precisely, the Hotel Project since the Hotel Owner is disregarded as an entity separate from the Operating Company for Federal income tax purposes) must constitute qualified opportunity zone business property in the hands of the Operating Company. Code §§1400Z-2(d)(2)(D)(i), (3)(A)(i).

a) Trade or Business Requirement. Under the OZ Regulations, a trade or business means a trade or business within the meaning of section 162 of the Code.

The Supreme Court has stated that, to be engaged in a trade or business for purposes of section 162 of the Code, a taxpayer must be involved in the relevant activity with continuity and regularity and the primary purpose of the taxpayer for engaging in the activity must be for income or profit. The Supreme Court has further stated that to be engaged in an activity for profit, section 162 of the Code requires only an intent to earn an economic profit. CIR v. Groetzinger, 480 U.S. 23 (1987); Portland Golf Club v. CIR, 497 U.S. 154 (1990).

The mere receipt of income from real property, the sporadic negotiation of leases and the payment of expenses incident to the collection of the income does not constitute a trade or business for Federal income tax purposes. Thus, for example, a triple net lessor of real property is not considered to be engaged in a trade or business in a tax sense. To be considered as engaged in a trade or business, activity beyond the receipt of income and the payment of expenses must be considerable, continuous and regular. For purposes of the divisive reorganization provisions of the Code, a corporation is treated as engaged in a trade or business if a specific group of activities are being carried on by the corporation for the purpose of earning income or profit, and the activities included in such group include every operation that forms part of, or a step in, the process of earning income and profit. Such group of activities ordinarily must include the collection of income and the payment of expenses. Treas. Reg. § 1.1400Z2(d)-1(d)(1). See, e.g., Rev. Rul. 73-522, 1973-2 Cum. Bull. 226; Jan C. Lewenhaupt, 20 T.C. 151

(1953) (reviewed), aff'd. per curiam, 221 F.2d 227 (9th Cir. 1955); Inez De Amodio, 34 T.C. 894 (1960), aff'd, 299 F.2d 623 (3rd Cir. 1962); Treas. Reg. § 1.355-3(b)(2)(ii).

The Sponsor Group has represented that the Fund and the Casino Owner intend that the Casino Owner will realize, and reasonably expect that the Casino Owner will realize, a not insignificant economic profit from its investment in the Casino Project; the Casino Sublease will not be a triple net lease; the Casino Operator will pay rent in fixed dollar amounts; and the Fund and/or the Casino Owner or the Tenancy in Common or its or their respective officers, employees and agents, including the Fund Manager, in each case in their capacities as such (excluding activities performed by others, including independent contractors and the Casino Operator), will engage on a considerable, continuous and regular basis in each taxable year in carrying on a group of activities for the purpose of earning income or profit, provided that the activities of the Fund, the Casino Owner and the Tenancy in Common will be limited to those customarily performed in connection with the maintenance and repair of rental real property under a lease that is not a triple net lease. Accordingly, the Casino Owner should be engaged in a trade or business for Federal income tax purposes with respect to the Casino Project.

The Sponsor Group has further represented that the Fund and the Operating Company intend that the Hotel Owner realize, and reasonably expect that the Hotel Owner will realize, a not insignificant economic profit from its investment in the Hotel Project; the OpCo Manager and the officers, employees, and agents of the Operating Company and the Hotel Owner, including the Hotel Manager under the Operating Service Contract, in each case in their capacities as such (excluding activities performed by others, including independent contractors), will engage on a considerable, continuous and regular basis in each taxable year in carrying on a group of activities for the purpose of earning income or profit, including every operation that forms part of, or a step in, the process of earning income and profit, including the collection of income and the payment of expenses; and the activities of the Hotel Owner in each taxable year will not be limited to the mere receipt of income from real property, the sporadic negotiation of leases and the payment of expenses incident to the collection of the income. Accordingly, the Operating Company and the Hotel Owner should be engaged in a trade or business for Federal income tax purposes with respect to the Hotel Project.

b) Purchase Requirement. The term “purchase” is defined to mean any acquisition of property, but only if (i) the property is not acquired from a related person (as defined), (ii) the property is not acquired by one component member of a controlled group of corporations from another component member of the same controlled group, (iii) the basis of the property in the hands of the person acquiring the property is not determined in whole or part by reference to the adjusted basis of the property in the hands of the person from whom the property is acquired, and (iv) the property is not acquired and did not pass to the person acquiring the property from a decedent. Code §§ 1400Z-2(d)(1)(D)(i)(I), 179(d)(2).

Tangible property manufactured, constructed or produced by a qualified opportunity fund or a qualified opportunity zone business (an “eligible entity”) with the intent that such entity use the property in a trade or business in a qualified opportunity zone is considered to be purchased by the eligible entity if the manufacture, construction or production begins after 2017. The acquisition date of such property is the date on which physical work of a significant nature on the manufacture, construction or production of the property begins. For this purpose, physical work does not include preliminary activities such as planning or designing, securing financing, exploring or researching, or preliminary work such as clearing or testing of soil conditions. The

determination of when physical work of a significant nature begins depends on the facts and circumstances. For example, if a factory is to be constructed on site, physical work of a significant nature commences at the site and could begin when work commences on the excavation of footings or the pouring of pads. Under a heading titled “safe harbor,” the OZ Regulations provide that physical work of a significant nature will not be considered to begin before the taxpayer incurs or pays more than 10% of the total cost of the property (excluding the cost of any land and preliminary activities). Treas. Reg. § 1.1400Z2(d)-2(b)(1)(iii).

The OZ Regulation described in the preceding paragraph treats certain property constructed by an eligible entity as having been acquired by the eligible entity by purchase. The Income Tax Regulations in respect of depreciation deductions and investment credits allowed under prior law distinguish between the construction of property and the acquisition of property. Property is considered as constructed by a taxpayer for such purposes if the work is done for him in accordance with his specifications. Property is deemed to be acquired by a taxpayer when it is reduced to physical possession or control. Treas. Reg. §§1.167(c)-1, 1.48-2. Compare, Treas. Reg. §1.167(j)-1(b)(4)(iii)(A) (property that is constructed by a taxpayer itself and property that is constructed for a taxpayer by another person both treated as property acquired by the taxpayer). See also, Treas. Reg. §1.954-3(a)(4) (defining manufacture, production and construction of personal property for purposes of the rules on controlled foreign corporations).

Inventory (including raw materials) of a trade or business produced by an eligible entity after 2017 is deemed to satisfy the purchase requirement for status of property as qualified opportunity zone business property. Treas. Reg. §1.1400Z2(d)-2(b)(2)(ii).

In the case of tangible property that is leased rather than purchased, the property must be acquired under a lease entered into after 2017 and the terms of the lease must be market rate (that is, the terms of the lease must reflect common, arm’s length market pricing in the locale that includes the qualified opportunity zone as determined under section 482 of the Code and the Income Tax Regulations thereunder) at the time the lease was entered into. There is a rebuttable presumption that the terms of a lease between unrelated persons are market rate, and thus the parties to the lease are not required to perform a Code section 482 analysis. If the lessor and lessee are related parties then the lessee at no time may make any prepayment in connection with the lease relating to a period of use of the property that exceeds 12 months. Tangible property acquired by lease from a state, local or Indian tribal government is not considered to be acquired by lease from a related person. Real property that is purchased by or leased to an eligible entity will not constitute qualified opportunity zone business property if, at the time the property was purchased or the lease was entered into (as applicable), there was a plan, intent or expectation for the real property to be repurchased by the seller for an amount other than the fair market value of the property determined at the time of the repurchase (in the case of real property purchased by an eligible entity) or purchased by the eligible entity for an amount other than the fair market value of the property determined at the time of the purchase without regard to any lease payments (in the case of leased real property). Treas. Reg. §§1.1400Z2(d)-2(b)(1)(ii), (c)(1), (2), (3)(i), (4).

If the lessor and lessee are related parties and if the original use of the leased tangible personal property in the qualified opportunity zone did not commence with the lessee, the property is not qualified opportunity zone business property unless the lessee becomes the owner of tangible property that is qualified opportunity zone business property having a value not less than the value of such leased tangible personal property. Value is to be determined for these purposes

in accordance with the valuation methodologies provided in respect of the 90% good assets requirement described in item 9 below. The lessee must become the owner of such property during the period beginning on the date that the lessee receives possession of the leased property under the lease and ending on the earlier of the date that is 30 months thereafter or the last day of the term of the lease (including periods during which the lessee may extend the lease at a pre-defined market rate rent). There must be substantial overlap of the qualified opportunity zone(s) in which the owner of the property so acquired uses it and the zone(s) in which that person uses the leased property. Treas. Reg. §§ 1.1400Z2(d)-2(c)(3)(ii), (iv).

Although the OZ Regulations do not expressly address property subleased to a qualified opportunity zone business, the Explanation that accompanied the issuance of the Final Regulations states that the IRS “generally do[es] not view tangible property acquired under a sublease ... as necessarily different from tangible property acquired under a lease ... to the extent that the tangible property otherwise would qualify as qualified opportunity zone business property.” Explanation, at 352-53.

(i) The Fund, the Casino Owner and the Tenancy in Common.

The Sponsor Group has represented that (1) the Casino, the Casino Condo and the leasehold estate in the Casino Condo constitute tangible real property under applicable Nevada law; (2) the terms of the Casino Condo Lease will be market rate; (3) no prepayment will be made in connection with the Casino Condo Lease relating to a period of use of the property that exceeds 12 months if the lessor thereunder is a related person; and (4) there is not and will not be any plan, intent or expectation for the leased property to be purchased by any person for an amount other than fair market value. The Casino Condo Lease will be entered into after 2017. The Casino Condo Lease should therefore satisfy the purchase requirement.

Insofar as the Casino itself is concerned, the Operating Company will construct or cause the Casino to be constructed as agent of the Casino Owner. Physical work of a significant nature on the construction of the Casino will begin after 2017. The Sponsor Group has represented that (1) neither the General Contractor nor any of its subcontractors is or will be a related person to the Fund, the Casino Owner or the Tenancy in Common; (2) the Casino is being developed with the intent that the Casino Owner use the Casino in its trade or business; (3) the work on development of the Casino will be done for the Casino Owner in accordance with its specifications; and (4) there is not and will not be any plan, intent or expectation for the Casino to be purchased by any person for an amount other than fair market value.

The Sponsor Group has further represented that any tangible property used in the trade or business of the Casino Owner will have a cost basis, will not be acquired by one component member of a controlled group of corporations from another component member of the same controlled group, will not be acquired or pass to the Fund, the Casino Owner or the Tenancy in Common from a decedent, and will be acquired by purchase from an unrelated person. The interest of the Casino Owner in the Casino Project should therefore satisfy the purchase requirement.

(ii) The Operating Company and the Hotel Owner.

The Sponsor Group has represented that (1) the Hotel, the Hotel Condo and the leasehold estate in the Hotel Condo constitute tangible real property under applicable Nevada law, (2) the

terms of the Hotel Condo Lease will be market rate; (3) no prepayment will be made in connection with the Hotel Condo Lease relating to a period of use of the property that exceeds 12 months if the lessor thereunder is a related person; and (4) there is not and will not be any plan, intent or expectation for the leased property to be purchased by any person for an amount other than fair market value. The Hotel Condo Lease will be entered into after 2017. The Hotel Condo Lease should therefore satisfy the purchase requirement.

Insofar as the Hotel itself is concerned, the Operating Company will construct the Hotel or cause it to be constructed as a principal for its own account and as the agent of the Hotel Owner. Physical work of a significant nature on the construction of the Hotel will begin after 2017. The Sponsor Group has represented that (1) neither the General Contractor nor any of its subcontractors is or will be a related person to the Fund, the Operating Company or the Hotel Owner; (2) the Hotel is being developed with the intent that the Hotel Owner use the Hotel in its trade or business; (3) the work on development of the Hotel will be done for the Operating Company and the Hotel Owner in accordance with their specifications; and (4) there is not and will not be any plan, intent or expectation for the Hotel to be purchased by any person for an amount other than fair market value.

The Sponsor Group has further represented that any tangible property used in the trade or business of the Hotel Owner and the Operating Company will have a cost basis, will not be acquired by one component member of a controlled group of corporations from another component member of the same controlled group, will not be acquired or pass to the Hotel Owner or the Operating Company from a decedent and will be acquired by purchase from an unrelated person. The Hotel Project should therefore satisfy the purchase requirement.

c) Original Use or Substantial Improvement Requirement. Either the original use of tangible property in the qualified opportunity zone must commence with the Fund or the Operating Company, as applicable, or else the Fund or the Operating Company must substantially improve the property. Treas. Reg. § 1.1400Z2(d)-2(b)(2)(i).

(i) Original Use Aspect. The original use in a qualified opportunity zone of tangible property acquired by purchase commences in general on the date any person first places the property in service in the qualified opportunity zone for purposes of depreciation or amortization, or first uses the property in the qualified opportunity zone in a manner that would allow depreciation or amortization if that person were the owner of the property. The original use of unimproved land in general may not commence with a qualified opportunity fund or qualified opportunity zone business, except as noted below. Treas. Reg. §§ 1.1400Z2(d)-2(b)(3)(i)(A), (D), 1.48-2(b)(7), 1.167-3(b); Rev. Rul. 2018-29, supra; see also, e.g., Rev. Rul. 76-256, 1976-2 Cum. Bull. 46, Rev. Rul. 79-40, 1979-1 Cum. Bull. 13 (re placement in service for depreciation purposes).

If real property acquired by purchase, including land and buildings, has been vacant for an uninterrupted period of at least one calendar year beginning on a date prior to the date on which the qualified opportunity zone in which the property is located was designated by the IRS as a qualified opportunity zone, or if the property has been vacant for an uninterrupted period of three calendar years beginning on a date after the date on which the qualified opportunity zone in which the property is located was designated by the IRS as a qualified opportunity zone, and in either case if the property has remained vacant through the date on which the property was purchased by an eligible entity, then the original use of the property in the qualified opportunity

zone commences on the date after that period when any person first so uses or places the property in service in the qualified opportunity zone. For this purpose, real property is considered to be in a state of vacancy if the property is significantly unused. Land or a building will be considered significantly unused if more than 80% of the land or building, as measured by the square footage of useable space, is not currently being used. Treas. Reg. §§ 1.1400Z2(d)-2(b)(3)(i)(B), (iii).

Used tangible property acquired by purchase satisfies the original use requirement if the property has not previously been used or placed in service in the qualified opportunity zone. If used tangible property acquired by purchase has been previously used or placed in service in the qualified opportunity zone, it must be substantially improved in order to satisfy the original use or substantial improvement requirement. Improvements made by a lessee to leased property satisfy the original use requirement as purchased property for the amount of the unadjusted cost basis of the improvements under section 1012 of the Code. Treas. Reg. §§1.1400Z2(d)-2(b)(3)(i)(C), (ii).

An eligible entity that purchases a parcel of land that is a brownfield site (as defined) may treat all property composing the brownfield site (including the land and structures thereon) as satisfying the original use requirement if, within a reasonable period, the eligible entity makes investments in the brownfield site to ensure that all property composing the brownfield site meets basic safety standards for both human health and the environment. An eligible entity that purchases real property from a local government that the local government holds as the result of an involuntary transfer (including through abandonment, bankruptcy, foreclosure or receivership) may treat all property composing the real property (including the land and structures thereon) as satisfying the original use requirement. Treas. Reg. §§1.1400Z2(d)-2(b)(3)(iv), (v).

The original use of leased tangible property in a qualified opportunity zone commences on the date any person first places the property in service in the qualified opportunity zone for purposes of depreciation (or first uses the property in the qualified opportunity zone in a manner that would allow depreciation or amortization if that person were the owner of the property). Used leased tangible personal property can satisfy the original use requirement if the property has not been previously so used or placed in service in the qualified opportunity zone. Treas. Reg. §1.1400Z2(d)-2(c)(3)(iii).

(ii) Substantial Improvement Aspect. Tangible property in general is treated as substantially improved only if, during any 30 month period beginning after the date of acquisition of the property, additions to basis with respect to the property exceed an amount equal to the adjusted basis of the property at the beginning of the 30 month period. Additions to the tax basis of the Fund in the Casino Owner's undivided interest in the Casino Project and to the tax basis of the Operating Company in the Hotel Project will be made to reflect payments to construction contractors, construction period interest and other pre-opening expenses, and other items to the extent properly included in basis. Code §§ 1400Z-2(d)(2)(D)(ii), 263, 1016(a)(1); Treas. Reg. §§ 1.1400Z2(a)-1(b)(1), - 2(b)(4)(i), 1.263(a)-1(d)(1), - 2.

In Revenue Ruling 2018-29, 2018-45 IRB (the "OZ Ruling"), a qualified opportunity fund purchased a building that had previously been used as a factory and the land within a qualified opportunity zone on which the building was located, with a view to converting the building into residential rental property. The IRS ruled that, in order to constitute qualified opportunity zone business property, the fund was required to substantially improve the building but was not

required to substantially improve the land (the portion of the purchase price attributable to the land not being included in the taxpayer's basis in the building).

The OZ Regulations are to the same effect, provided that under the Regulations land which is unimproved or minimally improved will not qualify as qualified opportunity zone business property if the land is purchased with an expectation or intention to not improve the land by more than an insubstantial amount within 30 months of the date of purchase unless the land is substantially improved within such 30 month period. The Explanation that accompanied the issuance of the OZ Regulations notes that such Regulations consciously do not assign a specific percentage threshold to the concept of insubstantial improvement because an appropriate amount of improvement for a particular parcel of land is a highly fact dependent inquiry. The OZ Regulations do provide, however, that in determining whether there was an expectation or intention to improve the land by more than an insubstantial amount, improvements to the land and any naturally occurring structures located thereon (including grading, clearing of the land, remediation of contaminated land, or acquisition of related qualified opportunity zone business property that facilitates the use of the land in a trade or business of the eligible entity) are taken into account. In addition, the cost of certain betterments (such as environmental remediation or utility upgrades) which are properly chargeable to the basis of land may be added to the basis of a building on the land that was non-original use property if they are paid for by the eligible entity. Rev. Rul. 2018-29, supra; Treas. Reg. § 1.1400Z2(d)-2(b)(4)(iv); Explanation, at 202, 205, 322-23.

The cost of purchased property that would otherwise constitute qualified opportunity zone business property may be taken into account in determining whether additions to the basis of non-original use property acquired by purchase satisfy the substantial improvement standard so long as the purchased property is located in the same qualified opportunity zone (or a contiguous qualified opportunity zone) as the non-original use property, is used in the same trade or business as the non-original use property, and improves the functionality of the non-original use property (for example, new linens, mattresses and furniture for a hotel that had previously been placed in service, new exercise equipment for a gym located in the hotel building and new equipment for a restaurant attached to the hotel). If an eligible entity chooses to apply the foregoing rule to non-original use real property, it must improve such property by more than an insubstantial amount. If an eligible entity chooses to apply the rule to any property, the purchased property that would otherwise qualify as qualified opportunity zone business property will not be treated as original use property but rather the basis of the purchased property will be taken into account in determining whether additions to the basis of the non-original use property satisfy the substantial improvement requirement. Treas. Reg. § 1.1400Z2(d)-2(b)(4)(iii).

An asset-by-asset approach may be used to determine whether assets have been substantially improved. Alternatively, two or more buildings may be treated as a single property if each such building is located entirely within the geographic borders of a parcel of land described in a single deed. Two or more buildings located entirely within the geographic borders of contiguous parcels of land described in separate deeds may also be treated as a single property for purposes of compliance with the substantial improvement requirement to the extent each such building is operated as part of one or more trades or businesses that are operated exclusively by the eligible entity, share facilities or significant centralized business elements (such as personnel, accounting, legal, manufacturing, purchasing, human resources or information technology resources), and are operated in coordination with (or reliance upon) one or more of the trades or businesses (for example, supply chain interdependencies or mixed use facilities). In order to

satisfy the substantial improvement requirement with respect to the buildings comprising such an eligible building group, the aggregate additions to the tax basis of each building comprising such a single property over the applicable 30 month period must exceed the aggregate basis of the buildings comprising the single property at the beginning of the 30 month period. Treas. Reg. §1.1400Z2(d)-2(b)(4)(v); Explanation, at 322.

Inventory (including raw materials) of a trade or business produced by an eligible entity after 2017 is deemed to satisfy the original use or substantial improvement requirement for status of property as qualified opportunity zone business property. Treas. Reg. §1.1400Z2(d)-2(b)(ii).

(iii) Conclusion. The Sponsor Group has represented that either the original use in the qualified opportunity zone that includes the Site of the tangible property used in the trade or business of the Casino Owner and the Hotel Owner, whether owned or leased, will commence with the Casino Owner and the Hotel Owner, or else the Casino Owner and the Hotel Owner will substantially improve such property; and the Fund, the Operating Company, the Casino Owner, the Tenancy in Common and the Hotel Owner will not purchase an interest in any land which is unimproved or minimally improved with an expectation or intention to not improve such land by more than an insubstantial amount within 30 months of the date of purchase. Accordingly, the original use or substantial improvement requirement should be satisfied.

d) Place of Use Requirement. The OZ Regulations provide that “substantially all” of the use of tangible property in a qualified opportunity zone means at least 70% of such use. Treas. Reg. §1.1400Z2(a)-1(b)(2).

To be taken into account as used in a qualified opportunity zone for purposes of the 70% use test, tangible property must be so-called qualified tangible property. Tangible property of a trade or business is qualified tangible property for this purpose to the extent, based on the number of days between two consecutive semi-annual testing dates, no less than 70% of the total utilization of the tangible property by the trade or business occurs at a location within the geographic borders of a qualified opportunity zone. Tangible property utilized by a trade or business in rendering services both inside and outside of the geographic borders of a qualified opportunity zone may be treated as qualified property if (i) it directly generates gross income for the trade or business both inside and outside of such geographic borders, (ii) the trade or business has an office or other facility located within the geographic borders of a qualified opportunity zone, (iii) the tangible property is operated by the employees of the trade or business who regularly use such office or other facility of the trade or business in the course of carrying out their duties and are directly, actively and substantially managed on a day to day basis by one or more employees of the trade or business who carry out their duties at such office or other facility, and (iv) the tangible property is not operated exclusively outside of the geographic borders of a qualified opportunity zone for a period longer than 14 consecutive days for the generation of gross income for the trade or business; provided that the foregoing safe harbor may not be used to treat more than 20% of the tangible property of the trade or business as qualified tangible property. For this purpose, the value of owned and leased property is required to be determined in accordance with the valuation methodologies described in item 8(a) below, and such value in the case of leased tangible personal property is to be determined on the date the lessee receives possession of the property under the lease.

Tangible property of a trade or business, the employees of which use an office or other facility of the trade or business located within the geographic borders of a qualified opportunity

zone to regularly lease such tangible property to customers of the trade or business, may be treated as qualified tangible property if (i) consistent with the normal, usual or customary conduct of the trade or business, when not subject to a lease to a customer of the trade or business, the property is parked or otherwise stored at such office or other facility, and (ii) no lease under which a customer of the trade or business acquires possession of the property is for a duration (including extensions) longer than 30 consecutive days.

If qualified tangible property is utilized by a trade or business in one or more qualified opportunity zones, satisfaction of the 70% use test is determined by aggregating the number of days the property is utilized by the trade or business in each qualified opportunity zone. The rules described in item 8(f) below apply for purposes of determining whether real property straddling a qualified opportunity zone is situated in the qualified opportunity zone. Inventory (including raw materials) of a trade or business does not fail to be used in a qualified opportunity zone solely because the inventory is in transit from a vendor to a facility of the trade or business that is in a qualified opportunity zone, or from a facility of the trade or business that is in a qualified opportunity zone to customers of the trade or business that are not located in a qualified opportunity zone. The distance travelled by the inventory while it is in transit, or the fact that the inventory is briefly warehoused while in transit, does not affect the application of the foregoing safe harbor for inventory in transit.

The OZ Regulations further provide that “substantially all” of the holding period with respect to property used in a qualified opportunity zone means at least 90% of such holding period. The holding period requirement is applied on a semi-annual basis, based on the entire amount of time the eligible entity has owned or leased the property. Thus, on each semi-annual testing date, the tangible property satisfies the 90% holding period requirement only if, during at least 90% of the period during which the eligible entity has owned or leased the property, the property has satisfied the 70% use test. Treas. Reg. §§1.1400Z2(a)-1(b)(3), (6), 1.1400Z2(d)-2(d). See also, Notice 2018-48, 2018-28 IRB 9 (designating qualified opportunity zones).

The Sponsor Group has represented that at least 70% of the use of the tangible property of each of the Casino Owner and the Hotel Owner will be in a qualified opportunity zone during at least 90% of the holding period of the Fund for its Casino Owner Interest and its Operating Company Interest, the holding period of the Operating Company for its Hotel Owner Interest, the holding period of the Casino Owner for its interest in the Casino Project, and the holding period of the Hotel Owner for the Hotel Project.¹

e) Classification of Tenancy in Common. The arrangement formed by the TIC Agreement is styled as a Tenancy in Common. If the Tenancy in Common were re-characterized as a partnership for Federal income tax purposes, the interest of the Fund in the

¹ The OZ Regulations “imply that, in certain limited fact patterns, a [qualified opportunity fund] could satisfy the substantially all standards with as little as 40 percent of the tangible property effectively owned by the fund being used within a [qualified opportunity zone]. This could occur if 90 percent of [its] assets are invested in a qualified opportunity zone business, in which 70 percent of the tangible assets of that business are qualified opportunity zone business property; and if, in addition, the qualified opportunity zone business property is only 70 percent in use within a [qualified opportunity zone], and for 90 percent of the holding period for such property. Multiplying these shares together (0.9 x 0.7 x 0.7 x 0.9 = 0.4) generates the result that a [qualified opportunity fund] could satisfy the [statutory] requirements ... under the final regulations with just 40 percent of its assets effectively in use within a [qualified opportunity zone].” Explanation, at 330-31.

Casino Owner would not constitute qualified opportunity zone property because a partnership interest of a qualified opportunity fund does not constitute qualified opportunity zone property where the sole asset of the partnership is a facility used for gambling, as discussed below. If the Tenancy in Common is respected for tax purposes as a true tenancy in common, on the other hand, then the Casino Project should constitute good qualified opportunity zone property because a qualified opportunity fund itself is allowed to own a facility used for gambling and the Fund will be considered the direct owner of the Casino Project because the Casino Owner is disregarded as an entity separate from the Fund for tax purposes.

Sections 7701(a)(2) and 761(a) of the Code define a partnership to include a syndicate, group, pool, joint venture or other unincorporated organization through or by means of which any business, financial operation or venture is carried on and which is not a trust, estate or corporation for tax purposes. The Income Tax Regulations promulgated under section 7701 of the Code provide that whether an organization is an entity separate from its owners is a matter of Federal tax law and does not depend on whether the organization is recognized as an entity under local law. A joint venture or other contractual arrangement may create a separate entity for federal tax purposes if the participants carry on a trade, business, financial operation or venture and divide the profits therefrom. For example, a separate entity exists for Federal tax purposes if co-owners of an apartment building lease space and in addition provide services to the occupants either directly or through an agent. Nevertheless, a joint undertaking merely to share expenses does not create a separate entity for Federal tax purposes. Similarly, mere co-ownership of property that is maintained, kept in repair, and rented or leased does not constitute a separate entity for Federal tax purposes. Treas. Reg. §301.7701-1(a)(1), (2); see also, Id. §1.761-1(a).

The leading commentators on partnership taxation have stated that “there is an ill-defined grey area between partnerships and co-tenancies” for tax purposes under the Code and the Income Tax Regulations. The IRS has, however, published guidelines for obtaining advance rulings on the classification of a tenancy in common as a true tenancy in common rather than a partnership in disguise where the tenancy in common owns rental real property other than mineral property (the “TIC Ruling Guidelines”) The Tenancy in Common here at issue will not satisfy the TIC Ruling Guidelines. Be that as it may, the TIC Ruling Guidelines expressly state that they are not intended to be substantive rules and are not to be used for audit purposes. William S. McKee, William F. Nelson, Robert L. Whitmire, Gary R. Huffman and James P. Whitmire, *Federal Taxation of Partnerships and Partners* (4th ed. 2007 and Supp. 2022-1), at para. 3.05[5]; Rev. Proc. 2002-22, 2002-1 Cum. Bull. 733.

The Sponsor Parties have represented that the Tenancy in Common will not file a partnership tax return, execute any agreement identifying the Casino Owners as partners, or otherwise hold the Tenancy in Common out as a partnership for Federal income tax or any other purpose; neither of the Casino Owners (or their respective members) will treat itself as a partner in a partnership with respect to the Casino for Federal income tax or any other purpose; each of the Casino Owners will have the right to transfer or encumber its interest in the Tenancy in Common without the consent or approval of any other person, except as may be required by a lender consistent with customary commercial lending practices; the TIC Agreement will include deemed elections out of all of the partnership subchapter of the Code; and the TIC Agreement will state that each of the Casino Owners and their respective members intends the Tenancy in Common to constitute, and that it shall constitute, a tenancy in common and not a partnership for Federal income tax and all other purposes. In addition, as noted above, the

activities of the Casino Owners and the Tenancy in Common will be limited to those customarily performed in connection with the maintenance and repair of rental real property under a lease that is not a triple net lease. See, Rev. Proc. 2002-22, supra; Rev. Rul. 75-374, 1975-2 Cum. Bull. 261; William E. Flowers and E. Bradford Holbrook, III, "Partners or Co-Owners: The Use of Undivided Interests in Equipment Leasing," *The Tax Lawyer*, vol. 41, no. 3 (1988).

If the Tenancy in Common were to be re-characterized as a partnership for Federal income tax purposes in the first instance, it is possible but not certain that the deemed elections out of the partnership subchapter of the Code included in the TIC Agreement may be effective and, if so, may result in the classification of the Tenancy in Common as a true tenancy in common for purposes of the rules on qualified opportunity funds, which rules are not included in the partnership subchapter of the Code. Compare, Rev. Rul. 83-129, 1983-2 Cum. Bull. 105 (election out permits partners to make separate elections under section 616 of the Code to deduct or defer development costs), with Rev. Rul. 65-118, 1965-1 Cum. Bull. 30 (still a partnership insofar as the rules dealing with dollar limits on used property qualifying for investment tax credits are concerned).

In the absence of a definitive TIC Agreement and related agreements, it is not possible for us to opine that the Tenancy in Common will be respected as a true tenancy in common for Federal income tax purposes. That said, we believe it is reasonable to expect, and we have assumed for purposes of this opinion letter, that the TIC Agreement and related agreements will be written such that the Tenancy in Common is respected as a true tenancy in common for Federal income tax purposes. In this connection we note that the Sponsor Parties have represented, based on advice to them from independent Nevada counsel of recognized standing, that the Tenancy in Common will constitute a tenancy in common with respect to real property for purposes of Nevada law.

f) Conclusion. For the reasons discussed above, (i) the interest of the Casino Owner in the Casino Project should constitute qualified opportunity zone business property and in turn qualified opportunity zone property of the Fund, and (ii) the Hotel Project should constitute qualified opportunity zone business property of the Hotel Owner and the Operating Company and in turn should satisfy that component of the requirement that the Operating Company Interest constitute a qualified opportunity zone partnership interest of the Fund. The remaining criteria for classification of the Operating Company Interest as a qualified opportunity zone partnership interest and in turn qualified opportunity zone property of the Fund, and for classification of the Fund as a qualified opportunity fund, are discussed below.

7. Qualified Opportunity Zone Partnership Interest Requirement. The term "qualified opportunity zone partnership interest" is defined by section 1400Z-2(d)(2)(C) of the Code to mean a capital or profits interest in a domestic partnership if (a) the interest is acquired by the qualified opportunity fund after 2017 from the partnership solely in exchange for cash, (b) as of the time the interest is acquired, the partnership was a qualified opportunity zone business (or in the case of a new partnership, the partnership was being organized for purposes of being a qualified opportunity zone business), and (c) during substantially all of the qualified opportunity fund's holding period for the interest, the partnership qualifies as a qualified opportunity zone business. The OZ Regulations provide that "substantially all" of such holding period means at least 90% thereof and that the 90% holding period is determined on a cumulative basis. For purposes of determining satisfaction of the cumulative 90% qualified opportunity zone property holding period requirement, the determination of whether a partnership engaged in a trade or business

constitutes a qualified opportunity zone business is made by the qualified opportunity fund on a semi-annual basis, provided that the qualified opportunity fund may choose to apply the safe harbor rule described in item 9(d) below to make such determination. Treas. Reg. §§ 1.1400Z2(a)-1(b)(5), 1.1400Z2(d)-1(c)(3)(i).

The Operating Company is a domestic entity that is classified as a partnership for Federal tax purposes. The Operating Company Interest will represent an interest in both the capital and the profits of the Operating Company. The Operating Company Interest will be acquired after 2017. The Fund will be acquiring its Operating Company Interest solely in exchange for cash. And the Sponsor Group has represented that, although the Operating Company and the Hotel Owner were organized in September 2020, neither has yet placed any assets in service, both are still in the organizational phase, and the Operating Company and the Hotel Owner are new entities that are being organized for purposes of being a qualified opportunity zone business. Accordingly, the Operating Company Interest should constitute a qualified opportunity zone partnership interest if the qualified opportunity zone business requirement for such status is satisfied. See, Code § 7701(a)(4) (defining a domestic partnership); Treas. Reg. § 1.1400Z2(d)-1(c)(3)(i) (a qualified opportunity zone partnership interest is a qualifying interest in an entity “classified as a partnership for Federal tax purposes”).

8. Qualified Opportunity Zone Business Requirement. The term “qualified opportunity zone business” is defined by section 1400Z-2(d)(3) of the Code to mean a trade or business (i) in which substantially all of the tangible property owned or leased by the entity is qualified opportunity zone business property, (ii) at least 50% of the total gross income of the entity for each of its taxable years is derived from the active conduct of a trade or business within a qualified opportunity zone, (iii) a substantial portion of the intangible property of the entity is used during each of its taxable years in the active conduct of a trade or business within a qualified opportunity zone, (iv) less than 5% of the average of the aggregate unadjusted bases of the property of the entity is attributable in each of its taxable years to debt, stock, partnership interests, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities and other similar property (not including (A) reasonable amounts of working capital held in cash, cash equivalents or debt instruments with a term of 18 months or less, or (B) accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of stock in trade of the taxpayer or other property of a kind that would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business) (“Nonqualified Financial Property”), and (v) which is not a trade or business that includes (or land for) a private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises (each, a “Proscribed Business”).

An eligible entity engaged in trade or business constitutes a qualified opportunity zone business if it satisfies the foregoing criteria determined at the end of its taxable year. In such event, the entity’s status as a qualified opportunity zone business applies for its entire taxable year. Treas. Reg. §1.1400Z2(d)-1(d)(1).

a) Substantially All Requirement. The applicable statutory language does not provide guidance as to what percentage of the tangible property owned or leased by an eligible entity constitutes “substantially all” of such property. The OZ Regulations, however, provide that substantially all for this purpose means at least 70%, determined by reference to a fraction, the

numerator of which is the total value of all tangible property owned or leased that is qualified opportunity zone business property, and the denominator of which is the total value of all tangible property owned or leased whether located inside or outside of a qualified opportunity zone. Treas. Reg. §§1.1400Z2(a)-1(b)(2), 1.1400Z2(d)-1(d)(2). Compare, Rev. Proc. 77-37, 1977-1 Cum. Bull. 568, §3.01 (for advance ruling purposes in the context of a divisive reorganization, substantially all means at least 90% by fair market value of net assets and at least 70% by fair market value of gross assets).

The OZ Regulations do not indicate whether the 70% or greater test looks to gross assets or net assets. The OZ Regulations do, however, address how assets are to be valued for purposes of the 70% tangible property test. More specifically, the owned or leased tangible property of a qualified opportunity zone business may be valued using the applicable financial statement valuation method, if the qualified opportunity zone business has an applicable financial statement, or the alternative valuation method, provided that the valuation method selected must be applied consistently to all tangible property valued with respect to the taxable year. Treas. Reg. §§1.1400Z2(d)-1(b)(1)(ii), (2)(ii)(A).

Under the applicable financial statement valuation method, the value of each property that is owned or leased is the value of that asset as reported on the applicable financial statement for the relevant reporting period, provided that the applicable financial statement valuation method may be selected to value a leased asset only if the applicable financial statement is prepared in accordance with United States generally accepted accounting principles (“GAAP”) and requires an assignment of value to the lease of the asset. Treas. Reg. §1.1400Z2(d)-1(b)(3).

For this purpose, an applicable financial statement is (i) a financial statement that is prepared in accordance with GAAP and that is required to be filed with the Securities and Exchange Commission, or if there is no such financial statement, then (ii) a financial statement that is prepared in accordance with GAAP and that is required to be provided to the Federal government or any of its agencies other than the IRS, or if there is no such financial statement, then (iii) an audited financial statement that is certified by a certified independent accountant from a registered public accounting firm under the Sarbanes Oxley Act, that is certified to be fairly presented or certified to be fairly presented subject to concern about a contingency other than a contingency as to the value of property owned or leased by the entity or certified to be fairly presented except for a method of accounting with which the certified public accountant disagrees and which is not a method used to determine the value of a tangible asset owned or leased by the entity, that is prepared in accordance with GAAP, that is given to creditors for purposes of making lending decisions, given to equity holders for purposes of evaluating their investment in the taxpayer or provided for other substantial non-tax purposes and that the entity reasonably anticipates will be directly relied on for the purposes for which it was given or provided.

Notwithstanding the foregoing, a financial statement described in clause (ii) or (iii) of the preceding paragraph is not an applicable financial statement unless the entity makes significant use of the values taken from the financial statement (or of values produced by a process that is in all respects identical to the process that produces the values that appear on the financial statement but that are not taken from the statement because either the value was determined as of a date for which the financial statement does not provide a value or because the value is used in the management of the business before the financial statement has been prepared) in most of the significant management functions of its business (the term management functions referring to the financial and commercial oversight of the business; oversight including but not limited to senior

management review of business unit profitability, market risk measurement or management, credit risk measurement or management, internal allocation of capital and compensation of personnel, but not including either tax accounting or reporting the results of operations to persons other than directors (or the counterpart thereof if the entity is not a corporation) or employees), which use is related to the management of all or substantially all of the entity's business (the determination of whether an entity has made significant use of the values being made, if the entity uses the values for some significant management functions and uses other values for other significant management functions, on the basis of all the facts and circumstances particularly taking into account whether the entity's reliance on the values exposes it to material adverse economic consequences if the values are incorrect). If an entity has two or more applicable financial statements of equal priority, then the financial statement that results in the highest aggregate valuation is the relevant financial statement. A financial statement includes any supplement or amendment to the financial statement.

Under the alternative valuation method, the value of property that is owned is the unadjusted cost basis of the property under section 1012 or (for inventory) 1013 of the Code in the case of property acquired by purchase for fair market value or constructed for fair market value (with the acquisition by a qualified opportunity fund of a qualified opportunity zone partnership interest treated as a purchase of such interest by the qualified opportunity fund). The value of other property that is owned is the fair market value of the property determined on the last day of the first six month period of the taxable year and on the last day of the taxable year. The value of property that is leased is equal to the present value of the leased property, determined by reference to a discount rate equal to the short-term applicable Federal rate under section 1274(d)(1) of the Code, based on semi-annual compounding, for the month in which the lease is entered into (determined without regard to the three month rule in section 1274(d)(2) of the Code). Such present value is equal to the sum of the present values of each payment under the lease for the property, is calculated at the time the lease of the property is entered into and, once calculated, is used as the value of the property for all testing dates during the term of the lease. For this purpose, the term of a lease includes periods during which the lessee may extend the lease at a pre-defined market rate rent. In the case of nonresidential real property or residential real property, pre-defined rent does not include the option to renew at fair market value, determined at the time of renewal. The terms of the pre-defined rent must be market rate (that is, they must reflect common, arm's-length market pricing in the locale that includes the qualified opportunity zone as determined under section 482 of the Code and the Income Tax Regulations thereunder) at the time the lease is entered into. There is a rebuttable presumption that the terms of the extension of a lease are market rate for leases not between related persons (and, thus, the parties to the lease are not required to perform a section 482 analysis). For purposes of determining the term of a lease, tangible property acquired by lease from a state or local government or an Indian tribal government is not considered property acquired by lease from a related person. Treas. Reg. §1.1400Z2(d)-1(b)(4).

Under both the applicable financial statement valuation method and the alternative valuation method, a qualified opportunity zone business may choose to exclude from both the numerator and the denominator of the 70% tangible property test the value of all inventory (including raw materials) of the trade or business, if applied consistently within a taxable year. Treas. Reg. § 1.1400Z2(d)-1(b)(iii).

If a taxpayer (presumably including an entity classified as a partnership for Federal income tax purposes) both holds an equity interest in an entity and has self-certified as a qualified

opportunity fund, then the taxpayer may value the entity's tangible property using the same methodology that the taxpayer uses for determining its own compliance with the 90% good assets requirement described in item 9 below (the "Compliance Methodology"), provided that no other equity holder in the entity is a taxpayer that has self-certified as a qualified opportunity fund and holds an interest of at least 5% in the profits and capital of the entity (if it is classified as a partnership for Federal tax purposes) or in the stock in the entity (if it is classified as a corporation for Federal tax purposes) representing at least 5% in voting rights and value (a "Five Percent Zone Taxpayer"). If two or more taxpayers that have self-certified as qualified opportunity funds hold equity interests in the entity and at least one of them is a Five Percent Zone Taxpayer, then the values of the entity's tangible property may be calculated using the Compliance Methodology that both is used by a Five Percent Zone Taxpayer and that produces the highest percentage of qualified opportunity zone business property for the entity. Treas. Reg. § 1.1400Z2(d)-1(b)(2)(ii)(B).

If working capital assets are subject to the Working Capital Safe Harbor and if tangible property acquired, constructed or substantially improved with such working capital assets is expected to constitute qualified opportunity zone business property as a result of the planned expenditure of such working capital assets pursuant thereto, then tangible property purchased, leased or improved pursuant to such plan is treated as qualified opportunity zone business property during that and subsequent working capital periods to which the property is subject. Treas. Reg. § 1.1400Z2(d)-1(d)(3)(vi)(D), (vii)(C)(ex. 3).

The Sponsor Group has represented that at least 70% by value of the gross tangible property and at least 70% by value of the net tangible property owned by and leased to the Operating Company and the Hotel Owner will be qualified opportunity zone business property during at least 90% of the holding period of the Fund for its Operating Company Interest, of the holding period of the Operating Company for the Hotel Owner Interest, and of the holding period of the Hotel Owner for the Hotel Project.

b) Gross Income Requirement. The gross income requirement for status as a qualified opportunity zone business is implemented by a cross reference in the Code section dealing with qualified opportunity funds to the Code section dealing with enterprise zone businesses. The rental to others of real property that is residential rental property does not constitute an enterprise zone business. More specifically, the cross referenced Code section provides that, in order to constitute a qualified proprietorship for purposes of the enterprise zone rules, at least 50% of the total gross income of an individual carrying on a qualified business as a proprietorship must be derived from the active conduct of the business in an empowerment zone. A separate section of the enterprise zone rules denies qualified business status to the rental to others of residential rental property. The OZ Ruling makes it clear, however, that the ownership and operation of residential rental property may constitute a qualified opportunity zone business even though it does not constitute an enterprise zone business. Code §§1400Z-2(d)(3)(A)(ii), 1397C(b)(2), 1397C(d)(2), 168(e)(2)(A); Rev. Rul. 2018-29, supra.

The OZ Regulations provide that a trade or business satisfies the 50% gross income requirement if the trade or business satisfies any of four criteria or any other criteria identified in published guidance issued by the IRS. The first criterion is satisfied if at least 50% of the services performed for the trade or business are performed in the qualified opportunity zone, determined by a fraction the numerator of which is the total number of hours performed by employees, partners that provide services to a partnership (provided that amounts paid to such partners are

taken into account only to the extent such amounts are guaranteed payments for services under section 707(c) of the Code), independent contractors and employees of independent contractors for services performed in a qualified opportunity zone during the taxable year, and the denominator of which is the total number of hours performed by employees, partners that provide services to a partnership (provided that amounts paid to such partners are taken into account only to the extent such amounts are guaranteed payments for services under section 707(c) of the Code), independent contractors and employees of independent contractors for services performed during the taxable year. The second criterion is satisfied if at least 50% of the services performed for the trade or business are performed in a qualified opportunity zone, determined by a fraction the numerator of which is the total amount paid by the entity for services performed in a qualified opportunity zone during the taxable year whether by employees, partners that provide services to a partnership (provided that amounts paid to such partners are taken into account only to the extent such amounts are guaranteed payments for services under section 707(c) of the Code), independent contractors or employees of independent contractors, and the denominator of which is the total amount paid by the entity for services performed during the taxable year whether by employees, partners that provide services to a partnership (provided that amounts paid to such partners are taken into account only to the extent such amounts are guaranteed payments for services under section 707(c) of the Code), independent contractors or employees of independent contractors.²

The Explanation that accompanied issuance of the OZ Regulations notes that, while such Regulations do not provide rigid tracking requirements, the IRS expects adequate records to be maintained and sound processes to be implemented to track hours worked and amounts paid in connection with the first two criteria noted above. Classification of a person as an employee or an independent contractor for such purposes is to be determined based on all relevant facts and circumstances under the applicable common law standard and all relevant provisions of the Code and general principles of tax law. In addition, the first two safe harbors described above look only to partners receiving guaranteed payments (that is, payments that are determined without regard to the income of the partnership) and not to other partners. For purposes of assessing whether an entity is engaged in, or actively engaged in, trade or business outside such safe harbors, in our judgment it is appropriate also to take into account the activities of general partners of partnerships, and of managing members of limited liability companies classified as partnerships for tax purposes, not receiving guaranteed payments. Explanation, at 213.

The third criterion is satisfied if the tangible property of the trade or business located in a qualified opportunity zone and the management or operational functions performed in a qualified opportunity zone are each necessary for the generation of at least 50% of the gross income of the trade or business. Examples in the OZ Regulations provide that (i) where a landscaping business has its headquarters in a qualified opportunity zone, its officers and employees manage the daily operations of the business inside and outside the qualified opportunity zone from such headquarters, and all equipment and supplies of the business are stored in the headquarters facilities, the activities occurring in the zone and the storage in the zone are, taken together, necessary for the generation of the income of the business, but (ii) the mere location of a post office box in a qualified opportunity zone is not necessary for the generation of gross income by

² In the context of the second criterion, which looks to amounts paid for services, the meaning of excluding payments to partners that are not guaranteed payments is clear. In the context of the first criterion, which looks to hours of services performed, the meaning of excluding payments to partners that are not guaranteed payments is not clear.

the business, even if the mail received at the post office box is fundamental to the income of the business. The fourth criterion is satisfied if, based on all the facts and circumstances, at least 50% of the gross income of a qualified opportunity zone business is derived from the active conduct of a trade or business in a qualified opportunity zone. An example in the OZ Regulations provides that gross income is so derived for a year in which a qualified opportunity zone business places in service a commercial building constructed by it and fully leases the building up to other trades or businesses. Treas. Reg. § 1.1400Z2(d)-1(d)(3)(i).

Gross income derived from working capital assets subject to the Working Capital Safe Harbor is counted towards satisfaction of the 50% or greater gross income requirement. Under section 61(a)(12) of the Code, the gross income of the Fund includes its distributive share of the gross income of the Operating Company and the Hotel Owner for Federal income tax purposes. Treas. Reg. §§1.1400Z2(d)-1(d)(3)(vi)(B), (vii)(C)(ex. 3).

The Sponsor Group has represented that at least 50% of the total gross income of the Operating Company and the Hotel Owner in each taxable year will be derived from the active conduct of a trade or business within a qualified opportunity zone.

c) **Active Business Requirement.** The OZ Regulations provide that business may be actively conducted in a single qualified opportunity zone or in multiple qualified opportunity zones. The OZ Regulations generally reserve on when in general a trade or business is considered to be actively conducted, except to observe that the assessment is to be made based on all the facts and circumstances. The ownership and operation (including leasing) of real property, however, is the active conduct of a trade or business under the OZ Regulations, provided that merely entering into a triple net lease with respect to real property owned by a taxpayer does not constitute the active conduct of a trade or business by the taxpayer. An example in the OZ Regulations finds a triple net lease where the sole lessee of a three story office building is responsible for all of the cost relating to the building (for example, paying all taxes, insurance and maintenance expenses) in addition to paying rent, notwithstanding the lessor's maintaining an office in the building with staff members to address any issues that may arise with respect to the lease, stating that employees of the lessor do not meaningfully participate in the management or operation of the building. By way of contrast, another example finds an active business where the owner of a three story mixed use building leases the third floor on a triple net lease basis (as described in the prior example) and leases the other two floors not on a triple net lease basis (the three lessees being unrelated to each other) but rather with employees of the lessor managing and operating those floors and with the lessor maintaining an office in the building which the employees regularly use to carry out their managerial and operational duties with respect to the first and second floors and to address any other issues that may arise with respect to the three leases. Gross income earned on working capital assets that satisfy the Working Capital Safe Harbor constitutes gross income from the active conduct of a trade or business. Treas. Reg. §§1.1400Z2(d)-1(d)(3)(i), (iii), (vi).

For purposes of the divisive reorganization provisions of the Code, the determination of whether a trade or business is actively conducted is made from all the facts and circumstances. The corporation is required itself to perform active and substantial management and operational functions. Activities performed by the corporation itself do not generally include activities performed by persons outside the corporation, including independent contractors. The active conduct of a trade or business for these purposes does not include holding property for investment purposes, or the ownership and operation (including leasing) of real property used in a trade or

business unless the owner performs significant services with respect to the operation and management of the property. Under proposed Income Tax Regulations, a corporation is not treated as engaged in the active conduct of a trade or business for purposes of the rules on divisive reorganizations unless it is the principal owner of the goodwill and significant assets of the trade or business for Federal income tax purposes. We also note that an entity will be treated as engaged in the active conduct of a trade or business for new markets tax credit purposes if, at the time an equity investment in or loan to the entity is made, the equity investor or lender reasonably expects that the entity will generate revenues within three years after the equity investment or loan is made. Treas. Reg. §§1.355-3(b)(2)(iii), (iv); Prop. Reg. §1.355-3(b)(2)(iii); Treas. Reg. §1.45D-1(d)(4)(iv).

As a matter of policy, it would seem appropriate to construe the active business requirement in the qualified opportunity zone context more expansively than the active business requirement in the divisive reorganization context, since the rules on divisive reorganizations have a focus on interdicting the tax free bail out of corporate earnings and profits whereas the opportunity zone rules are intended to encourage investment in economically distressed communities. A more generous reading in the opportunity zone context would also seem consistent with the first two criteria in the OZ Regulations described above dealing with hours of service and compensation paid for services performed not only by employees but also by independent contractors. Nor would such an approach seem inconsistent with the reference to services performed by employees in the OZ Regulations for purposes of determining whether a qualified opportunity zone is the location of services, since that rule is implemented by a cross reference to the Code provision on what constitutes an enterprise zone business, where the statute looks solely to services performed by employees. In our view, services performed by independent contractors should be taken into account in assessing whether a business is actively conducted, provided that such services are not of such a nature that the activities of the business including services performed by its employees and agents are reduced to the level of merely holding investment property. *Cf.*, Rev. Rul. 2006-34, 2006-1 Cum. Bull. 1171 (activities conducted by third parties such as independent contractors who are neither agents nor employees will not prevent a business from being actively conducted so long as such activities are not of such a nature that the activities of the business including its agents and employees are reduced to the level of merely holding investment property) (re extension of time for payment of estate tax under Code section 6166 where an estate consists largely of interests in closely held businesses).

Be that as it may, the Sponsor Group has represented that the OpCo Manager and officers, employees, and agents of the Operating Company and the Hotel Owner, including the Hotel Manager under the Operating Service Contract, in each case in their capacities as such (excluding activities performed by others, including independent contractors), will perform active and substantial management and operational functions and significant services in each taxable year with respect to the operation and management of the Hotel Project; the Hotel Owner in each taxable year will own the significant assets included in its business and the goodwill in respect thereof; and the Hotel Owner is reasonably expected to generate revenues within three years after the acquisition by the Fund of its Operating Company Interest.

d) Substantial Portion Requirement. The applicable statutory language does not provide guidance as to what percentage of intangible property constitutes “a substantial portion” thereof. The OZ Regulations, however, provide that a substantial portion of intangible property means at least 40% and that intangible property of a qualified opportunity zone business is used in the active conduct of a trade or business in a qualified opportunity zone if the use of the

intangible property is normal, usual or customary in the conduct of the trade or business and if the intangible property is used in the qualified opportunity zone in the performance of an activity of the trade or business that contributes to the generation of gross income for the trade or business. Intangible property purchased or licensed by a trade or business pursuant to a reasonable written plan with a written schedule for the expenditure of the working capital satisfies the use requirement during any period in which the business is proceeding in a manner that is substantially consistent with the Working Capital Safe Harbor (apart from any extension thereof resulting from a Federally declared disaster). Treas. Reg. §§1.1400Z2(d)-1(d)(3)(ii), (vi)(C), (vii)(C)(ex. 3).

The Sponsor Group has represented that at least 40% of the intangible property owned by the Hotel Owner and the Operating Company or licensed to the Hotel Owner and the Operating Company will be used in the active conduct of the trade or business of the Hotel Owner in a qualified opportunity zone; such use of the intangible property will be normal, usual and/or customary in the conduct of such trade or business, and will be in the performance of an activity of such trade or business that contributes to the generation of gross income for the trade or business; and to the extent such intangible property is so purchased or licensed pursuant to a reasonable written plan with a written schedule for the expenditure of working capital, the Hotel Owner will proceed in a manner that is substantially consistent with the Working Capital Safe Harbor referred to below (excluding any extension thereof resulting from a Federally declared disaster).

e) Reasonable Amount Requirement. The OZ Regulations provide a safe harbor under which working capital assets are treated as reasonable in amount if (i) the amounts are designated in writing for the development of a trade or business in a qualified opportunity zone, including when appropriate the acquisition, construction and/or substantial improvement of tangible property in such a zone, (ii) there is a written schedule consistent with the ordinary start-up of a trade or business for the expenditure of the working capital assets under which they must be spent within 31 months of the receipt by the business of the assets, and (iii) the working capital assets are actually used in a manner that is substantially consistent with the preceding requirements, provided that if consumption of the working capital assets is delayed by waiting for governmental action the application for which is complete, that delay does cause a failure of the foregoing clause (iii) (the “Working Capital Safe Harbor”).

A business may benefit from multiple overlapping or sequential applications of the Working Capital Safe Harbor, provided that each application independently satisfies all of the requirements of the Safe Harbor as described above. Tangible property may benefit from one or more 31 month periods, for a total of 62 months, in the form of multiple overlapping or a sequential application of the Working Capital Safe Harbor, provided that each application independently satisfies all of the requirements of the Safe Harbor as described above, the working capital assets from an expiring 31 month period were expended in accordance with the requirements of the Safe Harbor, the subsequent infusions of working capital assets form an integral part of the plan covered by the initial Working Capital Safe Harbor period, and each overlapping or sequential application of the Safe Harbor includes a substantial amount of working capital assets (which may include accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand of the close of the taxable year or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business). If a qualified opportunity zone business is located in a qualified opportunity zone within a Federally

declared disaster (as defined in section 165(i)(5)(A) of the Code), the business may receive not more than an additional 24 months to consume its working capital assets provided that it meets the requirements of the Working Capital Safe Harbor as described above. Treas. Reg. §1.1400Z2(d)-1(d)(3)(vi)(A), (vii)(D)(ex.4). In response to the global COVID-19 pandemic, the IRS has issued Notice 2020-39, which confirms that the COVID-19 pandemic is a Federally declared disaster with respect to all qualified opportunity zones.

The Sponsor Group has represented that all working capital assets of the Hotel Owner and the Operating Company will be held in cash, cash equivalents or debt instruments with a term of 18 months or less and will remain in working capital assets until used; all working capital assets of the Operating Company and the Hotel Owner will satisfy the Working Capital Safe Harbor at all times from the acquisition of such working capital assets through the earlier of (i) the expenditure of the funds designated in writing pursuant to the safe harbor for the development of a trade or business, or (ii) the end of the permissible period under the OZ Regulations commencing with the acquisition of the working capital assets by the Operating Company or the Hotel Owner; and all working capital assets of the Operating Company and the Hotel Owner not subject to the Working Capital Safe Harbor will be reasonable in amount. We note in this connection that working capital assets used for the construction of the Casino are held by the Operating Company as agent of the Casino Owners and not as working capital assets of the Hotel Owner or the Operating Company itself.

f) Real Property Straddling a Qualified Opportunity Zone. For purposes of satisfying the above gross income, active business, substantial portion and reasonable amount requirements in the case of real property that straddles a qualified opportunity zone, a qualified opportunity zone is the location of services, tangible property or business functions if the trade or business uses both the portion of the real property located within a qualified opportunity zone and the portion of the real property located outside of the qualified opportunity zone in carrying out its business activities, the amount of the real property located within a qualified opportunity zone is substantial compared to the amount of real property located outside of a qualified opportunity zone, and the real property located in the qualified opportunity zone is contiguous to part or all of the real property located outside of the qualified opportunity zone.

In general, one of two methods may be chosen to determine whether the amount of real property located in the qualified opportunity zone is substantial for these purposes. If, at the time at which the real property is acquired, the amount of real property based on square footage or unadjusted cost located within the qualified opportunity zone is greater than the amount of real property based on square footage or unadjusted cost outside of the qualified opportunity zone (with the unadjusted cost basis of property acquired as a single tract presumed to be allocated on the basis of the square footage of the property), then all of the property is deemed to be located within a qualified opportunity zone. Two or more tracts or parcels of land are contiguous for these purposes if they share common boundaries or would share common boundaries but for the interposition of a road, street, railroad, stream or similar property, provided that tracts or parcels of land which touch only at a common corner are not contiguous. Treas. Reg. §1.1400Z2(d)-1(d)(3)(viii).

g) No Proscribed Business Requirement. The OZ Regulations extend the statutory prohibition on being a Proscribed Business to businesses leasing 5% or more of the net rentable square feet of real property or 5% or more of the value of other tangible property to a Proscribed Business. The OZ Regulations also provide that an entity which otherwise constitutes

a qualified opportunity zone business will not lose its status as such if less than 5% of its gross income is attributable to a Proscribed Business. Accordingly, for example, a qualified opportunity zone business will not lose its status as such by reason of operating a hotel that includes a spa which provides massages and other therapies so long as less than 5% of the net rentable square footage of real property included in the hotel is attributable to the spa, less than 5% by value of the other tangible property included in the hotel is attributable to the spa, and less than 5% of the gross income of the hotel is attributable to the spa. The OZ Regulations also make it clear that the rules on Proscribed Businesses apply only to qualified opportunity zone businesses (such as the Operating Company and the Hotel Owner) that are owned in whole or part by a qualified opportunity fund, and do not apply in the case of a Proscribed Business owned, managed and operated by a qualified opportunity fund (such as the Fund and the Casino Owner, as a branch of the Fund for tax purposes) itself. Treas. Reg. §1.1400Z2(d)-1(d)(4).

The Sponsor Group has represented that less than 5% of each of the gross income, net rentable square footage of real property and value of other tangible property of the Hotel Owner and the Operating Company in each taxable year will be attributable to a Proscribed Business, including the spa included in the Hotel.

We note that a gambling facility including land therefor is a Proscribed Business and that the Operating Company will cause the Casino to be constructed and will be the lessee of land to be used for the Casino during the construction of the Casino. In our view, although we have located no authority directly on point, these arrangements should not taint compliance of the Operating Company with the Proscribed Business requirement because the Operating Company acts as the agent of the Casino Owners with respect to construction of the Casino and because the Operating Company will not be the owner or lessee of any part of the Casino Project at any time after the Casino is placed in service for Federal income tax purposes.

h) Nonqualified Financial Property Requirement. The Explanation that accompanied the issuance of the Final OZ Regulations notes that the IRS declined to include in the rules in respect of Nonqualified Financial Property an exception under which expenses that are prepaid by a qualified opportunity zone business (such as prepaid rents treated as a loans to the lessor under section 467 of the Code, prepaid expenses and prepaid development fees), options to acquire property and insurance company general account assets would not be treated as Nonqualified Financial Property. Explanation, at 223.

If the Hotel Management Agreements were to be re-characterized as a partnership agreement between the Hotel Owner and the Hotel Manager, then the Operating Company would be considered as owning a partnership interest in a second tier partnership of the Fund. That is, the Operating Company would be a partner in a partnership between the Hotel Owner and the Hotel Manager. In that event the limitation on Nonqualified Financial Property would be violated.

Under section 7701(e)(1) of the Code, contracts that purport to be service contracts, such as the Hotel Management Contracts, shall be treated as leases if such contracts are properly treated as leases of property, taking into account all relevant factors including whether or not the service recipient is in physical possession of the property, the service recipient controls the property, the service recipient has a significant economic or possessory interest in the property, the service provider does not bear any risk of substantially diminished receipts or substantially increased expenditures if there is nonperformance under the contract, the service provider does not use the property concurrently to provide significant services to entities unrelated to the service

recipient, and the total contract price does not substantially exceed the rental value of the property for the contract period. A purported service contract may also be re-characterized as a partnership agreement in appropriate circumstances.

The T&PO Service Contract relates only to pre-opening activities with respect to the Hotel. Under the Operating Service Contract, the Hotel Manager is the agent of the Hotel Owner. The Hotel Manager does not share in the operating profits with respect to the Hotel Project, does not share in any gain upon a sale of the Hotel, and is not held out to third parties, including taxing jurisdictions, as a partner of the Hotel Owner or the Operating Company. In addition, each Hotel Management Agreement provides that nothing therein is to be construed as creating a partnership. The Hotel Owner will derive its profits from the ownership of the Hotel and the Hotel Manager will derive its profits from the management of the Hotel, such that the Hotel Owner and the Hotel Manager have separate rather than a joint proprietary interest in Profits with respect to the Hotel Project. Accordingly, in our view the Hotel Manager should be respected for tax purposes as a service provider to and an agent, and not a partner, of the Hotel Owner.

The Sponsor Group has represented that less than 5% of the average of the aggregate unadjusted bases of the property of the Hotel Owner and the Operating Company will be attributable in each taxable year to Nonqualified Financial Property.

9. Ninety Percent Good Assets Requirement. In order for the Fund to constitute a qualified opportunity fund for Federal income tax purposes, at least 90% of the assets of the Fund must consist of qualified opportunity zone property determined using a semi-annual averaging convention.³ For this purpose, the Fund may use the qualified financial statement method described at item 8(a) above (if it has an applicable financial statement) or the alternative valuation method described at item 8(a) above, provided that during each taxable year it must apply consistently the selected valuation method to all assets valued with respect to the taxable year. A qualified opportunity fund may also choose to exclude from both the numerator and the denominator of the good assets test the value of any inventory (including raw materials) of its trade or business, if applied consistently within a taxable year. Treas. Reg. §§1.1400Z2(a)-1(b)(4), 1.1400Z2(d)-1(b)(1)(i), (2)(i)(A), 2(iii).

a) Six Month Window. A qualified opportunity fund may choose to determine compliance with the 90% good assets requirement by excluding from both the numerator and denominator of the test any property that was received by it as a contribution (in the case of a qualified opportunity fund that is classified as a partnership for Federal tax purposes) or solely in exchange for stock (in the case of a qualified opportunity fund that is classified as a corporation for Federal tax purposes) if the contribution or exchange occurred not more than six months before the test from which it is being excluded and if, between the date of the fifth business day after the contribution or exchange and the date of the semi-annual test, the amount was held continuously in cash, cash equivalents or debt instruments with a term of 18 months or less. A

³ “If an entity qualifies as a qualified opportunity zone business, the value of the [qualified opportunity fund’s] entire interest in the entity counts towards the [qualified opportunity fund’s] satisfaction of the [90% good assets requirement] ... [T]he 70% [tangible asset] requirement for [status of an entity as a qualified opportunity zone business] will [therefore] give [qualified opportunity funds] an incentive to invest in a qualified opportunity zone business [whether in corporate or partnership form] rather than owning qualified opportunity zone business property directly.” Notice of Proposed Rulemaking in respect of 2018 Proposed Regulations, at 25, 41.

qualified opportunity fund need not be consistent from one semi-annual test to another in whether it avails itself of this option. Treas. Reg. §1.1400Z2(d)-1(b)(2)(i)(B).

b) Organizational and Syndication Expenses. The Explanation that accompanied the issuance of the OZ Regulations includes a confirmation by the IRS that all of a qualified opportunity fund's assets cognizable for Federal income tax purposes are required to be taken into account under the 90% good assets requirement. The Explanation further states that mere expenses arising from organizing a qualified opportunity fund or day-to-day operations with regard thereto (such as selling commissions, organization expenses, offering expenses, and similar expenses) do not result in any qualified opportunity fund asset cognizable for Federal income tax purposes. Accordingly, such expenses are not taken into account under the 90% good assets requirement. Explanation, at 134.

c) Reinvestments. If a qualified opportunity fund receives proceeds from the return of capital or the sale or disposition of some or all of its qualified opportunity zone property, and if the qualified opportunity fund reinvests some or all of the proceeds in qualified opportunity zone property by the last day of the 12 month period beginning on the date of the distribution, sale or disposition, then the proceeds, to the extent they are so reinvested, are treated as qualified opportunity zone property for purposes of the 90% good assets requirement, but only to the extent that prior to the reinvestment in qualified opportunity zone property the proceeds are continuously held in cash, cash equivalents or debt instruments with a term of 18 months or less.

If reinvestment of the proceeds is delayed by waiting for governmental action the application for which is complete, that delay does not cause a failure of the foregoing 12 month requirement. If the qualified opportunity fund's plan to reinvest some or all of the proceeds in qualified opportunity zone property is delayed due to a Federally declared disaster, the qualified opportunity fund may receive not more than an additional 12 months to reinvest such proceeds, provided that it invests the proceeds in the manner originally intended before the disaster. For example, if a qualified opportunity fund is unable to reinvest in a certain qualified opportunity zone business property because the property is located in a Federally declared disaster area, it must invest the proceeds in similar property located in that qualified opportunity zone.

No reinvestment relief provision applies under the OZ Regulations at the level of a qualified opportunity zone business, such that proceeds from a sale of the Hotel Project by the Hotel Owner would be taxable unless a separate relief provision applies such as for like kind exchanges of real property or involuntary conversions (although the Working Capital Safe Harbor may apply to the proceeds of such a sale in an appropriate situation). Treas. Reg. § 1.1400Z2(f)-1(b); Explanation, at 268, 69.

d) Interest in Operating Company as Qualified Opportunity Zone Property. The OZ Regulations provide a safe harbor under which a qualified opportunity fund may choose to determine compliance with the 90% good assets requirement for each semi-annual testing date by including in both the numerator and the denominator of the test the equity of each entity it holds on that testing date if the entity was a qualified opportunity zone business for at least 90% of the qualified opportunity fund's cumulative holding period for that equity of the entity beginning on the date the fund's self-certification as a qualified opportunity fund is first effective and ending on the last day of the entity's most recent taxable year ending on or before the semi-annual testing date of the qualified opportunity fund.

If a trade or business causes the qualified opportunity fund to fail the 90% good assets requirement on a semi-annual testing date, the qualified opportunity fund may treat the stock or partnership interest in that business as qualified opportunity zone property for that semiannual testing date if the business corrects the failure within six months of the date on which the stock or partnership interest lost its qualification. If the failure occurs on the last testing date of the taxable year, the six month cure period is available to the qualified opportunity fund only if it files a valid application for an extension of time to file its tax return. A qualified opportunity fund is allowed only one such correction for a trade or business. If the entity, at the end of the six month cure period, fails to constitute a qualified opportunity zone business, then the qualified opportunity fund becomes subject to a monthly penalty for each month the entity failed to constitute a qualified opportunity zone business beginning with the first month following the last month that the qualified opportunity fund met the 90% good assets requirement unless the qualified opportunity fund had “reasonable cause” for its failure to meet the 90% good assets requirement.

Under the safe harbor, an entity that would not be a qualified opportunity zone business as of the end of its last taxable year ending on or before a semi-annual testing date of a qualified opportunity fund is a qualified opportunity zone business with respect to the qualified opportunity fund for that taxable year of the entity for purposes of compliance with the 90% good assets requirement if a cure described in the preceding paragraph is achieved for the entity and the qualified opportunity fund files its Federal income tax return for its taxable year including the testing date on a date that is timely (taking extensions into account) and that is not earlier than when that cure is achieved. Treas. Reg. §§ 1.1400Z2(d)-1(b)(2)(i)(C), (d)(6).

e) Property Not Yet in Service. For purposes of the 90% good assets requirement, tangible property purchased, leased or improved by a trade or business that is undergoing the substantial improvement process but has not yet been placed in service by the eligible entity or used in the trade or business of the eligible entity is treated as satisfying the original use or substantial improvement requirement for the 30 month substantial improvement period with respect to the property provided that the eligible entity reasonably expects that the property will be substantially improved and used in its trade or business in a qualified opportunity zone by the end of the 30 month period. Treas. Reg. §1.1400Z2(d)-2(b)(4)(ii).

f) Conclusion. The Sponsor Group has represented that the Fund will satisfy the 90% good assets requirement at all relevant times. Accordingly, the Fund should constitute a qualified opportunity fund for Federal income tax purposes, subject to satisfaction of the anti-abuse rules described in item 10 below.

We note that if the Casino Owner (and/or the Other Casino Owner or the Tenancy Common) were treated as being in a partnership with the Operating Company for Federal income tax purposes, then the Fund would not constitute a qualified opportunity fund because the Hotel would be considered to be owned by a second tier subsidiary of the Fund (and the Casino and the spa included in the Hotel together with any other tainted assets would or could constitute excessive Proscribed Business assets of such partnership). In this connection, the Sponsor Parties have represented that the Fund is and will be under no legal obligation or economic compulsion to transfer the Casino Owner Interest and the Operating Company Interest together; the Other Fund is and will be under no legal obligation or economic compulsion to transfer its interest in the Other Casino Owner and its interest in the Operating Company together; the Fund is and will remain entitled to and may in fact transfer the Casino Owner Interest and the Operating Company Interest separately and without need for consent of or transfer of any corresponding

interest by the Other Fund; the Other Fund is and will remain entitled to and may in fact transfer its interest in the Other Casino Owner and its interest in the Operating Company separately and without need for consent of or transfer of any corresponding Interest by the Fund; the Fund, the Other Fund and the Operating Company do not earn and divide a single joint profit; and none of the Fund, the Casino Owner, the Other Fund, the Other Casino Owner and the Operating Company intends that there be, or will hold itself out for any purpose as a partner in, an overall joint venture among them. Accordingly, we do not believe it is appropriate to amalgamate the Casino side of the transaction with the Hotel side of the transaction for tax purposes so as to create any such overall joint venture.

10. General and Special Partnership Anti-Abuse Rules. Section 1400Z-2(e)(4)(C) of the Code authorizes the IRS to prescribe such regulations as may be necessary or appropriate to carry out the purposes of the qualified opportunity fund regime, including rules to prevent abuse. Pursuant to such authorization, the OZ Regulations include both a general anti-abuse rule and a special partnership anti-abuse rule.

a) General Anti-Abuse Rule. The OZ Regulations provide that if a significant purpose of a transaction is to achieve a tax result that is inconsistent with the purposes of the Code provisions on qualified opportunity funds and of the OZ Regulations (as described in the first paragraph under the heading “Discussion” above), then the IRS may recast or recharacterize a transaction (or series of transactions) for Federal tax purposes as appropriate to achieve tax results that are consistent with the purposes of the Code provisions on qualified opportunity funds. Such recasting and re-characterization may include, as appropriate, treating an investment as other than a Qualifying Investment. A determination of whether a Federal income tax result is inconsistent with the purposes of the Code provisions on qualified opportunity funds and of the OZ Regulations must be based on all facts and circumstances. Treas. Reg. §1.1400Z2(f)-1(c).

An example in the OZ Regulations posits an individual who is not a related person with respect to a qualified opportunity fund or its subsidiaries at the time the individual sells tangible properties to the subsidiaries for cash, with a plan or intent to invest in the fund the capital gains resulting from the sales and thereby receive an interest in the fund that is large enough to make the individual a related person with respect to the fund. The example concludes that the gains on the sales of the tangible properties are not eligible for a deferral election on the part of the individual and that the properties are not acquired by the subsidiaries from an unrelated person. In addition, if as part of an overall plan the fund in turn contributes to its subsidiaries the cash received by it from the individual, then the transactions are treated as a contribution of the tangible properties by the individual to the qualified opportunity fund in exchange for an eligible interest in the fund followed by contributions of the properties by the fund to its subsidiaries (rather than as an acquisition by the fund of interests in the subsidiaries in exchange for cash), whether or not the individual is related to the fund immediately after the acquisition of his or her interest in the fund.

Additional examples in the OZ Regulations indicate that the general anti-avoidance rule applies where (i) a partnership in which a qualified opportunity fund is a partner acquires a tract of land located in a qualified opportunity zone with no plan or intent to develop or otherwise utilize the land in a trade or business that would increase substantially the economic productivity of the land and where a significant purpose for the acquisition of the land was to sell it at an economic profit but with no Federal income tax by reason of an election to step up the tax basis of the land to fair market value under the qualified opportunity fund rules with respect to property held for at

least 10 years, (ii) individuals invest capital gains in an entity that self-certifies as a qualified opportunity fund, the individuals have no intention that the entity ever acquire qualified opportunity zone property (with the result that it pays a penalty each year for failing the 90% good assets requirement described above) but rather with an intent that the entity invest in property other than qualified opportunity zone property hoping that it will appreciate substantially in value over 10 years and be sold with a stepped up tax basis, and (iii) a corporation owned by an entity that treats itself as a qualified opportunity fund buys and sells gold bars that are reasonably expected to appreciate in value over 10 years where the business was merely speculative in nature and was not expected to increase economic activity in the applicable qualified opportunity zone. By way of contrast, a further example in the OZ Regulations concludes that the acquisition of a tract of land located in a qualified opportunity zone by a partnership in which a qualified opportunity fund was a partner did not violate the general anti-abuse rule where, notwithstanding a plan to sell the land with a step up in tax basis after 10 years, the partnership's modification of the use of the land (from hog and pig farming to sheep and goat farming) and its making of significant capital improvements to the land comprise a significant investment in the business activities on the land with the result that the partnership did not hold the land solely for speculative investment. Treas. Reg. §1.1400Z2(f)-1(c)(3)(ex. 3 through 7).

The Sponsor Group has represented that the Fund and the Casino Owner plan and intend that the Casino Owner develop or otherwise utilize the Casino in a trade or business that will substantially increase the economic productivity of the Site; the Fund and the Operating Company plan and intend that the Hotel Owner develop or otherwise utilize the Hotel in a trade or business that will substantially increase the economic productivity of the Site; the Fund intends to constitute a qualified opportunity fund throughout its existence, and the Fund and the Operating Company plan and intend that the Operating Company and the Hotel Owner constitute a qualified opportunity zone business that owns and/or leases qualified opportunity zone business property as substantially all of their assets throughout their existence; the Casino Owner will not hold its interest in the Casino Project solely for speculative investment and the business of the Casino Owner will not be merely speculative in nature; the Hotel Owner will not hold the Hotel Project solely for speculative investment and the business of the Hotel Owner will not be merely speculative in nature; the Casino Owner will make a significant investment in the business activities on the Site, which investment is reasonably expected significantly to increase economic activity in the qualified opportunity zone that includes the Site; the Hotel Owner will make a significant investment in the business activities on the Site, which investment is reasonably expected significantly to increase economic activity in the qualified opportunity zone that includes the Site; and achieving a tax result that is inconsistent with the purposes of the Code provisions with respect to qualified opportunity funds and of the OZ Regulations is not any one of the significant purposes of the transactions described herein. Moreover, we have assumed that no person or entity that sells tangible property to the Fund, the Other Fund, the Operating Company, the Casino Owner, the Other Casino Owner, the Tenancy in Common or the Hotel Owner will have, at the time of such sale, any plan or intent to become, or that a related person become, a member of the Fund, the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner. Accordingly, the transactions described herein should not be subject to recasting or re-characterization for tax purposes under the general anti-avoidance rule.

b) Special Partnership Anti-Abuse Rule. A special anti-abuse rule applies to partnerships formed or availed of with a significant purpose of avoiding the requirement that a gain be recognized for Federal income tax purposes and subject to Federal income taxation prior to 2027 in order to be eligible for deferral and other tax benefits under the qualified opportunity

fund rules. Under this special partnership anti-abuse rule, such a partnership may be disregarded in whole or in part to prevent the creation of a Qualifying Investment by the partnership with respect to any partner or partners that would not otherwise satisfy such requirements. Treas. Reg. §1.1400Z2(f)-1(c)(2).

An example of the workings of the foregoing special partnership anti-abuse rule in the OZ Regulations posits nonresident alien individuals whose sale of stock in a U.S. corporation would not be subject to Federal income tax, such that an investment of their gain on the sale would not be eligible for deferral and reduction of Federal income taxation or for ultimate elimination of U.S. taxation on the sale of their investment in a qualified opportunity fund. The individuals contribute their stock to a newly formed U.S. partnership, which sells the stock and invests the proceeds in a qualified opportunity fund. On these facts, the newly formed partnership is disregarded and the investment of the partnership in the qualified opportunity fund is not a Qualifying Investment. A further example reaches the same result with respect to the nonresident alien individuals where they contribute their stock to a pre-existing partnership with U.S. partners and where the partnership then sells the stock and other property owned by the partnership for a gain which is invested in a qualified opportunity fund. Treas. Reg. §1.1400Z2(f)-1(c)(3)(ex. 1, 2).

We have assumed that no member of the Fund is or will be a partnership that was formed or is availed of with a significant purpose of avoiding the requirement that a gain be recognized for Federal income tax purposes and subject to Federal income taxation before 2027 in order to be gain that is eligible for investment as a Qualifying Investment in the Fund.

II. Consequences of a Debt Financed Distribution.

The possibility of a Debt Financed Distribution by the Fund to the Investors raises two tax issues under the qualified opportunity fund rules, *viz.* whether any such Distribution would (a) constitute an Inclusion Event that would prematurely terminate the deferral period in respect of capital gains invested by an Investor in the Fund and/or (b) taint a portion or all of any such investment as a Non-Qualifying Investment that would not be eligible for the tax benefits otherwise available for an investment in a qualified opportunity fund. These issues are discussed in turn below.

1. Inclusion Event Aspect. The capital gain to which a deferral election applies under the rules on qualified opportunity funds is included in gross income in the taxable year of an Investor that includes the earlier of an Inclusion Event (such as a sale of the Investor's interest in the Fund) or December 31, 2026. An actual or deemed distribution of property (including cash) by a qualified opportunity fund that is classified as a partnership for Federal income tax purposes (a "QOF Partnership"), such as the Fund, to a partner (such as an Investor in the Fund) with respect to its Qualifying Investment is an Inclusion Event only to the extent that the distributed property has a fair market value in excess of the partner's basis in its Qualifying Investment. Accordingly, a Debt Financed Distribution should not constitute an Inclusion Event with respect to an Investor so long as the Distribution attributable to the Investor's Qualifying Investment in the Fund does not exceed the Investor's basis in its Qualifying Investment in the Fund. Treas. Reg. §§1.1400Z2(a)-1(b)(14), (25), (c)(6)(v)(ex. 4), 1.1400Z2(b)-1(b), (c)(1), (6)(iii), (f)(ex. 10, 11).

2. Non-Qualifying Investment Aspect. In the case of an investment in a qualified opportunity fund only a portion of which consists of capital gain with respect to which the investor elects to claim deferral (a so-called "mixed fund") and other tax benefits under the qualified

opportunity zone regime (“QOZ Benefits”), the investment is treated as two separate investments, one of which qualifies for QOZ Benefits (the Qualifying Investment) and the other of which does not qualify for QOZ Benefits (the Non-Qualifying Investment). Code §1400Z-2(e)(1); Treas. Reg. §§1.1400Z2(a)-1(b)(15), (16), (34).

An increase in a partner’s share of the liabilities of a partnership, including a QOF Partnership, is considered as a contribution of money by the partner to the partnership. As such, a partner’s basis in its partnership interest is increased by its share of indebtedness of the partnership. The basis increase to a partner in a QOF Partnership resulting from the incurrence of indebtedness by the Partnership is not taken into account in determining the status of the partner’s investment as a Qualifying Investment or a Non-Qualifying Investment. Code §752(a), 722; Treas. Reg. §§1.1400Z2(a)-1(b)(12)(iii), (f)(2).

Under the OZ Regulations, a transfer of cash by an investor to a QOF Partnership is treated as a Non-Qualifying Investment to the extent that (i) the QOF Partnership makes a distribution to the investor and (ii) the transfer and distribution would be characterized as a disguised sale under section 707 of the Code if the cash had been property other than cash (since the disguised sale rules do not by their terms apply to cash contributions) (the “Modified Disguised Sale Rule”) and if, in the case of a distribution to which the disguised sale Regulation relating to debt financed distributions (the “Debt Financed Distribution Reg”) applies, the partner’s share of liabilities is zero. Accordingly, a Debt Financed Distribution will only taint the Investors’ investments in the Fund if the Modified Disguised Sale Rule applies and if the Investors’ shares of the underlying indebtedness would be zero under the Debt Financed Distribution Reg. Treas. Reg. §§1.1400Z2(a)-1(c)(6)(iii)(A), (v)(ex. 3).

a) Modified Disguised Sale Rule Aspect. Under section 707(a) of the Code, in the case of a contribution of property by a partner to a partnership coupled with a related distribution of money by the partnership to the partner, the arrangements may be treated for tax purposes as a disguised sale of the property (or of an interest in the property) by the partner to the partnership rather than as a true contribution and distribution if the arrangements are properly characterized as a sale. Under the applicable Regulations, a contribution and subsequent distribution will constitute a disguised sale only if, based on all the facts and circumstances, the distribution to the partner (i) would not have been made but for the contribution by the partner and (ii) is not dependent on the entrepreneurial risks of partnership operations. Treas. Reg. §1.707-3(b)(1).

Generally, the facts and circumstances existing on the date of the contribution to the partnership are the ones considered in determining whether a sale exists. Among the facts and circumstances that may tend to prove the existence of a sale is whether the partnership is obligated to incur debt to fund the subsequent distribution to the partner. If a contribution and distribution are made within two years of each other, then sale treatment is presumed unless the facts and circumstances clearly establish that the arrangements are not a sale. If a contribution and distribution are made more than two years from each other, on the other hand, then non-sale treatment is presumed unless the facts and circumstances clearly establish that the arrangements constitute a sale. In the case of the Fund, the Sponsor Group has represented that no commitment for a Permanent Loan exists as of the date hereof or will be obtained for at least one year from the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund; each of the Casino Owner, the Tenancy in Common and the Hotel Owner has no obligation and will incur no obligation to distribute any proceeds of a Permanent Loan to the Fund and/or the Operating Company, the Operating Company has no obligation and will incur no obligation to

distribute any such loan proceeds to the Fund, and the Fund has no obligation and will incur no obligation to distribute any such loan proceeds to the Investors, in each case for at least two years and a day after the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund; and no such distribution by the Casino Owner, the Tenancy in Common, the Hotel Owner, the Operating Company or the Fund will be made within two years and a day after the admission of the last Investor to the Fund or the admission of the last investor to the Other Fund. Accordingly, non-sale treatment is generally presumed. Moreover, the ability of the Fund, the Operating Company, the Casino Owner, the Tenancy in Common or the Hotel Owner to borrow in the future will be dependent on successfully developing the Casino Project and/or the Hotel Project as well as the prospects for successful operation of the Casino and/or the Hotel at the time development is substantially complete, general economic conditions at the time, and other factors. A distribution of loan proceeds to the Investors would therefore appear to be dependent on the entrepreneurial risks of partnership operations. Treas. Reg. §§1.707-3(b)(2), (c), (d), (f) (ex. 3, 5, 6, 7).

b) Debt Financed Distribution Reg Aspect. Under the Debt Financed Distribution Reg, if a partner transfers property to a partnership, and the partnership (or a lower tier partnership) incurs a liability and all or a portion of the proceeds of the liability are allocable to a distribution to the partner made within 91 days of incurring the liability, then the distribution is taken into account under the disguised sale Regulations only to the extent that the distribution exceeds the partner's allocable share of the partnership liability. In the case of the Fund, the Sponsor Group has represented that no distribution of proceeds of a Permanent Loan will be made by the Casino Owner, the Tenancy in Common, the Hotel Owner, the Operating Company or the Fund within 91 days after the Loan is incurred. Accordingly, the Debt Financed Distribution Reg should not apply to any Debt Financed Distribution by the Fund to the Investors. Treas. Reg. §§1.707-5(b), (f)(ex. 10); see also, Treas. Reg. §1.1400Z2(a)-1(c)(5)(v)(ex. 3).

c) Conclusion. In our judgment, no portion of the investment of an Investor in the Fund should be treated as a Non-Qualifying Investment by reason of a Debt Financed Distribution Reg because the arrangements in question should not be characterized as a sale under the Modified Disguised Sale Rule and because the Debt Financed Distribution Reg should not apply to a Debt Financed Distribution. Nor do we believe that the general anti-abuse rule under the OZ Regulations should apply to disqualify an investment from entitlement to QOZ Benefits. To be sure, one set of investors may invest \$30x in a qualified opportunity fund that incurs a construction loan of \$70x and then refinances the construction loan with a permanent loan of \$70x upon the completion of construction, thereby entitling the investors to defer tax on \$30x of capital gains; whereas another set of investors may invest \$100x in a different fund which constructs a project with equity funds and upon completion of construction incurs a permanent loan of \$70x, the proceeds of which it distributes to its investors, thereby entitling the investors to defer tax on \$100x of capital gains. Be that as it may, the latter tax result in our view is not inconsistent with the purposes of the Code provisions on qualified opportunity funds because the OZ Regulations have expressly considered the fact pattern in question and adopted rules which permit the noted result in defined situations. Indeed, the rules permitting the result were issued after the IRS had expressly raised the question, in its Notice of Proposed Rulemaking that accompanied the 2018 Proposed Regulations, of whether debt arrangements may be abusive or otherwise problematic in the context of qualified opportunity funds. IRS, RIN 1545-BP03, at 28-29.

* * * * *

We note that the opinions expressed herein are not binding on the IRS or the courts. No ruling has been or will be sought from the IRS with respect to the matters discussed herein, and there can be no assurance that the IRS or a court will agree with our opinions expressed herein.

Our opinions expressed herein are based on current law, which is subject to change, possibly with retroactive effect. Any such change could affect our opinions expressed herein. We assume no obligation to update this opinion letter in light of any subsequent change in law.

Very truly yours,



SEYFARTH SHAW LLP

SRM/RKM

LIMITED LIABILITY COMPANY INTERESTS

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THIS “MEMORANDUM”) IS BEING FURNISHED ON A CONFIDENTIAL BASIS SOLELY TO A LIMITED NUMBER OF PROSPECTIVE INVESTORS CONSIDERING THE PURCHASE OF LIMITED LIABILITY COMPANY INTERESTS (THE “INTERESTS” OR “UNITS”) IN INTEGRIS DLV OPPORTUNITY ZONE FUND, LLC, A DELAWARE LIMITED LIABILITY COMPANY (THE “FUND”), WHICH IS AN AFFILIATE OF INTEGRIS REAL ESTATE INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY (“INTEGRIS” OR THE “SPONSOR”), THE SPONSOR OF THIS OFFERING. THIS MEMORANDUM MAY ONLY BE USED BY INVESTORS (AND THOSE WHO ASSIST IN EACH INVESTOR’S INVESTMENT DECISIONS) SOLELY TO EVALUATE AN INVESTMENT IN THE FUND AND NOT FOR ANY OTHER PURPOSE. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND, IS PROHIBITED.

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

THE INTERESTS HAVE NOT BEEN, AND ARE NOT EXPECTED TO BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS OR THE LAWS OF ANY FOREIGN JURISDICTION. THE INTERESTS WILL BE OFFERED AND SOLD UNDER THE EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR IMPORT PURSUANT TO THE LAWS OF THE STATES AND JURISDICTIONS WHERE THIS OFFERING WILL BE MADE. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE INTERESTS ARE SUBJECT TO SIGNIFICANT RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE AND FOREIGN SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. IN ADDITION, SUCH INTERESTS MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED, IN WHOLE OR IN PART, EXCEPT AS PROVIDED IN THE OPERATING AGREEMENT REFERRED TO HEREIN. ACCORDINGLY, INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE INTERESTS FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE INTERESTS, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT OR ANY STATE OR FOREIGN SECURITIES LAWS.

THE INTERESTS ARE OFFERED SUBJECT TO PRIOR SALE, AND SUBJECT TO, AMONG OTHER CONDITIONS DESCRIBED HEREIN, THE RIGHT OF THE MANAGER OF THE FUND TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART. INVESTMENT IN INTERESTS WILL INVOLVE SIGNIFICANT RISKS DUE TO, AMONG OTHER THINGS, THE NATURE OF THE FUND’S INVESTMENTS. POTENTIAL INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION PROVIDED IN THE SECTION OF THIS MEMORANDUM ENTITLED “RISK AND RISK MITIGATION.” INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND

WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY WHICH ARE CHARACTERISTIC OF THE INVESTMENT DESCRIBED HEREIN.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. POTENTIAL INVESTORS WILL HAVE THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS AND ADDITIONAL INFORMATION ABOUT THE FUND AND THE INTERESTS TO VERIFY THE INFORMATION CONTAINED HEREIN TO THE EXTENT REPRESENTATIVES OF THE FUND POSSESS SUCH INFORMATION. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS OWN ADVISORS AS TO THE FUND AND THIS OFFERING AND AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE INTERESTS.

IN CONSIDERING THE PURCHASE OF AN INTEREST AND REVIEWING ANY PRIOR PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE 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 COMPARABLE RESULTS OR ITS INVESTMENT OBJECTIVES, OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL. IN ADDITION, ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS TO BE MATERIALLY DIFFERENT FROM THOSE CONTEMPLATED BY SUCH STATEMENTS.

THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE OPERATING AGREEMENT OF THE FUND AND THE SUBSCRIPTION AGREEMENT RELATED THERETO. NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM AND ANY REPRESENTATIONS AND/OR INFORMATION NOT CONTAINED HEREIN OR OTHERWISE PROVIDED IN A WRITING SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE FUND MUST NOT BE RELIED UPON OR CONSTRUED AS AUTHORIZED BY THE FUND OR ANY MEMBER OR AFFILIATE THEREOF. STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE OF THE INITIAL DISTRIBUTION OF THIS MEMORANDUM UNLESS STATED OTHERWISE HEREIN, AND NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO SUCH DATE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION TO ANY PERSON OR ENTITY TO WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. PRIOR TO THE FINAL CLOSING OF THE FUND, THE MANAGER OF THE FUND AND ITS AFFILIATES RESERVE THE RIGHT TO MODIFY ANY OF THE TERMS OF THIS OFFERING AND THE INTERESTS DESCRIBED HEREIN.

Questions regarding Integrus DLV Opportunity Zone Fund, LLC or the information contained herein should be directed to:

*Integrus DLV Opportunity Zone Fund, LLC
c/o Integrus Real Estate Investments, LLC
2 Park Plaza, Suite 700
Irvine, California 92614
Telephone: 84-INTEGRIS or 844-683-4747
Fax: 949-988-3190
info@integrusinv.com*

DISCLAIMERS

Neither the Fund nor DLV-H, LLC, a Delaware limited liability company and affiliate of the Fund (the “**Operating Company**,” together with the Fund, the “**Companies**”) are owned or developed by, nor are their interests being sold by, Dream Hotel Group, LLC or its affiliates. Neither Dream Hotel Group nor any of its affiliates, nor their respective officers, directors, agents or employees (collectively, “**DHG**”) are in any way owners, offerors, promoters, issuers or underwriters of, or responsible or liable for, or are making any representations or warranties with respect to, the development, construction of the Hotel (as defined herein) or other parts of the Project (as defined herein), any offering for sale of the real property constituting the Hotel or other parts of the Project, or any increase or return on related investment. DHG has not confirmed the accuracy of any of the statements or representations made herein and has not assumed and has no liability or responsibility for any financial statements, projections or other financial information contained in any sales and marketing materials, prospectus or similar written or oral statements relating to the Hotel or other parts of the Project. The Fund has the sole right and responsibility for the manner and means by which Units in the Fund are sold, and for all representations in relation thereto. The Fund has obtained the rights to use the “DREAM®” name and trademarks (“**DHG Marks**”) in connection with the Hotel subject to the terms and conditions of non-exclusive agreements which may be terminated at any time upon certain occurrences. The right to use the DHG Marks in connection with the Hotel is thus not guaranteed and no such right is included in the Interests being acquired by any investor. If any of the relevant agreements are terminated, or DHG or its affiliate ceases to manage the Hotel for any reason, use of the DHG Marks in connection with the Hotel may be terminated at DHG’s discretion.

The structures, materials and recreational features and amenities and benefits/programs to investors described and depicted herein are based upon current development plans. The Fund reserves the right to modify, update, alter, delete or change any designs, specifications, dimensions, amenities, brands, fixtures, finishes, equipment, services, and features of this project, without notice and without incurring obligation. Specifications, dimensions, measurements, and other information in this Memorandum are approximate and based upon preliminary designs and drawings and are not intended to form any part of a contract.

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Exhibits:

- A) Subscription Document
- B) Form of Operating Agreement for Integrus DLV Opportunity Zone Fund, LLC
- C) Form of Operating Agreement for DLV-H, LLC
- D) Development Plan - Preliminary Project Time Line
- E) Financial Forecast
 - a. Consolidated Financials
 - b. Hotel Operations Only
 - c. Casino Lease Only
- F) Investor Summary
- G) Final Approval Notice from the Clark County Commission
- H) Founders Club Privileges

- I) Applied Analysis South Nevada Market Recovery August 2021
- J) Dream Hotel Group
- K) Shopoff Realty Investments Track Record as of June 30, 2021 – affiliate of Integrus Real Estate Investments
- L) Convergence Strategy Group Gaming Potential dated June 30, 2020
- M) Las Vegas Convention and Visitors Authority (LVCVA) Research Center Data

Documents available on request:

Hotel Management Agreement

Zoning Letter

Phase I Environmental Site Assessment dated November 13, 2020 and prepared by NOVA Geotechnical & Inspection Services

Baker Tilly Compliance Statement (once finalized)

Tax Opinion (once finalized)

WHO MAY INVEST

The Fund is hereby offering (the “**Offering**”) to sell to certain qualified, accredited investors (the “**Investors**”) pursuant to this Confidential Private Placement Memorandum (as amended and supplemented and with all exhibits hereto, the “**Memorandum**”) up to 25,000 Units, which represents up to one hundred (100%) of the limited liability company interests in the Fund. The Fund will use the proceeds from the Offering to acquire an anticipated fourteen and a half percent (14.5%) interest in the Operating Company and an equivalent interest in the Casino Condo (as defined herein), in each case assuming the anticipated maximum offering amount of \$25,000,000 is raised in the Offering.

This Offering is primarily designed for, but not limited to, prospective Investors seeking to defer and reduce capital gains for federal income tax purposes pursuant to an investment of qualifying capital gains in a “qualified opportunity fund” as such term is defined in Section 1400Z-2 of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Fund is intended to constitute a qualified opportunity fund for federal income tax purposes. The availability of tax benefits to prospective Investors with respect to their investments in the Fund is subject to certain conditions and factors that are described in this Memorandum. Prospective Investors should consult with and rely upon their own independent counsel concerning their ability to defer taxable gain for federal income tax purposes pursuant to Code Section 1400Z-2 in connection with an investment in the Fund.

You should read this Memorandum in its entirety before making an investment decision.

QUESTIONS AND ANSWERS ABOUT THIS OFFERING

The following questions and answers about the Offering highlight material information regarding the Fund and the Offering that is not otherwise addressed in the “Offering Summary” section of this Memorandum. Prospective Investors should read the Memorandum in its entirety, including the section entitled “RISK FACTORS,” before deciding to make an investment in the Fund.

Q: What is Integrus DLV Opportunity Zone Fund, LLC?

A: The Fund is a recently organized Delaware limited liability company formed to invest in one or more entities that will develop, design, construct, and operate a 526-room luxury hotel and casino located in an opportunity zone in Las Vegas, Nevada, as designated by the Tax Cuts and Jobs Act of 2017 (“TCJA”). The Fund seeks to raise approximately \$25,000,000 in Investor capital, which will be used to acquire an anticipated fourteen and a half percent (14.5%) interest in the Operating Company and an equivalent interest in the Casino Condo, in each case assuming the anticipated maximum offering amount of \$25,000,000 is raised in the Offering. The Fund intends to qualify as a qualified opportunity fund for federal income tax purposes.



Above: Architectural rendering of the Project as of the date of the Memorandum. The Project design remains subject to review and approval and is not final.

Q: What are qualified opportunity zones and qualified opportunity funds?

A: A qualified opportunity fund (also referred to herein as an “**Opportunity Fund**”) is a type of investment vehicle that files either a partnership or corporate federal income tax return and that is organized for the purpose of investing in qualified opportunity zone property. Opportunity Funds were created by the TCJA, which requires that Opportunity Funds, to qualify as such, invest in eligible property located in qualified

opportunity zones - low-income census tracts that have been individually designated by each state (including the District of Columbia and U.S. possessions) pursuant to Code Section 1400Z-1. An Opportunity Fund provides certain tax benefits for investors that invest capital gains arising from the disposition of other investments into the Opportunity Fund and that meet certain other requirements. The Fund is intended to qualify as an Opportunity Fund; however, there is no guarantee that the Fund will so qualify or that an Investor would be able to realize any particular tax results by making an investment in the Fund.

Capital gains eligible to be invested in an Opportunity Fund can potentially come from the sale or exchange of almost any property - stocks, bonds, bitcoin, art, business sales and more.

Q: What are the benefits of investing eligible capital gains in an Opportunity Fund?

A: Four of the primary potential benefits are, subject to the relevant provisions herein under “RISK FACTORS” and “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS - Opportunity Fund Considerations”, the ability to:

1. Defer the payment of your capital gains tax on the sale or exchange of property.
2. Reduce the tax you owe on your initial deferred capital gains investment in the Qualified Opportunity Fund by up to ten percent (10%) if, subject to certain conditions, the investment is held for at least five (5) years (if invested on or prior to December 31, 2021). The potential tax benefits related to this Fund are the federal income tax aspects, and state, local or other tax implications may vary.
3. Eliminate taxes on the capital gains resulting from certain sales or exchanges of the qualified opportunity fund investment after a 10-year holding period.
4. Eliminate taxes on depreciation recapture. In a typical real estate investment, depreciation used to reduce taxes due on income during the holding period is recaptured upon sale, triggering a taxable event. With respect to capital gains from certain sales or exchange of a qualified opportunity fund investment after a 10-year holding period, depreciation is not recapturable, eliminating tax on some or all of the cash flow generated by the investment.

In addition, since the property and operations are domiciled in Nevada, non-California residents may not be required to pay California income taxes on income generated by or received from the Fund.

Q: What is the Fund’s targeted rate of return?

A: The Fund will target a net 12-17% annual compounded internal rate of return (“IRR”) on its investments over a minimum ten (10) year anticipated holding period, a portion of which is expected to be comprised of current income, after payment of fees and expenses. Prospective Investors should bear in mind that this is a target return rather than a prediction of actual returns. There can be no assurance that the Fund’s target returns will be achieved. The Fund may experience substantial losses. The target returns set forth in this Memorandum take into consideration a variety of assumptions, and there is no guarantee that the assumptions upon which the target returns are based will materialize.

Q: What is Integrus Real Estate Investments, LLC?

A: The Sponsor, Integrus Real Estate Investments, LLC, is a newly formed Delaware limited liability company. The Sponsor offers accredited investors the opportunity to directly invest in the transformation

of underutilized, undervalued real estate into better-managed, attractive and valuable assets that have the potential for appreciation and profitability.

The Sponsor is an affiliate of Shopoff Realty Investments L.P. (“**Shopoff**”) and will utilize and leverage both the experience and management team of Shopoff. For nearly three decades, the Sponsor’s executive team has focused on opportunistic, value-add projects. Headquartered in Orange County, California, the Sponsor uses a multi-disciplined approach that enables the Sponsor to uncover opportunities that others miss. The firm primarily focuses on proactively generating appreciation through the repositioning of commercial, income-producing properties and the entitlement of land assets. See “MANAGEMENT TEAM” and “TRACK RECORD” for additional information.

Q: Who is developing the Project?

A: Shopoff and its development partner, Contour Real Estate (“**Contour**”), have formed Shopoff - Contour Management LLC, a Delaware limited liability company and affiliate of the Fund (the “**Project Manager**”), to develop and manage the Project. The Project Manager has assembled a high-quality development team with substantial experience in both the hospitality sector and the Las Vegas market to help execute on the business plan described in this Memorandum. See “DEVELOPMENT TEAM” for additional information.

Q: What are the competitive advantages of the Fund’s relationship with Shopoff and the Project Manager?

A: The Fund will utilize the personnel and resources of Shopoff to manage the day-to-day operations of the Fund. The Project Manager will manage the day-to-day operations of the Operating Company. The well-established management team has corporate, investment and real estate development experience, which is expected to help the Fund realize economies of scale and other benefits including the following:

- *Experienced Development Team* — The Project Manager has put together a highly experienced management team of real estate professionals for the Project, including, but not limited to, the Dream Hotel Group (hotel management), McCarthy Building Companies (construction), architecture and design firm DLR Group (design team) and William Smith, who has spearheaded the design and constructions of projects such as the CityCenter in Las Vegas.
- *Market Knowledge and Industry Relationships* — Through its active and broad participation in real estate capital markets, Shopoff operates with the benefit of market information that enables it to identify attractive commercial real estate investment opportunities and to make informed decisions with regard to the relative valuation of financial assets and capital allocation.

Q: What makes the Fund different or unique from other qualified opportunity funds?

A: The Fund is distinguishable from other Opportunity Funds for the following reasons:

- The Las Vegas real estate market presents an unprecedented development opportunity. As of the date of this Memorandum, Shopoff and Integrus are the only two sponsors that have an Opportunity Fund offering involving hospitality assets on the Las Vegas strip at the caliber of the Dream Hotel Group brand of hotels, and there is very limited chance for another development on the Las Vegas Strip to build such a project.
- Dream Hotel Group, a premier lifestyle management company, has been contracted as the Hotel operator and “brand” (or “flag”) for the Hotel upon completion of the Project.

- The Fund has assembled a “dream team” of real estate experts
 - Contour Real Estate will act as co-developer on the Project;
 - McCarthy Building Companies, which constructed the new home of the Las Vegas Raiders, Allegiant Stadium, will construct the Project; and
 - Bill Smith, an industry veteran with global hotel experience, joined Shopoff as SVP Design & Construction in 2020.
- The Project is located at a premier location less than one mile from, and an easy walk to, the new Allegiant Stadium, home of the National Football League’s Las Vegas Raiders and an estimated 200 events per year. The Project is adjacent to McCarran International Airport, which provides convenient access to the Project.

Q: Who might benefit from an investment in the Fund?

A: An investment in the Fund is principally designed for, but not limited to, potential Investors that have capital gains that are eligible to be deferred by investing in an Opportunity Fund. The Fund intends to qualify as an Opportunity Fund, and, if the Fund so qualifies, then Investors who are able to elect to treat their investment of eligible gains as an Opportunity Fund investment may achieve certain tax benefits, which are discussed further below under “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS - *Opportunity Fund Considerations.*”

In addition, and without regard to the potential benefits of investing qualifying capital gains in an Opportunity Fund, an investment in the Fund may be beneficial for Investors that seek to diversify their investment portfolios with ownership of an interest in a private commercial real estate investment vehicle focused primarily on commercial real estate development and equity investments located in Opportunity Zones, seek to receive current income, seek to preserve capital and are able to hold their investment for a time period consistent with the Fund’s liquidity strategy. On the other hand, an investment in the Fund is not appropriate for Investors who may require immediate liquidity or guaranteed income, or who seek a short-term investment.

Q: When does the Fund anticipate construction will commence? Is there a commitment from a construction lender or is a construction loan in place?

A: The Clark County Commission approved the Project by a 6-1 vote on October 6, 2021. A copy of the Final Approval Notice from the Clark County Commission is attached hereto as Exhibit G. The Project Manager anticipates construction to begin in by early Q3 2022. The construction loan is yet to be finalized. The Project Manager anticipates selecting a debt broker before the end of 2021 who will secure senior construction financing for the Project. The Project Manager expects to secure such financing in Q2 2022 prior to the start of construction.

Q: What activities occur prior to commencing construction?

A: Now that entitlements have been approved, subsequent activities include the final design and construction drawings of the Project, value engineering, selecting a debt broker, negotiation and closing of the construction loan and any required permitting. A copy of the site plan and specifications for the Project are included in the development plan for the Property (the “**Development Plan**”), a copy of which is attached hereto as Exhibit D.

Q: What happens if the Fund does not raise the total amount necessary to start construction?

A: In the event that the Fund does not raise the total amount necessary to start construction, the Fund plans to obtain mezzanine financing and/or engage institutional partners as necessary.

Q: Are there incentives for being an early Investor in the Fund?

A: Yes. The Fund will offer Founder's Club privileges. Eligible Investors will belong to the "Founder's Club," which will provide for an array of privileges including VIP and complimentary services, luxury amenities and exclusive experiences tiered based on investment size and date of investment. Founder's Club privileges are provided to all Investors meeting the minimum investment requirements of \$250,000. Founder's Club privileges are described in Exhibit H of this Memorandum.

Q: May Investors invest in the Offering with funds that are not qualifying capital gains?

A: Yes; however, only Investors that invest capital gains in the Fund will be entitled to any of the Opportunity Fund tax benefits described in this Memorandum.

Q: When will the Offering terminate?

A: The Fund anticipates that it will begin raising capital in November 2021. The Offering will terminate on or before the earlier of the date on which all \$25,000,000 of Units offered hereby have been sold or June 30, 2022, (the "**Offering Termination Date**"); provided however, that (a) the Manager may extend the Offering for one (1) additional six (6) month period in its sole and absolute discretion, and (b) if the Manager determines that there is interest in purchasing more than 25,000 Units or \$25,000,000 prior to the Offering Termination Date, then it may, in its sole and absolute discretion, increase the maximum number of Units that can be sold in this Offering. Notwithstanding the foregoing, in no event shall the maximum net proceeds received by the Operating Company pursuant to this Offering, plus all other equity being raised for the Project shall not exceed the total equity being raised for the Project as described herein. If more than 25,000 Units are sold, ownership interests will be adjusted accordingly and present no dilution to existing investors with respect to the Project.

Q. Why is the Fund structured as a partnership for U.S. federal income tax purposes?

A: The Fund is intended to be structured as a partnership for U.S. federal income tax purposes in part to maximize the potential tax advantages available to Investors from investing in an Opportunity Fund. As discussed below in "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS - *Opportunity Fund Considerations - Opportunity Fund Treatment for Electing Unitholders*," in order for an Investor to take advantage of certain tax benefits obtainable through an investment in an Opportunity Fund, an Investor must sell (or be treated as selling) its interest in the Opportunity Fund. Alternatively, Investors in the Fund that have properly elected to defer eligible gain that hold their interests for at least ten (10) years may elect to exclude from gross income all of the gain arising from a disposition of the direct or indirect assets of the Fund or the Operating Company, giving Investors a similar result. The Manager intends to conduct the Fund's operations to allow Investors the ability to make one of these elections with respect to the ownership and disposition of the Fund's investments.

Q: Will Investors recognize depreciation deductions from an investment in the Fund?

A: As a result of the Fund's intended treatment as a partnership for U.S. federal income tax purposes, Investors in the Fund generally will recognize their allocable share of any depreciation deductions from the Fund and its investments, including those that are generated by investments made by the Operating Company in depreciable properties. However, the ability of Investors to utilize their allocable share of

depreciation deductions in any particular year will be limited for reasons that include, among others, the fact that Investors who invest qualifying capital gains in the Fund will be treated initially as having zero income tax basis in their investment in the Fund. See “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS - *Taxation of U.S. Unitholders*” for more details.

Q: What is the purchase price per Unit?

A: \$1,000.00 per Unit.

Q: Will Investors have the opportunity to request a redemption of their Units? And if so, what is the impact to the investment of those redeeming Investors?

A: Yes, Investors may request the Fund to redeem their Units in whole or in part *after the Stabilization Date* (as defined herein). Requests will be considered under certain circumstances and conditions and approved at the sole and absolute discretion of the manager of the Fund, Integrus Manager, LLC, a Delaware limited liability company (the “**Manager**”). Once a request is approved, the member making such request will cease to have the rights of a member with respect to the redeemed Units and will only have the right to receive payment for their redeemed Units. Investors that redeem their Units prior to the termination of the Fund or the disposition of the Project may not realize all or any of the potential tax benefits offered by an investment in an Opportunity Fund. Certain tax benefits only result after an investor holds an interest in an Opportunity Fund for at least five (5) years (in the case of an Investor that invests in the Fund on or before December 31, 2021) and at least ten (10) years, and Investors that redeem their Units before those holding periods are satisfied may not realize the applicable tax benefits. Investors that are investing with a view towards maximizing any tax benefits realized as a result of the Fund intending to qualify as an Opportunity Fund should carefully evaluate the redemption of their Units prior to the termination of the Fund or the disposition of the Project.

Q: When will the Fund be terminated?

A: We intend to terminate the Fund no sooner than ten (10) years from the date that the final Investor in the Offering is admitted into the Fund (i.e., terminating no sooner than June 30, 2032 assuming the Offering is not extended). However, the Manager may determine in its sole discretion to terminate the Fund before or after such 10-year period. While the Manager expects to seek a liquidity transaction within 10-15 years after the date that the final Investor in the Offering is admitted to the Fund, there can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that time frame.

Q: Who will pay the Fund’s formation and offering costs?

A: The Manager or its affiliates will pay on behalf of the Fund all costs incurred in connection with the organization of the Fund and its subsidiaries and the Offering. See “**ESTIMATED USE OF PROCEEDS**” for more information about the types of costs that may be incurred. The Fund will reimburse the Manager for these formation and offering costs from any proceeds received in the Offering.

Q: What fees and expenses will the Fund pay to the Manager or any of its affiliates?

A: The Project Manager and its affiliates are entitled to certain fees. The Fund will pay its pro rata share of the following fees:

- Asset Management Fee
- Development Management Fee

- Loan Origination and/or Restructuring Fee
- Disposition Fee

See “SUMMARY OF THE TERMS OF THE FUND AND THE OFFERING” for additional information on the fees and compensation that the Fund will pay.

Q: Will the Project utilize leverage?

A: Yes, the Project intends to use leverage. The Project is currently estimated to cost approximately \$536.2 million, approximately sixty-eight percent (68%) of which is expected to be debt financed in the form of a construction loan of approximately \$364 million from one of a number of lenders. The Project Manager is set to engage a debt broker by December 2021 who will secure senior construction financing for the Project. The Manager and the Project Manager anticipate undertaking a refinancing of any initial and construction financing upon stabilization of the Project and, to the extent such refinancing generates proceeds in excess of those required to satisfy any initial and construction financing, anticipate distributing such excess proceeds to investors. Any such distributions of financing proceeds will be designed to avoid being characterized as a taxable “inclusion event,” as defined in Treasury Regulations Section 1.1400Z2(a)-1(b)(41) (an “**Inclusion Event**”), and accordingly should not cause an Inclusion Event under such rules.

Q: When does the Fund expect to make distributions to Investors and how often will they receive distributions?

A: The Fund anticipates initial distributions to commence once the Hotel is open and operational. Distributions are anticipated to occur quarterly thereafter based on Available Cash (as defined herein). There will be potential for special distributions from financing events during the hold period. When the Hotel achieves stabilized occupancy of ninety-three percent (93%) (anticipated to occur in 2026 or Year 2 of operations), the Fund anticipates that it will be able to refinance¹ the real-estate and will potentially have a substantial return of capital to Investors in anticipation of their requirement to pay tax in 2026. The ninety-three percent (93%) stabilized occupancy rate has been calculated by taking a weighted average of both “Market Rate” rooms (rooms in the normal hotel pool) and the “Gaming Room Allocation” (rooms that may be given away or discounted for casino play). Please refer to “PROJECT INVESTMENT RETURNS” section for details.

While the Fund anticipates the ability to make regular distributions of Available Cash to Investors, there can be no assurance that there will be Available Cash to distribute or that market conditions will not require the Fund to retain cash.

Q: Will distributions to Investors be taxable?

A: Investors in the Fund will include their allocable share of income, deductions, gains, losses and other tax items from the Fund on their U.S. income tax returns, regardless of whether or not cash is distributed from the Fund. Distributions from a partnership such as the Fund generally are not the equivalent of income for U.S. federal income tax purposes, and generally do not give rise to income or gain unless a member receives a cash distribution in excess of its income tax basis in its Units in the Fund. To the extent, as noted above, we are able to distribute refinancing proceeds, such distributions are not expected to be taxable so long as such refinancing involves nonrecourse debt and certain other requirements set forth in the federal income tax rules applicable to qualified opportunity zones, Opportunity Funds and investments therein, including Code Section 1400Z-2 and the Treasury Regulations promulgated thereunder (the “**Opportunity Zone Rules**”) are satisfied.

¹ Based on the lender’s discretion, a refinance maybe viable based on revenue targets versus occupancy.

Distributions made to Investors in excess of their income tax basis in Units will be treated as sales proceeds from the sale of Units for U.S. federal income tax purposes. An Investor's tax basis in an interest in an Opportunity Fund acquired through the investment of qualifying deferred gains is initially zero, and as a result, until such time as Investors obtain income tax basis in the Fund (by reason of the allocation of income or profit from the Fund, or the allocation of nonrecourse indebtedness of the Fund or its subsidiaries to the Investors), Investors in the Fund may not have any income tax basis to be returned in the form of tax-free distributions. Because each Investor's tax considerations are different, each Investor should consult with its own tax advisor. Please see "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS," including its discussion of the rules applicable to distributions from the Fund.

Q: Are there any risks involved in buying Units?

A: Investing in Units involves a high degree of risk. If the Fund or the Manager are unable to effectively manage the impact of these risks, the Fund may not meet its investment objectives. Accordingly, prospective Investors should purchase Units only if they can afford a complete loss of their investment in the Fund. See "RISK FACTORS" for a description of the risks relating to the Offering and an investment in Units.

Q: How does a "best efforts" offering work?

A: When Units are offered on a "best efforts" basis, the Fund is only required to use its best efforts to sell Units. In other words, the Fund will do its best to sell as many Units as possible, but there is no underwriter of the Offering; thus, neither the Fund, the Manager, nor any other person guarantees that Units equal to the maximum amount of the Offering will be sold.

Q: Is there any minimum amount required to be sold in the Offering?

A: No, as a "best efforts" offering, in the event that sufficient proceeds are not raised through the Offering to commence construction, the Fund plans on using alternative funding mechanisms including mezzanine loans and co-investment from institutional partners.

Q: Who can buy Units?

A: Units may be purchased only by persons that are "accredited investors" under Rule 501(a) of Regulation D of the Securities Act.

Q: How does an Investor purchase Units?

A: Investors must work with their registered representatives or investment advisors to complete the subscription agreement substantially in the form attached as Exhibit A of this Memorandum. Please note that Rule 506(c) of Regulation D requires verification of an Investor's status as an "accredited investor."

Q: Is there any minimum investment required?

A: Yes. Investors must initially purchase at least one hundred (100) Units in the Offering, or invest \$100,000 in the Fund based on the per-Unit price. There is no minimum investment requirement on additional purchases after a minimum of one hundred (100) Units have been acquired. The Fund may revise the minimum purchase requirements in the future, or may elect to waive the minimum purchase requirement on a case-by-case basis in its sole discretion.

Q: May an investment in the Fund be made through an Individual Retirement Account (“IRA”) or other tax-deferred retirement account?

A: Because an investment in Units is expected to generate “unrelated business taxable income” that is taxable to all Investors, including Investors that are generally exempt from income taxation such as tax-deferred retirement accounts, the Project Manager does not believe investments in the Fund are optimal for IRAs or other tax-deferred retirement accounts; however, the Manager will consider such investment requests on a case-by-case basis.

Q: What will the Fund do with the proceeds from the Offering?

A: The Fund expects to use substantially all of the net proceeds from the Offering (after paying or reimbursing formation and offering expenses) to acquire a partial leasehold interest in the land and provide partial funding to construct, or cause to be constructed, 526 luxury lifestyle hotel rooms & suites, multiple day time & nighttime centric food and beverage venues, a resort pool and day club, nightclub, multiple retail venues and a fitness center. The hotel will be managed by the Dream Hotel Group. The Fund also intends to cause to be constructed, an approximately 26,000 square foot casino with approximately 250 slot machines, 20 table games, and a sports book. See “**ESTIMATED USE OF PROCEEDS**” for more information.

Q: Has the Fund acquired the land already?

A: The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site (as defined herein), which will be converted into condominiums as more fully described below, from 5051 SLV, LLC, a Delaware limited liability company (the “**Property Owner**”), an affiliate of the Sponsor.

Q: Why is the land being structured as a ground lease as opposed to purchasing the land?

A: The Manager and the Project Manager believe there are several benefits to the land being structured as a ninety-nine (99) year ground lease. First, there is a financial advantage to not having to purchase, finance, and carry the land. It is assumed that the fully entitled land is worth approximately \$70 million. This added cost to the Project would result in a decreased return to the Investors of an estimated 1.50% per year. Second, because the Site is owned by a related party, the Site would be treated as a “bad asset” in the qualified opportunity zone test. Per the Opportunity Zone Rules, a project may only have 30% of its assets as “bad assets.” Bad assets include cash and related party purchases among other items. By structuring the acquisition of the Site as a ground lease, the Fund is further mitigating risk of this test. Finally, since the Site is not depreciable, a ground lease allows essentially the entire asset to be depreciated, and since depreciation under a qualified opportunity zone is not recapturable, this provides a greater potential after-tax net retained income benefit for investors.

Q: Will Investors be notified of how their investment in the Fund is doing?

A: Yes, we will provide Investors with periodic updates on the performance of their investment in the Fund, including:

- Quarterly reports with forty-five (45) days of the end of a quarter
- annual audited financial statements within 120 days after the Fund’s fiscal year end; and
- supplements to the Memorandum, if the Fund has material information to disclose.

Q: When will Investors receive detailed tax information?

A: The Fund will make all reasonable efforts to provide Investors with IRS Schedule K-1 (“**K-1s**”) before they are required to pay their income taxes for such year; however, the timing of the K-1s may not be entirely within the Fund’s control, as it will be relying on tax returns from multiple sources and the services of third-party tax consultants to generate these documents for Investors. While the Fund intends to provide Investors with K-1s at least ninety (90) days after the end of the Fund’s tax year (which will be the calendar year), the Fund cannot guarantee timing and recommends that Investors be prepared to file a tax extension if necessary.

Q: Who can help answer additional questions about the Offering?

A: Potential Investors with more questions about the Offering should contact the Fund at:

*Integrus DLV Opportunity Zone Fund, LLC
c/o Integrus Real Estate Investments, LLC
2 Park Plaza, Suite 700
Irvine, California 92614
Telephone: 84-INTEGRIS or 844-683-4747
Fax: 949-988-3190
info@integrusinv.com*

EXECUTIVE SUMMARY

Ownership of the Fund and the Property

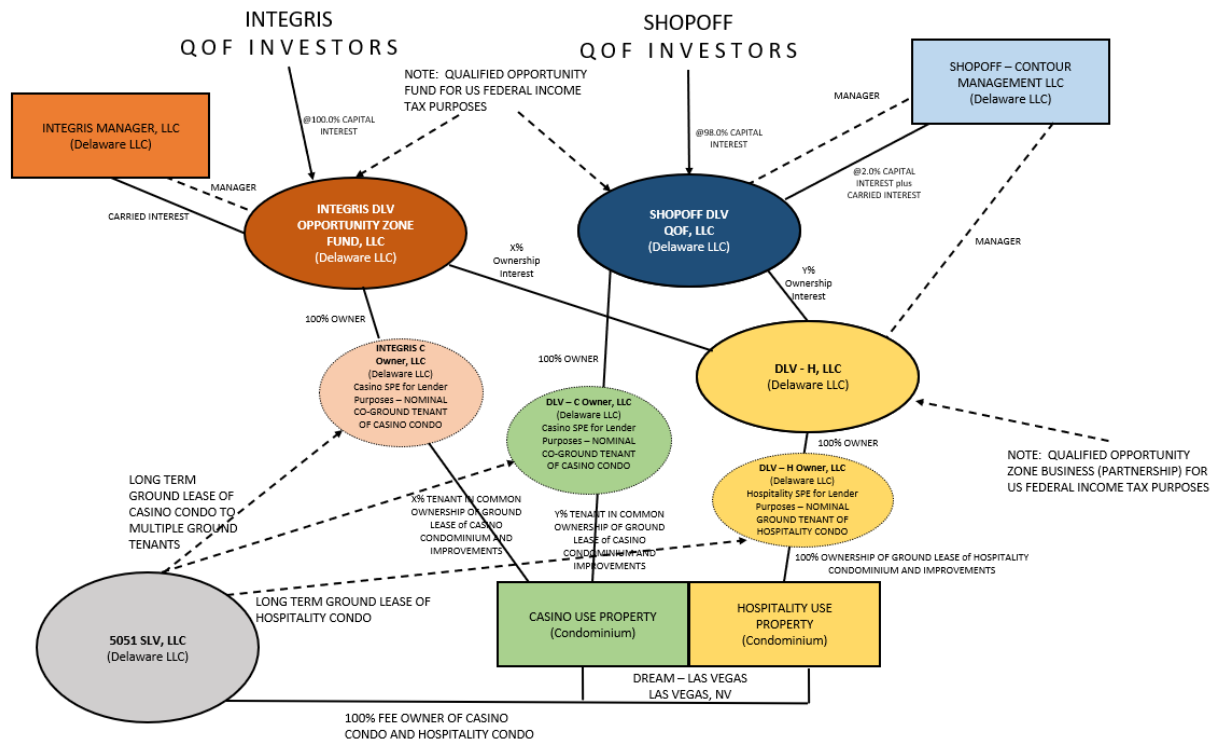
One hundred percent (100%) of Units of the Fund (representing up to approximately 14.5% ownership of the Project based on a total equity raise of \$25,000,000) are expected to be owned by Investors. The Fund will own directly (or through an entity that will be disregarded for income tax purposes) the portion of the Project that will consist of the Casino. With respect to the remainder of the Project, which will consist of hospitality operations, the Fund will own up to approximately 14.5% of the limited liability company interests in the Operating Company with the remaining 85.5% of interests in the Operating Company owned by one or more alternative equity sources.²

The organizational chart below shows the various entities directly involved:

- Integris DLV Opportunity Zone Fund, LLC – Investors will own Units in this entity (the Fund), which is organized as and intends to qualify as an Opportunity Fund.
- The Fund will own the Project through two separate “verticals”:
 - The non-gaming portion of the Project (i.e., the Hotel Condo (as defined herein)) will be owned by the Fund through its ownership of approximately 14.5% of the Operating Company (i.e., DLV-H, LLC), which will operate as a “qualified opportunity zone business,” as defined in the Opportunity Zone Rules.
 - The gaming portion of the Project (i.e., the Casino Condo) will, for federal income tax purposes, be owned jointly by Integris C Owner, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Fund (the “**Casino Subsidiary**”), and DLV-C Owner, LLC, a Delaware limited liability company and wholly-owned subsidiary of Shopoff DLV QOZ Fund, LLC, a Delaware limited liability company and affiliated Opportunity Fund sponsored by Shopoff (the “**Affiliate Fund**”). The Opportunity Zone Rules prohibit a qualified opportunity zone business from operating certain businesses, including gaming businesses (including the ownership of property leased to gaming businesses). However, provided that certain requirements are satisfied (as discussed further herein), this restriction should not apply to gaming businesses that are operated directly by an Opportunity Fund.
- Integris Management, LLC, a Delaware limited liability company, is the Manager of the Fund.
- Shopoff – Contour Management, LLC, a Delaware limited liability company, affiliate of the Fund, and manager of the Affiliate Fund, is the Project Manager.

² Alternate equity may come from Shopoff DLV Opportunity Fund, institutional partners or other QOFs

ORGANIZATIONAL CHART



Project Summary

The Fund was formed in September 2021 to directly and indirectly (through the Operating Company) co-own, co-develop and co-operate the Hotel Condo and the Casino Condo (together with the Hotel Condo, the “**Project**”). The Project is located on a 5.25 acre site on the Las Vegas Strip at 5051 South Las Vegas Boulevard, Las Vegas, Nevada (the “**Site**,” and together with the Project, the “**Property**”), which is located within a “qualified opportunity zone” as such term is defined in Section 1400Z-1 of the Code. The Project is anticipated to comprise a single 19-story hotel tower featuring 490,000 square feet of hotel space and a 26,000 square foot casino and 280,000 square feet of parking space. The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site (which will be converted into condominiums as more fully described below) from the Property Owner, an affiliate of the Sponsor. As of October 6, 2021, the Site is fully entitled. A copy of the Final Approval Notice from the Clark County Commission is attached hereto as Exhibit G.

The Fund will co-own the Hotel Condo through DLV-H Owner, LLC, a Delaware limited liability company wholly owned by the Operating Company (the “**Hotel Subsidiary**”). By doing so, as more fully described below, the Fund intends to benefit from certain rules relating to the quantity of its assets that constitute “qualified opportunity zone business property” and the amount of cash it can hold that is being deployed as part of a development project. The Opportunity Zone Rules forbid the Operating Company from operating, or leasing property to, certain businesses, including gaming businesses. However, this particular prohibition does not apply to the Fund itself, provided certain conditions are satisfied; therefore, the Fund will co-own and co-operate its gaming business through the Casino Subsidiary. For income tax purposes, the Fund will be considered to directly own the portion of the Project used for gaming purposes (i.e., the Casino Subsidiary is disregarded as separate from the Fund). In order to clearly differentiate

between the portion of the Project used for gaming purposes from the portion of the Project used for hospitality purposes, the Site will be subdivided into condominiums, one of which will be the Hotel Condo, which will be occupied solely by the hospitality business (with the ground leasehold and improvements thereon owned by the Hotel Subsidiary), and the other of which will be the Casino Condo, which will be dedicated to gaming uses (with the ground leasehold and improvements thereon owned jointly by the Casino Subsidiary and DLV-C Owner, LLC, Delaware limited liability company wholly owned by the Affiliate Fund, as tenants in common). The condominium process will be completed prior to the commencement of hotel and casino operations.

The Project is currently in the pre-construction and design phase. The Project Manager will develop and construct, or cause to be constructed, on the Site, a single 19-story hotel tower that includes 526 luxury lifestyle hotel rooms & suites, multiple daytime & nighttime centric food and beverage venues, a resort pool and day club, nightclub, multiple retail venues and a fitness center (the “**Hotel**” or the “**Hotel Condo**”) and an approximately 26,000 square foot casino with approximately 250 slot machines, 20 table games, and a sports book (the “**Casino**” or the “**Casino Condo**”). The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site from the Property Owner, an affiliate of the Sponsor.

The Site is located less than a mile from the new Allegiant Stadium (home of the Las Vegas Raiders NFL football team and expected to host over 200 events per year). In addition, the Site is less than three (3) miles from core entertainment offerings including:

- T-Mobile Arena, home of the Las Vegas Golden Knights Hockey Team (1.7 miles)
- CityCenter, home of Aria, The Crystals, and Vdara, among others (1.9 miles)
- Caesars Palace (2.5 miles).
- Mandalay Bay Resort and Casino (0.7 miles)

The Mandalay Bay features a tram that runs to the Excalibur Hotel, which is walking distance from T-Mobile Arena and The MGM Resort and Casino. The tram service may potentially provide Hotel guests easy access to the events at these venues.

The Site is also located nearby the proposed high-speed rail line from California to Las Vegas. The proposed \$5 billion project by Brightline West will run from Victorville, California to Las Vegas in just 85 minutes. The COVID-19 pandemic has delayed construction, but we anticipate that plan will move forward in 2022.

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According to the Las Vegas Convention and Visitors Authority,³ Elon Musk’s “The Boring Company” has completed the transportation tunnel, the Las Vegas Convention Center Loop (the “**LVCC Loop**”), located at the Las Vegas Convention Center (“**LVCC**”). The LVCC Loop, which is expected to transport LVCC attendees to and from three (3) separate stations located below the LVCC in specialized Tesla vehicles, opened in June 2021. Typical walk time between the West Hall to the existing North/Central Hall can take up to 100 minutes. The same trip on the LVCC Loop takes approximately 2 minutes. The system is designed to transport more than 4,400 LVCC attendees per hour across the campus.

Future plans include a station under the recently completed Resorts World Las Vegas and additional tunnels that are proposed to connect all major resorts, entertainment venues, and McCarron International Airport. The benefit to the tunnel system is the ability to transport individuals quickly at speeds of over 150 miles per hour getting people from point to point in moments while lowering emission and congestion on the city’s roads. As the tunnel system expands beyond the LVCC, the Sponsor will explore options to have the tunnel system connect to the Project.

³<https://labusinessjournal.com/news/2021/jun/07/boring-co-las-vegas-tunnel-opens-public/>



Above Project Location -Site Aerial (not to scale)

The Project is currently estimated to cost approximately \$536.2 million approximately sixty-eight percent (68%) of which is expected to be funded by a construction loan of approximately \$363.6 million from one of a number of lenders. The Project Manager is set to engage a debt broker by December 2021 who will secure senior construction financing for the Project.

The Fund seeks to raise approximately \$25,000,000 in Investor capital, which will be used to acquire an anticipated fourteen and a half percent (14.5%) interest in the Operating Company and an equivalent interest in the Casino Condo, in each case assuming the anticipated maximum offering amount of \$25,000,000 is raised in the Offering. The Sponsor expects the remaining 85.5% of interests in the Operating Company to be owned by one or more alternative equity sources, including the Affiliate Fund.

The Fund is expected to begin raising capital in November 2021. The Offering will terminate on the Offering Termination Date (anticipated to occur on or before June 30, 2022); provided however, that (a) the Manager may extend the Offering for one (1) additional six (6) month period in its sole and absolute discretion, and (b) if the Manager determines that there is interest in purchasing more than 25,000 Units or \$25,000,000 prior to the Offering Termination Date, then it may, in its sole and absolute discretion, increase the maximum number of Units that can be sold in this Offering. Notwithstanding the foregoing, in no event shall the maximum net proceeds received by the Operating Company pursuant to this Offering, plus all other equity being raised for the Project shall not exceed the total equity being raised for the Project as described herein. If more than 25,000 Units are sold, ownership interests will be adjusted accordingly and present no dilution to existing investors with respect to the Project.

The Fund is expected to hold the Project for at least ten (10) years after the admission of the last Investor to the Fund, to enable all Investors to have the potential to realize the full benefits of the Qualified Opportunity Zone investment program.

Incentives for Early Investors

The Fund will offer early Investors the “Founder’s Club” privileges described below:

Founder’s Club Privileges: Eligible investors will belong to the “Founder’s Club,” which will provide for an array of privileges including VIP and complimentary services, luxury amenities and exclusive experiences tiered based on investment size and date of investment. Privileges are provided to all Investors meeting the minimum investment requirements of \$250,000. See Exhibit H for investment requirements and a description of the Founders Club privileges.

Development Agreement

It is anticipated that the Operating Company will enter into a development agreement (the “**Development Agreement**”) with the Project Manager (in such capacity, the “**Developer**”), pursuant to which the Developer will serve as the developer for the Project.

The Property Owner has entered into a general contractor agreement and will enter into a “guaranteed maximum price” (“**GMP**”) general construction contract (the “**Construction Contract**”) for the Project with McCarthy Building Companies, Inc. a Missouri corporation (the “**General Contractor**”). It is anticipated that the Property Owner will assign the Construction Contract to the Operating Company not later than commencement of construction. The Construction Contract provides for full-scope design-build construction services for the Project, independently covering both the Hotel Condo and the Casino Condo. During the design phases, the architect, consultants and interior designers will all be managed by the General Contractor. In addition, the General Contractor will provide preconstruction services, which includes updating construction cost estimates and construction schedules. The Design-Build method of contracting was chosen to ensure the construction budget is closely monitored and maintained by the General Contractor during the design phases. The General Contractor’s current estimates are based on their experience and expertise in building other hotels in the Las Vegas market. A GMP will be established with the General Contractor when the documentation during the Design Development Phase is approximately seventy-five (75%) complete which is anticipated to occur in the second quarter of 2022. A GMP contract is a cost-type contract (also known as an open-book contract) where (1) the contractor is compensated for actual costs incurred plus a fixed fee subject to a ceiling price; (2) the contractor is responsible for cost overruns, unless the GMP has been increased via formal change order (only as a result of additional scope from the client, not price overruns, errors, or omissions); and (3) savings resulting from cost underruns are returned to the owner.

Construction is expected to commence in Q2 2022 and be substantially complete by Q3 2024. See “PROJECTED DEVELOPMENT DETAILS” and the Development Plan attached as Exhibit D for additional information.

The Project Manager anticipates selecting a debt broker before the end of 2021 who will secure senior construction financing for the Project. The Project Manager expects to secure such financing in Q2 2022 prior to the start of construction. Upon substantial completion and stabilization of the Project, the

Project Manager may procure a permanent mortgage loan on the Hotel Condo. The selection of any lender and the terms of any indebtedness will be determined by the Project Manager in its discretion pursuant to the terms of the limited liability company agreement of the Operating Company (the “**OpCo Agreement**”); however, the Project Manager does not intend to permit the Operating Company to incur any indebtedness that would cause its total debt to equity ratio to exceed 70:30.

The Property Owner has entered into a hotel management agreement (the “**Hotel Management Agreement**”) with Dream Hotel Group (the “**Hotel Manager**”) to manage the Hotel. The Project Manager believes that having a tenant contracted and in place prior to construction, meaningfully mitigates lease up risk⁴ associated with most construction projects. This agreement will be assigned to the Operating Company. The Hotel Manager is a brand and management company with a 30-year history of managing properties in some of the world’s most highly competitive environments (<http://www.dreamhotelgroup.com/about-us-en.html>).

The Fund and Affiliate Fund expect to enter into an agreement (the “**Casino Lease**”) with a qualified gaming operator (the “**Casino Operator**” or “**Tenant**”) to fit out the Casino and operate the Casino pursuant to a lease. The lease agreement allows the Fund and Affiliate Fund to receive a significant share of the economic value of the Casino operation in the form of fixed rental payments while leaving the day-to-day Casino management in the hands of a qualified gaming operator. Additionally, it removes State of Nevada licensing requirements from the Fund and its investors. The Fund and Affiliate Fund will receive such rental payments pro rata according to their respective ownership interests in the Casino Condo.

• ⁴ In an asset where current vacancy exists that the sponsor expects to lease up over time, there is risk that the lease up may not occur or may occur at a slower rate than the sponsor anticipates.

PROJECT HISTORY AND DESCRIPTION

Property Name: Dream Las Vegas
Address: 5051 S. Las Vegas Blvd., Las Vegas, NV 89119
Land Size: 5.25 acres

The Site was initially purchased in February 2020 by the Property Owner although the planning and design work began in early 2019. All entitlements for the Project were received in October 2021.

The Project is comprised of the construction, development and operation of the Dream Las Vegas and leasing of the Casino components.



Figure: Rendering for illustration purposes only, final design may change.

1) Hotel Description and Services

The Hotel is programmed to be a high-end, lifestyle boutique Strip property with highly curated F&B offerings with activated dining and nightlife venues, drawing from the cachet of the Dream hotel brand and success in other domestic markets, including Los Angeles, New York City, Miami, Nashville and internationally.

- Typical Dream hotel guest is a college graduate, aged 21-55, with a household income of \$120,000+.
- The Project is well located with respect to existing and future planned demand generators in the Las Vegas area; based on its location on the southern portion of the Strip, it is proximate to major entertainment, retail, restaurants, gaming and nightlife amenities.
- Enjoys excellent visibility and location along the Las Vegas Strip.
- Good location relative to other major demand generators including the under-construction Allegiant Stadium, (home of the Las Vegas Raiders), as well as the T-Mobile Arena.
- Guest Rooms: The 526 rooms are planned to average ~452 SF and will be stylishly designed with one-of-a-kind touches; well-positioned to capture transient and group demand.
- Food & Beverage, Entertainment, and Resort Amenities: Anticipated to feature a collection of attractive, high-quality and high-energy food and beverage and entertainment outlets; below is a summary:

Preliminary renderings of the Hotel are shown below. Please note that designs and amenities are not final and subject to change.

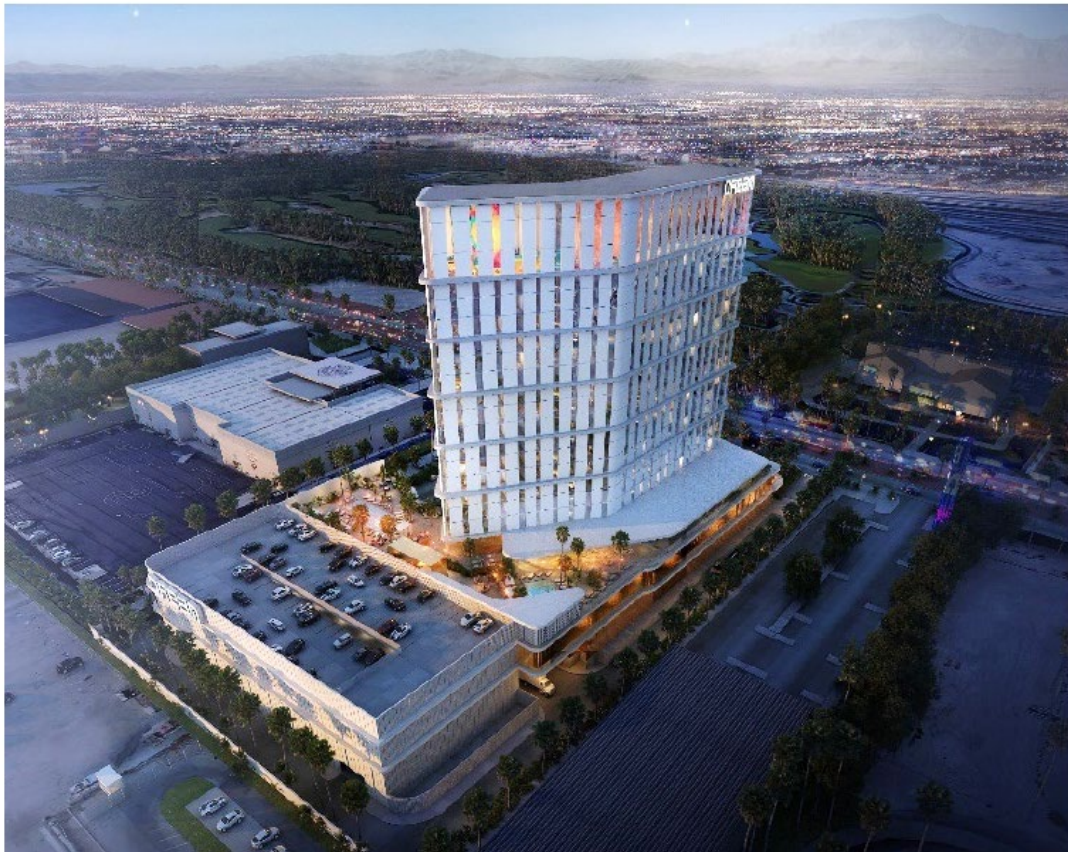




Figure: Preliminary Project Rendering - View above



Figure: Preliminary Coffee Bar concept show above

An anticipated break-down of square footage (SF) at the Hotel is shown below. This is based on the current design provided by the DLR Group and is subject to change based on final design layout.

Food and Beverage Venues	Level	Current Net SF
Speakeasy Restaurant	Level 01	2,182
Co-Working	Level 01	2,812
Lobby Bar	Level 01	350
Stateside Kitchen	Level 03	4,796
Stateside Terrace (Outdoor)	Level 03	1,526
Diner / Breakfast	Level 03	1,421
Nightclub	Level 03	4,375
Sporting Club	Level 03	6,014
Sporting Club Terrace (Outdoor)	Level 03	3,838
Coffee Outpost (Café)	Level 01	703
Cloudbreak Club Pool Deck (Outdoor)	Level 03	13,992
Cloudbreak Club Support / Back of Office	Level 03	3,282
Theater / Bar / Ticketing	Level 02	5,322
Lobby / Arrival		
Hotel Lobby / Registration	Level 01	5,757
Recreation Areas		
Dance Studio	Level 02	TBD
Fitness Center	Level 02	4,518
Casino		
Casino Floor	Level 01	27,000
Boutique Retail		
Salon / Tattoo	Level 01	1,025
Meeting Space		
Ballroom	Level 02	5,478
Ballroom Terrace	Level 02	1,023
Pre-Function	Level 02	2,293
Meeting Rooms	Level 02	1,666
Flex Meeting Space(s)	Level 01	836
Building Support Spaces		
Building Support Spaces	Varies	69,863
Guestroom Type		
Guestroom Type	Varies	10,645
Parking Garage		
Parking Garage		238,972

Casino Description and Services

In June 2020, the Operating Company commissioned Convergence Strategy Group (“CSG”) to complete a technical memorandum to assess the gaming market potential and prepare a casino operating pro forma for a casino to be developed within the Project and operated by a to be determined third party. CSG was also tasked with making a recommendation as to the appropriate size of the casino and mix of gaming amenities –based on the current building program and results of CSG’s analysis of gaming revenue potential at the Project, CSG projects demand sufficient to support a 26,000 square foot of gaming floor space with 250 slots and 20 table games, including a sports book.

Based on primary demand for the Casino coming from three distinct groups (on-site hotel guests, non-hotel guests and gaming operator induced hotel guests), CSG estimates that the casino is capable of capturing 321,010 gaming visits at an average spend per visit of \$229, for total gaming revenues of \$73.5 million upon stabilization (Year 3 of operations).

- **On-site hotel guests** represent patrons who pay the retail rate for rooms. CSG adjusted the expected occupancy rate for this segment down to 73.5% given the need to accommodate available room nights for Casino-induced customers. CSG estimates 1.8 occupants per room and that 50% of these visitors will be gamers with an average gaming spend of \$300 per visit.
- **Non-hotel guests** represent patrons who will visit the property to experience the attractive selection of food, beverage and nightlife amenities, whereby CSG estimates the Casino can capture 37.5% of these people at an average gaming spend of \$85 per visit.
- **Gaming operator induced Hotel guests** represent customers who will be given comped rooms by the Casino operator, assumed to be 25% of rooms midweek and 10% of rooms on the weekends, with average gaming spend of \$800 per visit per occupied room.

The following table outlines CSG’s estimates for gross gaming revenue by customer segment for Year 3 of operations:

<i>(\$ in thousands except WPUD)</i>	On-Site Hotel Guests	Non-Hotel Guests	Operator Guests	TOTAL
Adults	217,303	430,195	51,035	698,533
Casino Capture	50.0%	37.5%	100.0%	46.0%
Gaming Visits	108,652	161,323	51,035	321,010
Win/Visit	\$300	\$85	\$533	\$229
Gaming Revenues	\$32,595	\$13,712	\$27,218	\$73,526

Based on comparable casinos in the Las Vegas market, CSG estimates the gaming revenue split will be approximately 63% slots, 33% tables and 4% sports book. Using this allocation results in projected average slot win per unit per day (“WPUD”) of \$254 and average table WPUD of \$1,749 in Year 3 of operations.

Gaming Operator Assumptions:

Integrus and Shopoff are currently sourcing potential gaming operators to lease the Casino. The Casino Operator is expected to enter into a long-term space lease for the Casino, which will include the following key terms to be negotiated:

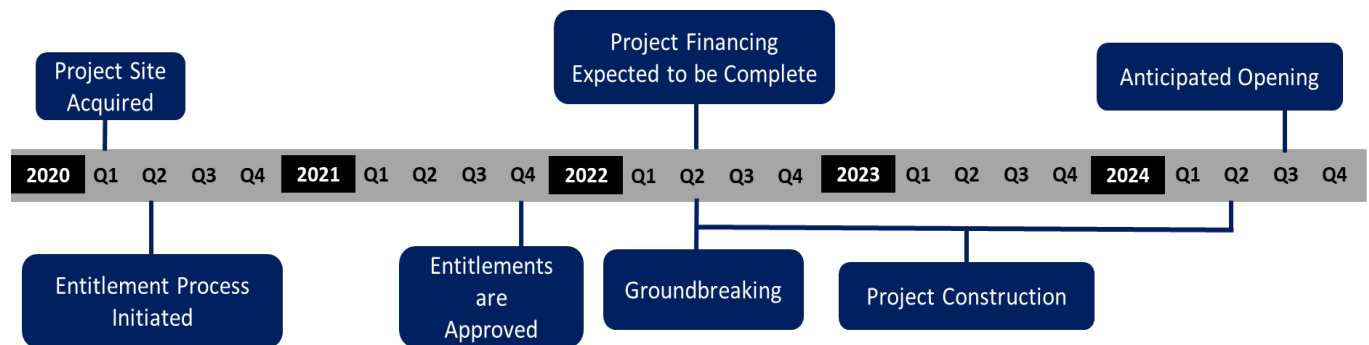
- Initial term of 10-20 years with potential built-in renewal periods.
- Annual base rent with built-in escalators plus a profit participation structure.
- Subject to the following sentence, the lease generally shall be structured as a “net lease” to the Fund (in such capacity the “**Landlord**”), such that Tenant shall be responsible for its casino operating expenses (including all gaming taxes), as well as its proportionate share of common area maintenance charges, including capital reserves, insurance and property taxes. The lease shall be structured to allow the Fund to qualify as engaged in the active conduct of a trade or business, as is required under the Opportunity Zone Rules.
- Tenant shall maintain a Nevada gaming license to operate the Casino at all times.
- It is expected that Tenant will utilize its current database of customers to market the Casino, and the Hotel will utilize its database for joint Hotel and Casino marketing purposes.
- Tenant shall be provided with discounts from Landlord and the Hotel for a pre-determined number of rooms on a weekly basis for Tenant to purchase for room comps to high value gaming customers.
- Certain discounts will also be provided for food and beverage and entertainment purchases for Tenant’s invited gaming customers.
- Landlord shall deliver to Tenant a developed space within the Project, consisting of approximately 26,000 square feet prior to the planned opening date.
- Tenant shall be required to (a) complete the fit out of the Casino, inclusive of gaming equipment and other FF&E, and (b) fund certain pre-opening expenses, cage cash and working capital all prior to the opening date –expected to range from approximately \$60 – 70 million all-in depending on specific plans.
- Landlord, Tenant and Dream Hotel Group shall work together to determine the optimal mix and placement of Casino food and beverage amenities as well as signage for the Casino throughout the property.

PROJECTED DEVELOPMENT DETAILS

Timeline is subject to changed and based on current assumptions and projections by governmental, regulatory and third-party sources. At this time, we anticipate the following schedule:

- Total Project Costs: \$536,242,970
- Construction Start Date: 6/1/2022
 - *Construction is anticipated to take approximately 25 months, followed by one month for hotel preparation and training.*
- Construction Completion: 6/30/2024
- Hotel Public Opening: 7/25/2024
- Assumed Exit Date: We anticipate holding the Project for at least 10 years with an assumed exit date of 11/30/2032. While this is the assumed minimum exit date, this date could be later and will be no earlier than 10 years from the date the last investor is accepted into the Fund.

The anticipated Condensed Time line is shown below. The Development Plan with a detailed timeline is attached as Exhibit D.



DEVELOPMENT TEAM

THE FUND HAS ASSEMBLED A HIGHLY-QUALIFIED DEVELOPMENT TEAM WITH SUBSTANTIAL EXPERIENCE IN DESIGN, DEVELOPMENT, HOSPITALITY AND CONSTRUCTION.



Dream Hotel Group (Hotel management group)

Dream Hotel Group is a hotel brand and management company with a rich, 30-year history of managing properties in some of the world's most competitive environments. Brands include Dream Hotels, By Dream Hotel Group, The Chatwal and Unscripted Hotels. Dream Hotel Group encompasses three business lines: Proprietary Brands, Hotel Management, and Dining & Nightlife. The Company is committed to the philosophy that forward-thinking design, service and guest experiences should be available across market segments Dream Hotel Group is dedicated to offering travelers an authentic connection to their chosen destination through a truly original approach. (www.dreamhotelgroup.com)

The Dream Hotel brand currently has locations in New York City, Los Angeles, Miami and Nashville in the U.S., as well as Bangkok and Phuket in Thailand. With seven hotels open today and a robust pipeline of 20+ locations in various stages of development worldwide, the Dream Hotel Group brand is one of the fastest growing independent lifestyle hotel companies in the world. Future locations include: Dream San Antonio, Dream Memphis, Dream Atlanta and Dream Cleveland in the U.S., and Dream Doha, Qatar and Dream Valle de Guadalupe, Mexico internationally. With the largest and most active pipeline in company history, Dream Hotel Group is on track to more than double its global footprint by 2024. The Dream Hotels brand has grown exponentially in recent years due to its appeal from travelers looking for more cultural experiences. Dream Hotel Group is committed to the aggressive growth and expansion of its Dream Hotels portfolio in an effort to tap into travelers' growing appetite for unique lifestyle experiences. Dream Hotels is an upper-upscale lifestyle brand that was created for global travelers who crave exceptional service and built-in nightlife as part of their stay. Dream Hotels engage and connect with the global creative class through creative programming, strategic partnerships and dynamic events. Part of the brand's DNA is that each location offers multiple, highly activated dining and entertainment experiences that embody their locale's distinctive character, from the bustling atmosphere of New York City to the colorful streets

of Mexico. Unique lifestyle features include forward-thinking architecture and design, a space for balanced health and well-being, and state-of-the-art technology from the comfort of each room.

Dream Hotel Hollywood



Dream Hotel Midtown NYC



Dream Hotel Downtown NYC



Dream Hotel Nashville



Dream Hotel Group has a strong history of successfully opening properties in high barrier to entry markets. Some examples are their two properties located in New York City, the Dream Hollywood in Hollywood CA, and the Dream Nashville in Nashville, TN.

- Dream Downtown***, which opened in 2011, in Lower Manhattan New York City was able to generate an 82.1% Occupancy, a \$322.20 Average Daily Rate (“ADR”), and a \$264.54 Revenue Per Available Room (“RevPar”) in their first 12 months of operations. In 2019 they were able to generate an ADR of \$300 which represented 105% of the Competitive Set (“Comp Set”) average of \$287.41. Post-COVID-19, the hotel reopened at the end of May 2021. Dream Downtown is slated for a \$25MM renovation in 2022. Despite the Google shut down, DDT has found many small successes in leisure business as well as the entertainment market, hosting various high-profile musicians and entertainers in its premium suites. Limited demand allowed us to reduce inventory but increase ADR - the hotel raised ADR by \$60+ throughout the summer months this year. We ran 119 ADR index in August versus the competitor set, which includes The Standard and Gansevoort - a 20% increase from August 2019. YTD, Suite ADR has grown 41% over 2019. The Guest House ran at an ADR of \$3,813 during June – August 2021, selling out every weekend. The reopening of the pool during summer months brought in a 1000% increase in pool pass revenues YTD 2021 over 2019. PHD weekends in July surpassed 2019’s revenues by 10%.
- Dream Midtown***, which opened in 2004 as a conversion from a previous hotel, in Midtown New York City was also able to generate similar quick success. Prior to the property being converted it was generating an Occupancy of 73.1%, an ADR of \$113.80, and a RevPar of \$83.20. Within 12 months of re-opening as Dream Midtown the property generated an

Occupancy of 79.1% (an 8.2% increase), an ADR of \$252.80 (122.1% increase), and a RevPar of \$199.98 (a 140.4% increase). The success continued for the property with further increases in the next two years. Within 3 years of conversion the property generated an Occupancy of 88%, ADR of \$314, and RevPar of \$276.32. Post-COVID-19, Dream Midtown reopened mid-May 2021. While the NYC hotel market in particular has been one of the hardest hit by the pandemic, Dream Midtown has captured more than its fair market share since opening, with the hotel even outperforming its 2019 RevPAR index numbers - June showed a 113% increase over 2019; July was 60% higher. PHD Terrace continues to have profitable months, with encouraging performances on the weekends.

- ***Dream Hollywood***, which opened in 2017, located in Hollywood California, is a newer example of Dream's ability to quickly gain market share. Within 6 months of opening the property generated an Occupancy of 69.0%, an ADR of \$313 (which was over the average rate for its competitive set), and a RevPar of \$216. The property ended 2018 with an Occupancy of 81.3%, an ADR of \$307.9, and a RevPar of \$249.90. This property specifically is also a prototypical example of Dream's ability to generate strong Food and Beverage ("F&B") revenue. In 2019 the property generated \$66.8 million in total revenue with 75% of that revenue coming from F&B. Dream Hollywood was also one of the first hotels to reopen during the COVID-19 Crisis. Pre-COVID Dream Hollywood's Indexes (a measure of how much market share the subject property is collecting vs its competitors in the 3 major categories of Occupancy, ADR, and RevPar) were between 100% and 112% (meaning they were at or above the average of their competitors in all 3 categories). Upon reopening in June of 2020, Dream Hollywood has been able to achieve similar results with their RevPar Index reaching as high as 149.70% in August (meaning that RevPar was 49.70% higher than its competitor's average for that month) and since reopening they have achieved at least a 100% Index in all three categories. Post-COVID-19, Los Angeles has had some of the most restrictive and fluctuating COVID restrictions in the US; despite that, Dream Hollywood consistently achieves over 100 index in ADR and RevPAR in a comp set that includes the W, Mondrian, and Hollywood Roosevelt. Last minute leisure business now makes up over 90% of the hotel's room revenue YTD, versus 66% in 2019. Dream Hollywood capitalized on its dynamic and flexible 12,000 sq ft outdoor rooftop, which outperformed its 2019 numbers; The Highlight Room's YTD revenues are up over 9%. Elevated service and pent-up demand, coupled with innovative weekday programming, has resulted in a 400% increase in weekday business.
- Dream's newest property, Dream Nashville, which opened in 2019 in Nashville Tennessee, further proves Dream's success. Dream Nashville was another conversion property and by the end of 2019 achieved an annual ADR of \$289.80 vs the competitive set average of \$283.52 (an index of 102.2%). This success was achieved all while the Central Business District of Nashville (where Dream Nashville is located) grew its new hotel supply by over 18%. Additionally, Dream Nashville did not close during the COVID-19 crisis and instead chose to maintain its rate integrity and gained market share in the process. For example, in May of 2020 Dream Nashville had an ADR of \$260.52 vs the competitive set's average of \$159.40 (a 163.4% index). Post-COVID-19 Dream Nashville was well positioned to capitalize on the strong recovery metrics unique to Southern states. The hotel's opening in 2019 carried compelling and strategic Food & Beverage programming, which continued throughout the pandemic and to present day. Additionally, the restrictions imposed on operations allowed us to tightly control expenses (down 40% from 2019) and run leaner operations. Our GOP is up 36% over 2019 and NOI is up 44%. The Food & Beverage department continues to run a 40% profit margin during record-breaking top line months. Profit increased 325% vs. 2019, our opening year. Total Revenues are up 27%

YTD, with May 2021 and July 2021 setting records. May 2021 F&B profit was 159% higher than the most profitable month in 2019. Room Revenue is down YTD 23% due to the lack of recovery in corporate and group business, yet July and August room revenues surpassed 2019's by 8%, and saw an 18% increase in ADR. Rooms Division is still running a very healthy 72% profit margin YTD. October 2021 will be the hotel's highest ADR and second-highest room revenue month since the hotel's opening. Q4 of 2021 is projecting ADR growth of 5% over 2019. Our ADR index YTD is north of 110 ARI. In the high season (Sept/Oct), that 110 index also applies to RevPAR in our primary comp set, which includes market leaders Thompson and the Marriott-flagged Noelle. Dream Nashville dominates the weekends, with rates averaging \$100 higher than the competitor set, finishing at a 125 ADR index.

The Fund believes that the success of these four (4) properties in three (3) distinct and high barrier to entry markets shows Dream's potential ability to perform and take market share quickly. The Fund believes that these three (3) markets also share similar characteristics to the Las Vegas market and further prove Dream's ability to perform in Las Vegas.

Contour Real Estate (Co-Developer)

Contour is a privately-owned real estate investment, development and management firm, founded in 2018. Whether it's land entitlements, new construction or value-adding solutions for existing properties, Contour takes a long-term view in business, manage risk, build resilience, and generate sustainable returns for investors and partners. Contour's decisions are guided by market-leading research and a commitment to precise execution while remaining entrepreneurial in its approach to opportunity. Its current portfolio includes 15+ projects with over 5 million SF, worth \$1.5 billion. Contour's executive management team has over 60 years of experience spanning more than 50 million SF and \$10 billion of completed development & construction. (www.contourre.com)

DLR Group (Architect)

DLR Group is an integrated design firm providing architecture, engineering, planning and interior designs for projects around the globe. Firm is an advocate for sustainable design and an early adopter of Architecture 2030 challenge. (www.dlrgroup.com)

McCarthy (General Contractor)

McCarthy is a national construction company known for high-quality construction, operational excellence and maximizing client outcomes with lasting results and superior value. With over 150 years of experience, McCarthy has a long history of building facilities that drive greater value. Some notable projects include Hakkasan Restaurant / Night Club in MGM Grand Hotel & Casino, Allegiant Stadium and Circa Resort & Casino. (www.mccarthy.com)

Rockwell Group (Interior Designer)

The 250-person award winning, cross-disciplinary architecture and design practice is based in New York City, with satellite offices in Madrid and Shanghai. With global offices to support a far-reaching vision, Rockwell Group is an interdisciplinary firm that emphasizes innovation and thought leadership in every project. Founded in 1984 by David Rockwell, they create extraordinary experiences and built environments the world over. It's specialized in a wide array of work from luxury hospitality, cultural, and healthcare projects, to educational, product, and set design. A combination of interactive technology, handmade objects, custom fixtures and furniture create environments that seamlessly integrate technology, craftsmanship and design. Crafting a unique and individual narrative concept for each project is fundamental to Rockwell Group's successful design approach. From the big picture to the smallest detail, the story informs and drives the design. (www.rockwellgroup.com). Some relevant experience and features projects are shown in the adjacent table.

AvroKO (Interior Designer)

AvroKO has established a new paradigm in the hospitality industry, encompassing a multitude of disciplines while creating thoughtful and engaging architecture, brands, products, and environments. Since its launch in 2001, AvroKO has earned a reputation as one of the most innovative design firms in the field, due in large part to the group's integrated design process and focus on creating emotionally connected experiences. In the past decade, the firm has grown to four offices (New York City, Bangkok, San Francisco, and London) working on projects across 22 countries in 32 cities, launched over a dozen company owned-and-operated restaurants, created a furniture and lighting company (Goodshop), and developed a separate branding and strategy division dedicated to projects of scale (Brand Bureau). Further, AvroKO owns and operates their own ventures, which remain as laboratories to experiment and test new ideas with real-time data. (www.avroko.com)

Hotel & Resort

Dream Hollywood LOS ANGELES, CA
New York EDITION NEW YORK, NY
Equinox Hotel NEW YORK, NY
Moxy East Village NEW YORK, NY
The Time New York Hotel NEW YORK, NY
Hotel EMC², Autograph Collection CHICAGO, IL
Virgin Hotels Chicago CHICAGO, IL
The Greenwich Hotel NEW YORK, NY
Gran Hotel Inglés MADRID, SPAIN
The Taj Mahal Palace MUMBAI, INDIA
Address Hotel and Residences DUBAI, UNITED ARAB EMIRAT
Fairmont Le Château Frontenac QUEBEC CITY, CANADA
Fairmont Royal York TORONTO, CANADA
Fairmont San Jose SAN JOSE, CA
Nobu Hotel Caesars Palace LAS VEGAS, NV
Nobu Hotel Eden Roc MIAMI BEACH, FL
Andaz Wailea MAUI, HI
Belvedere Hotel MYKONOS, GREECE
Herzilya Marina Hotel HERZILYA, ISRAEL
Alohilani Resort Waikiki Beach HONOLULU, HI
Moxy Miami MIAMI, FL
Vidanta Los Cabos SAN JOSÉ DEL CABA, MEXICO
Vidanta Riviera Maya RIVIERA MAYA, MEXICO
W Hotels LOCATIONS WORLDWIDE
W Marbella MARBELLA, SPAIN
W Nashville NASHVILLE, TN
Prince Gallery Tokyo Kioicho TOKYO, JAPAN
Grand InterContinental Seoul Parnas SEOUL, KOREA
Andaz Wall Street NEW YORK, NY

STRATEGY

- The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site from the Property Owner, an affiliate of the Sponsor. The Fund, through the Casino Subsidiary, will enter into a commercially customary tenancy in common agreement (“**TIC Agreement**”) with the Affiliate Fund, through DLV-C Owner, LLC, whereby the Casino Subsidiary will become a tenant in common with DLV-C Owner, LLC with respect to the portion of the Site that is ground leased with respect to the Casino Condo. The Fund anticipates that the TIC Agreement will be entered into immediately prior to the Casino beginning operations. The form of TIC Agreement is available upon request.
- The Fund, directly and through its subsidiaries, will co-develop and co-own the Dream Las Vegas and Casino Condo for a 10-year period to fully realize the benefits of being in a qualified opportunity zone.
- The Hotel will be branded as a Dream property and managed by Dream Hotel Group.
- Upon completion of the Project, the Fund expects to receive regular distributions out of Available Cash.
- Within the first 3-12 months of the Property opening, the Manager and Project Manager intend to do an initial refinance of the construction loan. This is anticipated to be a dollar-for-dollar refinance and we do not anticipate any excess proceeds distribution to Investors through this initial financing.
- Upon the stabilization in Year 2 of operations (i.e. 2026), the Fund anticipates a second refinance of the Project. The Manager and Project Manager assumes that they will be able to secure a seventy percent (70%) loan to value (“**LTV**”) which will allow us to provide a distribution in respect of invested capital to Investors. This refinance is expected to repay any remaining equity not already paid through distributions of Available Cash and, to the extent it generates additional proceeds, is expected to be distributable to Investors without negative income tax consequences.
- After the tenth (10th) anniversary of the last acquisition of Units by Investors pursuant to this Offering, the Fund expects to dispose of the Project.

MARKET OVERVIEW

The market overview information on the following pages is based on third-party information obtained from (list sources here) (the “**Market Information**”). The Market Information may have been obtained from various third-party services and the results predicted are by definition somewhat subjective and may be subject to various interpretations. Based upon the foregoing, this information may not accurately reflect or predict all information relevant to the market area or the Property. Neither the Fund nor the Sponsor or their respective affiliates have independently verified any of the Market Information.

The Site

The Site is located on the Las Vegas Strip just north of the famous “Welcome to Fabulous Las Vegas” within the Las Vegas resort corridor also known as the Las Vegas “Strip”. The Las Vegas Strip is the central entertainment corridor and features several mega-resorts which offer shopping, dining, gaming, and entertainment venues. The Site is also located on the southern portion of the Las Vegas Strip near the intersection of Tropicana Avenue and Las Vegas Blvd. This intersection is a historically noteworthy corner as it was the first intersection in Las Vegas to completely close to street level pedestrian traffic. This was done by creating pedestrian walkways over the intersection. Additionally, its four corners are home to four major resorts which feature over 12,500 rooms. Due to its location on the Las Vegas Strip and proximity to McCarran International Airport, the Site’s access is considered to be excellent. The McCarran International Airport, servicing over 49 million passengers in 2019, is the primary source for air passengers visiting the Las Vegas area. The Site is also located on the southern portion of the Las Vegas Strip which is the major transportation route into Las Vegas from Southern California which is a major feeder market for Las Vegas hotels. Additionally, in direct proximity to the subject is the Russell Road interchange with I-15. This is the primary interchange that services the new Allegiant Stadium. These factors help drive heavy tourism traffic to the corridor.

Per a CBRE Market Study Report dated November 2020,⁵ indicators suggest the Las Vegas tourism industry is recovering from one of the biggest economic declines in its history. Visitation increased in 2016 1.5% over 2015 to 42.9 million tourists. For 2017 there was a 1.7% decrease, mostly attributed to the mass tragedy of October 1, 2017. While the number of visitors fell slightly, convention attendance increased 5.2% setting an all-time record. Tourist visits increased modestly to over 42 million in 2018. There was similar demand in 2019 with over 42 million visitors coming to Las Vegas.

Once a gaming-driven destination, Las Vegas has evolved into a destination offering a broader range of unique entertainment and activities: dining experiences created by famous chefs; nightlife that appeals to a higher-end clientele; and mid to high-end shopping. According to the Las Vegas Convention and Visitors Authority (“LVCVA”), the diversification into non-gaming is a key factor for the recovery and expansion of the tourism industry. Hotels, restaurants, and live entertainment revenue have been growing at faster rates than gambling. The current trend is while gaming revenue is increasing, it is becoming a smaller percentage of total revenue with non-gaming revenue growing at a much faster pace.

⁵Report is available upon request

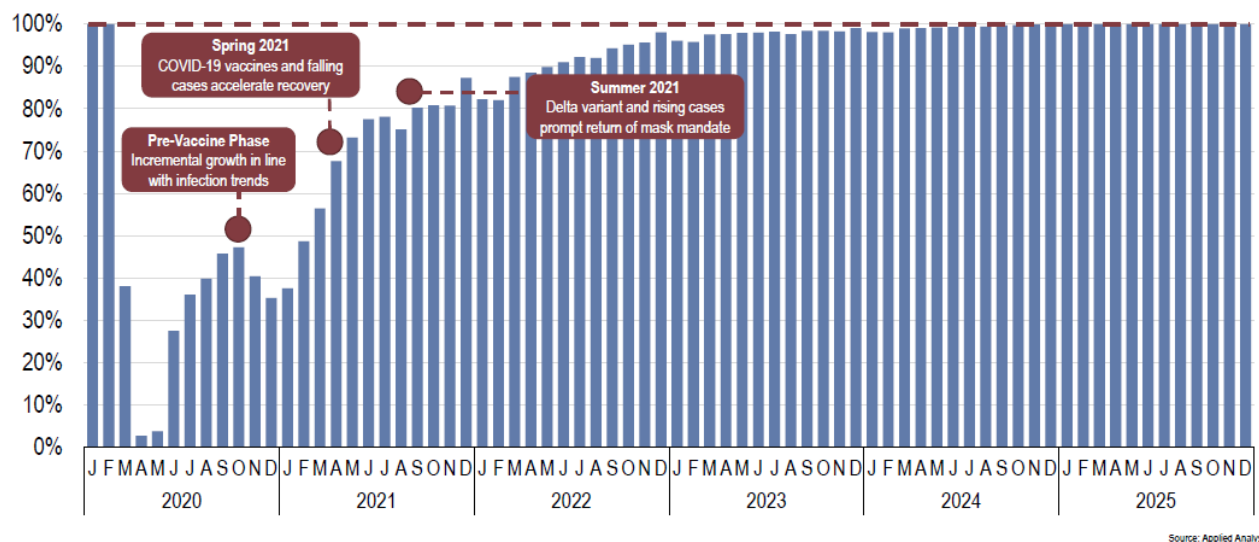
Following the trend of these other revenue areas room revenues and occupiers have begun to recover from the COVID 19 pandemic. Based on research from Applied analysis, as of August 2021, Rooms Nights Occupied are up 187% YOY, Occupancy Rate is up 35% YOY, and ADR is up 23% YOY These metrics continue to trend in a positive direction with full recovery expected in 2022/2023.

The occupancy and ADR estimates are based on assumptions by the collective Development Team. These assumptions assume a stabilized occupancy of 93% and an ADR \$280.53 will occur in Year 2 of Operations (i.e 2026).

These expectations placed the hotel on par with the market’s stabilized occupancy level and above market with regards to ADR, which The Development Team found reasonable given the property’s intended positioning as a luxury lifestyle hotel on the Las Vegas Strip. The projected ADR is above the average of the competitive set, but it is within the range and viewed as reasonable given the relatively low room count, proposed lavish facilities with high quality food & beverage outlets typically associated with the Dream brand, and location of the property –the hotel’s location on the Strip, proximity to the airport and the new Allegiant Stadium will position it well to capture more than its fair share of room night demand from leisure, corporate and group segments.

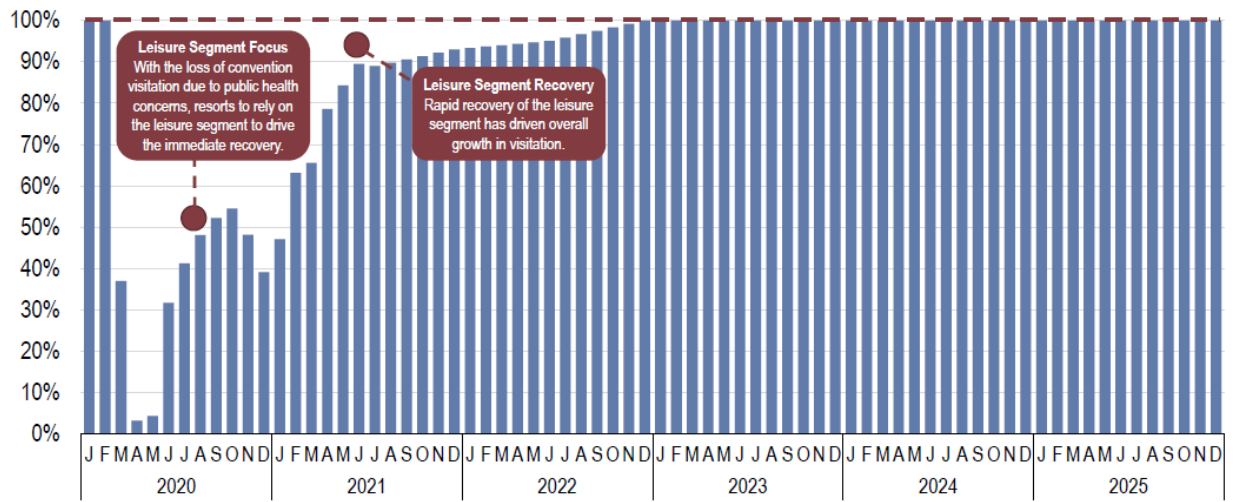
In addition, the Project Manager commissioned a Southern Nevada Market Recovery Analysis from Applied Analysis in August 2021. Based on data from Applied Analysis, a highly regarded research analytics firm based in Las Vegas, the Las Vegas Hospitality market is expected to recover from the Covid-19 Pandemic in Q1 to Q2 of 2023 as shown in the following graph.

Visitor Volume in Southern Nevada Recovery Curve



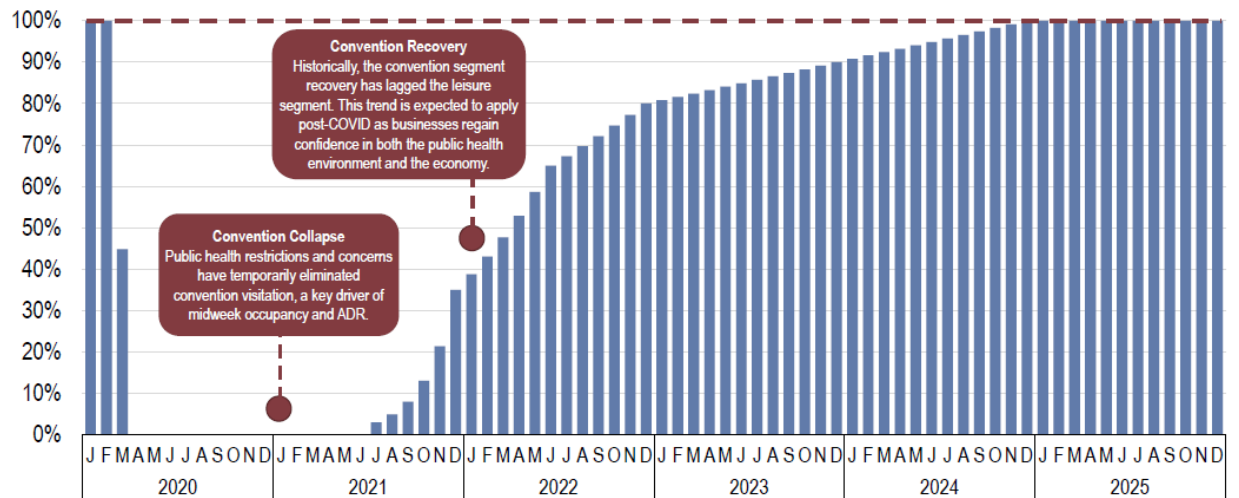
Applied Analysis expects the leisure segment to begin the recovery (starting with drive-in business) followed by convention and large-scale group business not recovering until 2024.

Visitor Volume in Southern Nevada Recovery Curve | Leisure Segment



Source: Applied Analysis

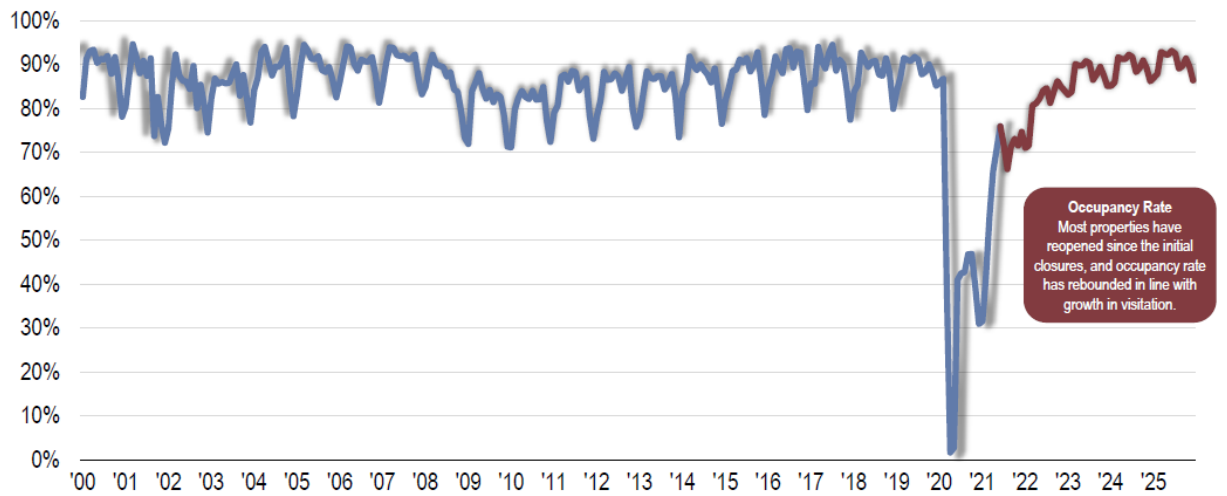
Visitor Volume in Southern Nevada Recovery Curve | Convention Segment



Source: Applied Analysis

It is expected that this recovery pattern will also be positive for Dream Las Vegas which focuses primarily on the leisure customer and smaller groups. The Hotel’s boutique size of only 526 rooms will further be able to succeed with this pattern due to less reliance on group and large-scale convention business to drive the properties occupancy and rate metrics.

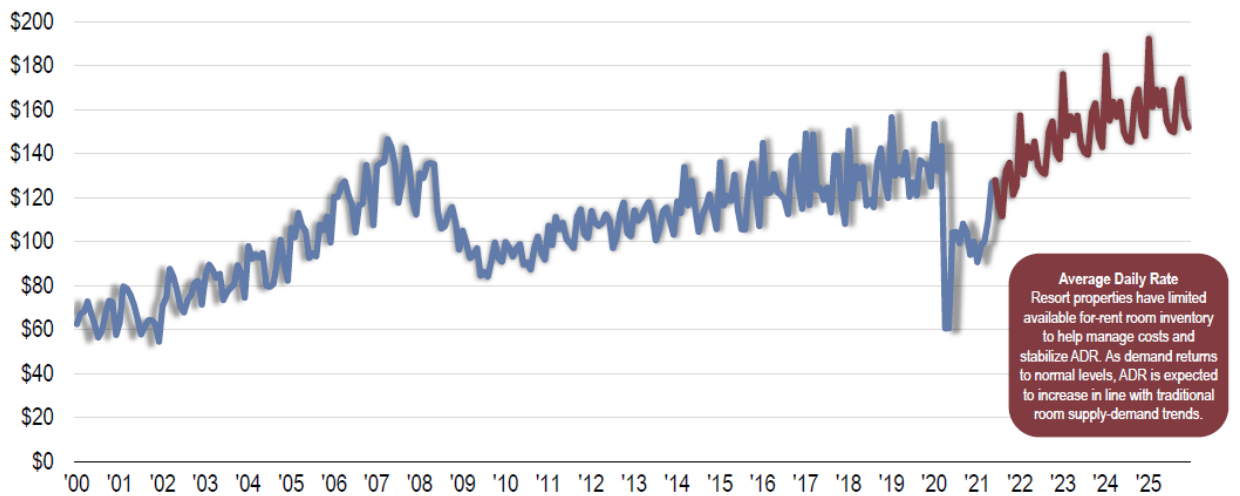
Occupancy Rate in Southern Nevada Historical and Projected



Occupancy Rate
Most properties have reopened since the initial closures, and occupancy rate has rebounded in line with growth in visitation.

Source: Las Vegas Convention and Visitors Authority, Applied Analysis

Average Daily Room Rate in Southern Nevada Historical and Projected



Average Daily Rate
Resort properties have limited available for-rent room inventory to help manage costs and stabilize ADR. As demand returns to normal levels, ADR is expected to increase in line with traditional room supply-demand trends.

Source: Las Vegas Convention and Visitors Authority, Applied Analysis

Projected Visitation Recovery Cycle show below:

	2019	2021	2023	2025
Room Inventory	148,900	148,700	156,800	161,600
Visitor Volume	42.5 million	32.2 million	47.1 million	50.0 million
Leisure Visitors	35.9 million	31.8 million	41.0 million	42.4 million
Convention Visitors	6.6 million	0.4 million	6.1 million	7.5 million
Occupancy Rate	88.9%	64.1%	87.8%	90.3%
Avg. Daily Room Rate	\$132.62	\$116.50	\$152.07	\$163.33

Further, Applied Analysis points out several new build, expansion and renovation projects, including the \$4.3 billion Resorts World Las Vegas, the \$1.66 billion MSG Sphere, \$1.97 billion Allegiant Stadium, the AREA15 Experience, The Circa Resort, the \$200 million Virgin Hotel Las Vegas Rebranding, the \$1.4 billion expansion of the LVCC, the \$423 million Wynn Convention Center expansion, the \$365 million Caesars Forum Convention Center expansion, and the \$150 million renovation to the Sahara (former SLS) Hotel and Resort. All of these new and expansion projects will further drive visitation to Las Vegas and show the current optimism for Las Vegas.

Additional hotel industry data is shown below which summarizes the future hotel and casino outlook.

US Hotel Industry Outlook:

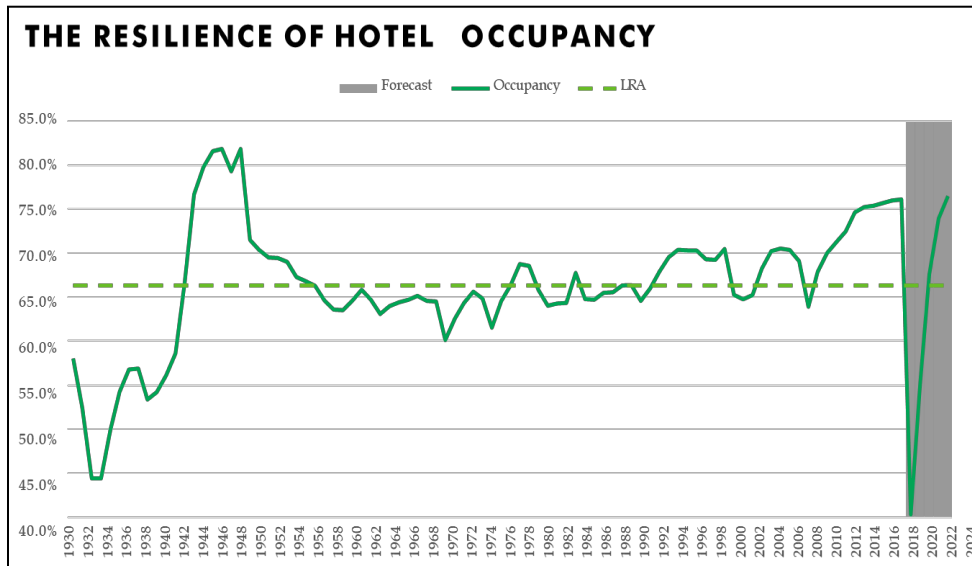


Figure Source: CBRE Hotels Research, August 2020 Forecast. https://pip.cbrehotels.com/docs/default-source/presentations/cbrehotels_industryoutlook_8_27_20.pdf?sfvrsn=8.

The above chart shows a sample of occupancy trends for the hotel market in the United States since 1930. This chart shows the hospitality markets ability to recover after major events such as World Wars, financial downturns, and depressions. While the COVID-19 pandemic has provided to be the worst decrease in occupancy, CBRE is forecasting a quick recovery.

U.S. Forecast: COVID-19 Recovery Scenario

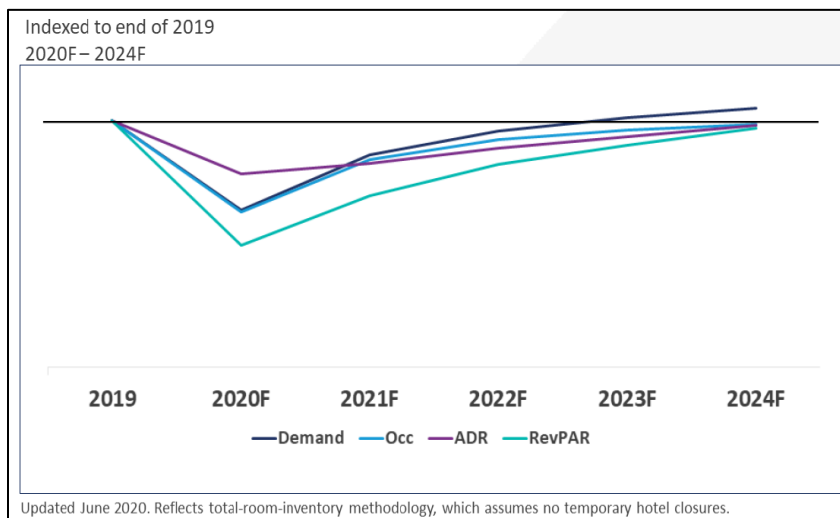


Figure: <https://str.com/press-release/us-hotel-demand-not-expected-fully-recover-until-2023> STR and Tourism Economics, June 2020

The above chart shows the forecasted recovery for Demand, Occupancy, ADR, and RevPar. As the chart shows, Smith Travel Research expects these 4 main drivers to return to pre-COVID-19 levels by 2023/2024. We believe this points to a positive result for Dream Las Vegas as it is set to open in Q3 2024.

U.S. Gaming Aggregate Revenue Forecast

Note: Global gaming operators include Las Vegas Sands (BBB-/Stable), Wynn Resorts (b+*/negative), MGM Resorts (BB-/Negative) and Melco Resorts (bb*/negative). Regional gaming operators include Red Rock Resorts (b*/negative), Boyd Gaming (b*/negative), Churchill Downs (bb*/negative), Golden Entertainment (b-*/negative), Penn National Gaming (b*/negative) Source: Fitch Ratings

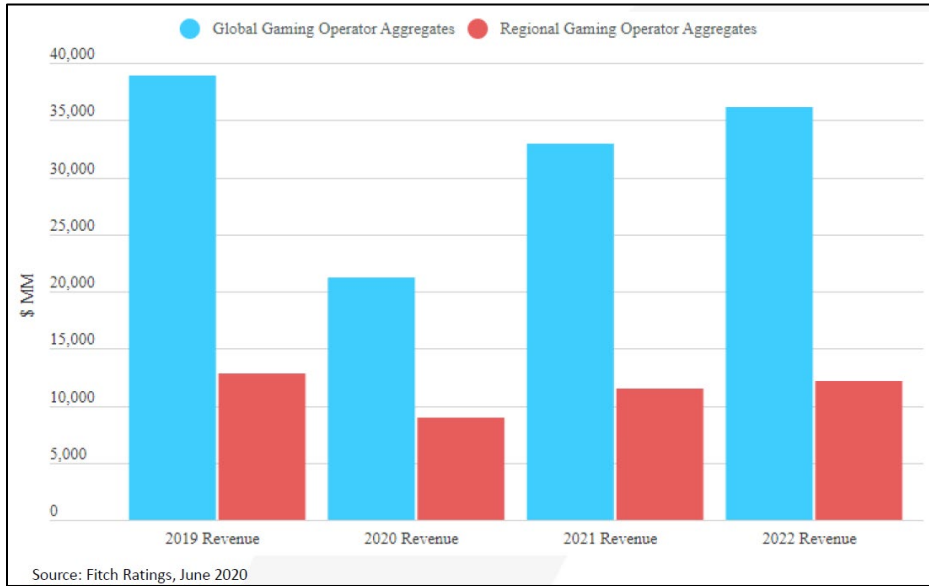
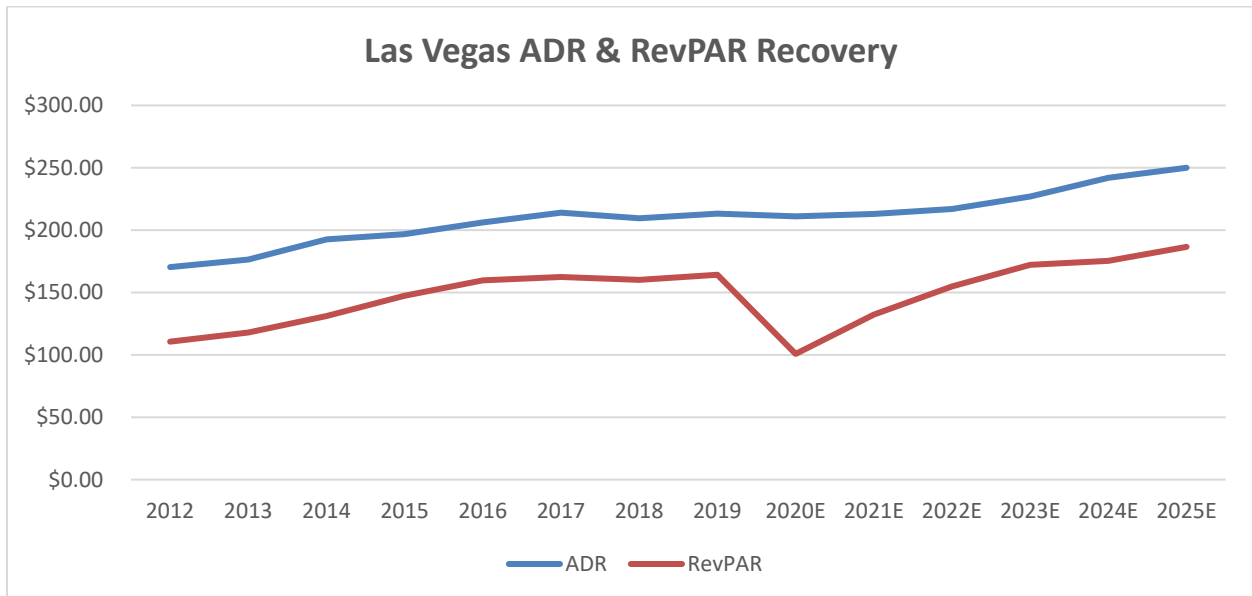
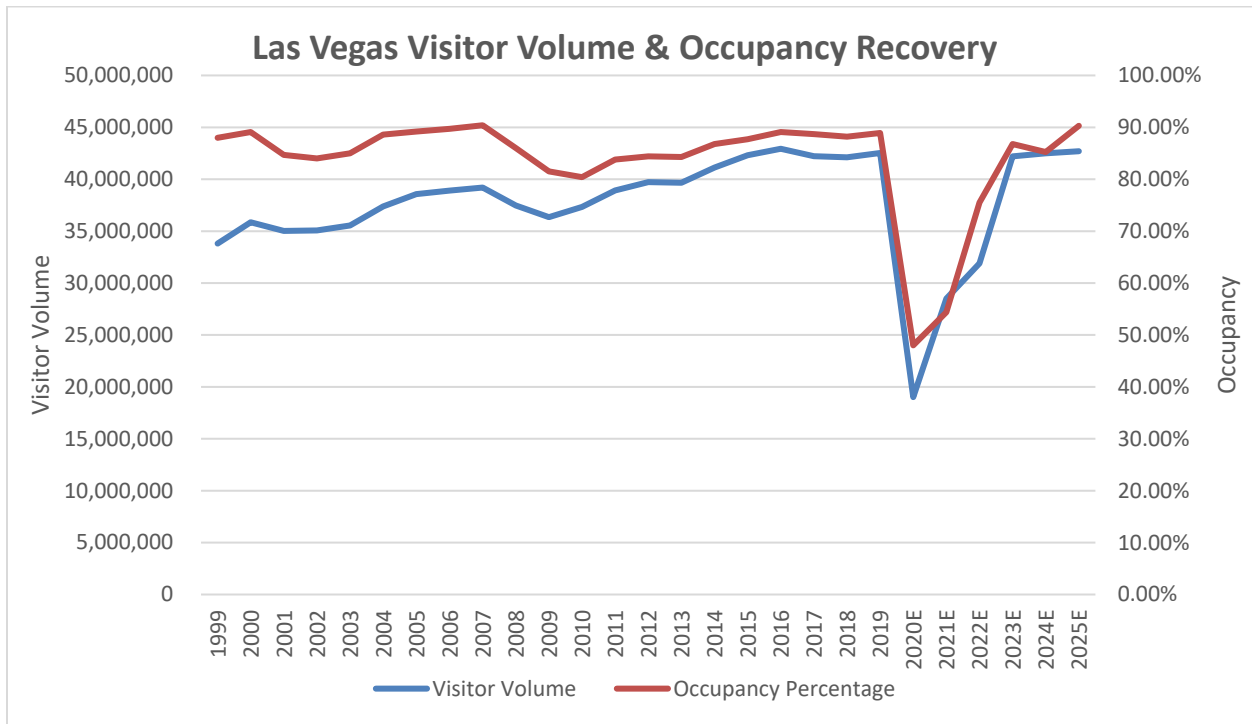


Figure <https://www.fitchratings.com/research/corporate-finance/us-gaming-will-experience-a-u-shaped-recovery-post-reopening-11-06-2020>

According to a June 2020 article by Fitch Ratings, they anticipate a “U” shaped recovery for the United States gaming sector. The above chart shows the declines in 2020 and subsequent “leveling off” in 2021 with a full recovery occurring in 2023. We feel this further supports the timing of Dream Las Vegas’s expected opening in Q3 2024.

Las Vegas Hotel Industry Outlook



Based on data from a CBRE’s 2019 Market Study,⁶ Applied Analysis study and the LVCVA Research Center data (shown in Exhibit P) we are expecting the 4 key hotel metrics (Occupancy, Visitor Volume, ADR and RevPar) to recover to by 2023 and exceed Pre-COVID-19 levels by 2025. This is inline with the expectations for Dream Las Vegas.

⁶ Report is available on request

PROJECTED INVESTMENT RETURNS

CERTAIN STATEMENTS CONTAINED HEREIN MAY CONSTITUTE FORWARD LOOKING STATEMENTS AND PROJECTIONS. ANY SUCH STATEMENTS, PERFORMANCE PROJECTIONS AND RESULTS HAVE BEEN BASED UPON ASSUMPTIONS, SOME OF WHICH WILL VARY, PERHAPS MATERIALLY, FROM ACTUAL EVENTS AND DO NOT CONSTITUTE A PREDICTION OR REPRESENTATION AS TO ACTUAL PERFORMANCE.

Assumptions include:

Estimated Timeline for Construction: Approximately twenty-five (25) months

Stabilized Occupancy and ADR: 93% anticipated to occur in Year 2 of operations (i.e. 2026). The 93% stabilized occupancy rate and ADR have been established based on the combined expertise and opinion of the development team. They have been calculated by taking a weighted average of both “Market Rate” rooms (rooms in the normal hotel pool) and the “Gaming Room Allocation” (rooms that may be given away or discounted for casino play). The Gaming Room Allocation are priced at a stabilized average discounted rate of \$159.18/room⁷ per night to the gaming operator in order for the Casino to provide complementary rooms to its high-rollers (which is usual and customary practice in the casino industry and was a driver of the markets average occupancy). Based on these parameters, we have a blended stabilized occupancy of 93% and an ADR of \$321.41. Details are provided below:

Guestroom Type	Floor Level	Rooms
Bronze Rooms	Level 4-10	101
Silver Rooms	Level 5-18	225
Gold Rooms	Level 9-18	120
Platinum Studios and Suites	Level 4-18	66
Unique Suite	Level 14-17	4
Pool Overlook Suite	Level 4	1
Terrace Suite	Level 18	1
Suite A - G	Level 19	7
Mega Suite	Level 19	1
Guestroom Total		526

Potential Cash-flow: Anticipated to occur Year 1 of operations of the Hotel. Distributions are not guaranteed and are based on Available Cash Flow (as defined herein) at the time.

Construction Loan: The Project Manager anticipates engaging a debt broker by December 2021 who will secure senior construction financing.

⁷ \$150/night reflects the year 1 ADR, the Gaming ADR increases 2% year over year

Debt will make up approximately 70% of the Project’s total funding. We anticipate financing debt as follows: construction loan of approximately \$364 million with a rate of seven percent (7%) interest only during the course of construction. We expect to secure this financing in Q2 2022 prior to the start of construction.

Initial Refinance:

Within the first 3-12 months of the Project opening we intend to do an initial refinance of the construction loan. We expect to do a dollar for dollar refinance and do not anticipate any excess loan proceeds to be distributed to Investors through this initial financing. The loan is expected to have an interest rate of five percent (5.00%) and a term of thirty-six (36) months all at interest only.

Second Refinance:

Upon stabilization (anticipated to occur in Year 2 of operations, i.e., 2026) we expect to do a second refinance of the Project. This refinance is assumed to be calculated based upon the Project valuation calculated by taking an 7.25% Capitalization Rate on the Hotel NOI and an 8.00% Cap Rate on the Casino Income. We assume we will be able to secure a 70% Loan to Value (“LTV”) which will allow us to return capital to Investors. The loan is expected to have a four and a half percent (4.5%) interest rate and have a term running through disposition of the asset.

Approximate Project Sizing:

Project Sizing (in Gross Square Feet)		
	Estimate	Allocation
Total Hotel Space	490,000	95%
Casino Space	26,000	5%
Total Building Space	516,000	100.0%
Total GSF	516,000	
Parking Garage GSF	280,000	
Total GSF	796,000	
Total Rooms	526	

Projected Performance is shown in the table below.

The financial model has inherent assumptions in it that generate the investment result being forecasted. This includes numerous variables including revenues, occupancy rates, operating expenses, as well as the cost of debt during the hold period, and is based on pre-tax calculations. In addition, we have utilized exit cap rates that, although we believe are representative of the market, there is no guaranty the exit sales price will be realized. This model assumes the Fund will be liquidated upon the expiration of the 10-year holding period, which is the minimum holding period for the investor to achieve the one hundred (100%) fair market value basis step up upon a disposition of its interests in the Fund, or the disposition of the Project.

We anticipate, with respect to the Fund, there will be distributions made to Investors both as a function of debt-financed, tax-deferred distributions once a specific asset is stabilized and recapitalized, as well as distributions from cash flow following recapitalization. These interim distributions are included as part of analysis to and the timing is part of the IRR calculation. A change in the timing of these distributions could materially affect the IRR an Investor receives.

This information should not be construed as tax advice. Investors should consult their own tax advisors to determine their individual benefits in a Opportunity Fund investment.

The information labeled as “Project Level” represents the potential performance for one hundred percent (100%) ownership of the Property and is not intended to represent or predict investor actual investment returns. The information labeled as “Investor Level” represents hypothetical investor performance. ***Please note that all projections shown below are currently are pre-tax forecasts.***

The projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. There is no assurance that projections will be met. Performance projections numbers are subject to change without notice and based on information available at this time. Please refer to the pro forma cash-flows in Exhibit E for more information.

The scenario defined below represents anticipated performance based on the underwriting assumptions discussed above. As stated previously, the Fund will target a net 12-17% annual compounded internal rate of return on its investments over a minimum ten (10) year anticipated holding period.

The projected investor returns below do not include any calculation of tax benefits.

PROJECT LEVEL		INVESTOR LEVEL	
Project IRR	16.11%	IRR	14.74%
Total Investment	\$172,632,601	Equity Investment	\$25,000,000
Total Profit	\$432,777,053	Total Profit	\$52,744,933
Total Return	\$605,409,655	Total Return	\$77,744,933
Project Multiple	3.51x	Equity Multiple	3.11x

BUSINESS OBJECTIVES

The principal objectives of the Fund are to protect principal and generate cash flow and asset appreciation, all while capitalizing on the potential tax benefits described herein. The Fund will endeavor to achieve these objectives by (a) owning interests in the Operating Company, a limited liability company that is classified as a partnership for federal income tax purposes, which will own the Hotel Condo on which it will construct the Hotel, (b) acquiring the Casino Condo on which the Fund will construct the Casino, (c) causing the Operating Company to enter into the Hotel Management Agreement with the Hotel Manager under terms and conditions that will result in the Units constituting a “qualified opportunity zone partnership interest” for purposes of the rules regarding qualified opportunity funds, (d) entering into the Casino Contract with the Casino Licensee under terms and conditions that will not result in the Fund violating the Qualified Opportunity Zone Rules, (e) to the extent required, reinvesting proceeds from the Casino Condo and the Casino and causing the Operating Company to reinvest proceeds from the Hotel Condo and the Hotel, and taking such other actions with respect to the Casino Condo and causing the Operating Company to take such other actions with respect to the Hotel Condo, so that the Fund constitutes a qualified opportunity fund for federal income tax purposes, and (f) holding the Casino Condo and the Casino and causing the Operating Company to hold the Hotel Condo and the Hotel for a period of time sufficient to enable Investors who hold their Units in the Fund for at least 10 years to elect to step up the tax bases in their respective Units upon a sale or other disposition thereof to the fair market value of their Units on the date of such sale or other disposition. **NO ASSURANCE CAN BE GIVEN THAT THESE OBJECTIVES WILL BE ACHIEVED.** Potential Investors must read and carefully consider the discussion set forth below in the section captioned “RISK FACTORS”, beginning on page 80 of this Memorandum.

A prospective Investor who invests in an Opportunity Fund is eligible for preferential tax treatment in the form of both deferral and forgiveness. Certain of the key benefits are summarized below:

- An Investor who holds a qualifying interest in an Opportunity Fund for at least 5 years will receive a step-up in basis equal to 10% of the gain deferred by reason of the investment so long as the investment is acquired on or before December 31, 2021.
- An Investor’s deferral period with respect to qualifying capital gain invested in an Opportunity Fund ends on the earlier of (i) the date on which the Investor disposes of his, her or its interest in the fund or otherwise suffers an “inclusion event” under the Opportunity Zone Rules (an “**Inclusion Event**”) or (ii) December 31, 2026.
- If the Investor holds an interest in an Opportunity Fund for at least 10 years then, in connection with the sale of the interest (or the disposition of the underlying business directly or indirectly held by the Opportunity Fund), the Investor may elect to step up the tax basis in the interest to the fair market value of the interest on the date it is sold, thereby eliminating any federal income tax with respect to appreciation in the value of the interest.

Tax counsel to the Fund (“**Special Tax Counsel**”) will opine that the Fund should constitute such a qualified opportunity fund (the “**Tax Opinion**”). The Tax Opinion, a copy of which will be available on request, once complete, is based among other things upon specified facts, assumptions and representations, and is not binding on the Internal Revenue Service (the “**IRS**”). Moreover, the tax benefits available for an investment in a qualified opportunity fund depend in part on additional factors beyond the status of the

Fund as a qualified opportunity fund, such as the timely investment of eligible capital gains in the Fund by an Investor. Prospective Investors must consult with and rely solely upon their own independent counsel or other knowledgeable professional tax advisor concerning their ability to defer and reduce taxable gain for federal income tax purposes in connection with an investment in the Fund under the rules regarding qualified opportunity funds.

Operation and Management of the Companies

The operations of the Fund are governed by a limited liability company agreement (the “**Fund Agreement**”), the form of which is attached hereto as Exhibit B. The Manager is responsible for the operation of the Fund under the Fund Agreement. It is anticipated that Shopoff-Contour Management, LLC, a Delaware limited liability company (in such capacity, the “**Asset Manager**”), will provide asset management services on behalf of the Manager.

The Operating Company is governed by the OpCo Agreement (together with the Fund Agreement, the “**Operating Agreements**”), a copy of which is attached hereto as Exhibit C. The Project Manager is responsible for the operation of the Operating Company under the OpCo Agreement.

The Offering

The minimum amount of Units that a prospective Investor may purchase is one hundred (100) Units (i.e., \$100,000), unless the Fund waives this minimum requirement.

The proceeds of the Offering, together with proceeds from the funds provided by the Project Manager, will be used to acquire the Site, develop and construct the Project, establish reserves and pay related fees and expenses.

The Offering will terminate on the Offering Termination Date (anticipated to occur on or before June 30, 2022); provided however, that (a) the Manager may extend the Offering for one (1) additional six (6) month period in its sole and absolute discretion, and (b) if the Manager determines that there is interest in purchasing more than 25,000 Units or \$25,000,000 prior to the Offering Termination Date, then it may, in its sole and absolute discretion, increase the maximum number of Units that can be sold in this Offering. Notwithstanding the foregoing, in no event shall the maximum net proceeds received by the Operating Company pursuant to this Offering, plus all other equity being raised for the Project shall not exceed the total equity being raised for the Project as described herein. If more than 25,000 Units are sold, ownership interests will be adjusted accordingly and present no dilution to existing investors with respect to the Project. See “**PLAN OF DISTRIBUTION**.”

A WARNING ABOUT INVESTING IN UNITS

An investment in Units involves significant risk and is suitable only for Investors who have adequate financial means, desire a long-term investment and who will not need immediate liquidity from their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section captioned “RISK FACTORS” in this Memorandum.

Units have not been approved or disapproved by the U.S. Securities and Exchange Commission (“SEC”) or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

Units are being offered only to persons who are “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and any corresponding provisions of state securities laws.

Units have not been, and will not be, registered under the Securities Act or any state securities laws. Units will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(c) of Regulation D, and in compliance with any applicable state securities laws. Units will not be offered or sold in any state in which such offers or sales are not qualified or otherwise exempt from registration. The Fund reserves the right to reject any offer to purchase Units. In addition, the Fund reserves the right to cancel any sale at any time prior to the receipt of funds for purchase, if that sale, in the opinion of the Fund and its counsel, may violate any federal or state securities law or regulation or is otherwise objectionable for whatever reason. Units will be subject to restrictions on transferability and resale and you will not be able to transfer or resell Units or any beneficial interest therein unless Units are registered pursuant to or exempted from such registration requirements. Investors must be prepared to bear the economic risk of an investment in Units for an indefinite period of time and be able to withstand a total loss of their investment.

Neither the Fund, the Sponsor, nor any of their respective affiliates has authorized any person to make any representations or furnish any information with respect to Units or the Fund, other than as set forth in this Memorandum or other documents or information the Fund or the Sponsor may furnish to Investors. Investors are encouraged to ask the Fund or the Sponsor questions concerning the terms and conditions of the Offering and the Fund.

The Sponsor has prepared this Memorandum solely for the benefit of persons interested in acquiring Units. The recipient of this Memorandum agrees to keep the contents of this Memorandum confidential and not to duplicate or furnish copies of this Memorandum to any person other than such recipient’s advisors, and further agrees promptly to return this Memorandum to the Fund at the address below if: (1) the recipient decides not to purchase Units; (2) the recipient’s purchase offer is rejected; or (3) the Offering is terminated prior to a purchase by the recipient.

A WARNING ABOUT FORWARD LOOKING STATEMENTS

This Memorandum contains statements about operating and financial plans, terms and performance of the Fund and other projections of future results. Forward-looking statements may be identified by the use of words such as “expects,” “anticipates,” “intends,” “plans,” “will,” “may” and similar expressions. The “forward-looking” statements are based on various assumptions, for example, the growth and expansion of the economy, projected financing environment and real property market value trends, and these assumptions may prove to be incorrect. Accordingly, these forward-looking statements might not accurately predict future events or the actual performance of an investment in Units. In addition, Investors must disregard any projections and representations, written or oral, which do not conform to those contained in this Memorandum.

A WARNING ABOUT INFORMATION PROVIDED BY THIRD PARTIES

Certain information set forth in this Memorandum and in other materials provided to prospective Investors by the Fund or the Sponsor in connection with this Offering were obtained from third party sources not affiliated with the Fund, the Sponsor, or their respective affiliates. In many cases, these third-party source materials were not prepared by third parties exclusively for the Fund, the Sponsor, or their respective affiliates, or for the Investors, for the purpose of evaluating an investment decision with respect to Units. The Fund and the Sponsor have relied upon these third-party materials in preparing this Memorandum and establishing the terms of this Offering and they believe such reliance is reasonable. However, neither the Fund, the Sponsor, nor any of their respective affiliates have independently verified the information or data obtained from these sources and no assurances can be given regarding the accuracy or completeness of the information or data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum.

LEGENDS

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

SUMMARY OF THE TERMS OF THE FUND AND THE OFFERING

The following summary provides selected information regarding the Fund, the Property and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum, including the Exhibits hereto, and the other documents that the Sponsor has made available to prospective Investors. Each prospective Investor must carefully read the entire Memorandum before investing in Units.

Terms of the Offering

The Sponsor is offering to Investors up to approximately \$25,000,000 in Units of the Fund. The minimum amount of Units that a prospective Investor may purchase is one hundred (100) Units or \$100,000, unless the Fund waives this minimum requirement.

The Offering will terminate on the Offering Termination Date (anticipated to occur on or before June 30, 2022); provided however, that (a) the Manager may extend the Offering for one (1) additional six (6) month period in its sole and absolute discretion, and (b) if the Manager determines that there is interest in purchasing more than 25,000 Units or \$25,000,000 prior to the Offering Termination Date, then it may, in its sole and absolute discretion, increase the maximum number of Units that can be sold in this Offering. Notwithstanding the foregoing, in no event shall the maximum net proceeds received by the Operating Company pursuant to this Offering exceed \$150,000,000. If more than 25,000 Units are sold, ownership interests will be adjusted accordingly and present no dilution to existing investors with respect to the Project.

Investors must read and carefully consider the discussion set forth below in the “RISK FACTORS” section in this Memorandum.

The Site

The Site consists of a prime 5.25-acre parcel of land located on the world-famous Las Vegas Strip located at 5051 South Las Vegas Blvd. and is currently undeveloped land located within a qualified opportunity zone. The Site is located within the Paradise Land Use Plan and is part of the Commercial Tourist Master Planned Zone.⁸ The Site also has the Gaming Enterprise Overlay District which allows for Gaming Uses within the facility. The Site’s zoning is H-1 which is the most intense commercial zoning allowing for the development of gaming enterprises, compatible commercial, and mixed commercial uses. Based on the current zoning, the Project is designated “by right” for its proposed use as described in this Memorandum. As of October 6, 2021, the Site is fully entitled. A copy of the Final Approval Notice from the Clark County Commission is attached hereto as Exhibit G.

The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site from the Property Owner, an affiliate of the Sponsor. The ground lease of the Site is subject to the satisfaction of certain

⁸https://www.clarkcountynv.gov/government/departments/comprehensive_planning_department/library/comprehensive_master_plan.php

conditions and contingencies that are necessary for the development of the Project on the Site. See “THE SITE” and “Risk Factors – *Risks Related to the Property Generally*” for additional information.

**The Project –
Description**

The Project is expected to be condominiumized into two condominium units: (1) the Hotel Condominium containing 526 luxury lifestyle hotel rooms & suites, multiple day time & nighttime centric food and beverage venues, a resort pool and day club, nightclub, multiple retail venues and fitness center; and (2) the Casino Condominium containing approximately 26,000 square foot casino with approximately 250 slot machines, 25 table games, and a sports book. The Operating Company will own the Hotel Condo. The Fund will co-own the Casino Condo as a tenant in common with DLV-C Owner, LLC, an affiliate of the Fund.

The Development Plan is attached hereto as Exhibit D.

See “THE PROJECT” and “RISK FACTORS – *Risks Related to the Development of the Property*” for additional information regarding the Project.

**The Project –
Anticipated
Construction and
Financing**

It is anticipated that the Fund, the Affiliate Fund, and the Operating Company will enter into the Development Agreement(s) with the Developer (with the possibility that there will be separate Development Agreements for the Fund, the Affiliate Fund, and the Operating Company), pursuant to which the Developer will serve as the developer for the Project, and that the Fund, the Affiliate Fund, and the Operating Company will enter into the Construction Contract for the Project with the General Contractor.

Project construction is expected to commence in Q2 2022 and be substantially complete in Q2 2024.

See “THE PROJECT” and “**RISK FACTORS** – Risks Related to the Development of the Property” for additional information regarding the anticipated development of the Project.

The Project Manager anticipates selecting a debt broker before the end of 2021 who will secure senior construction financing for the Project. The Project Manager expects to secure such financing in Q2 2022 prior to the start of construction. The Project Manager will have the discretion to procure a construction loan to complete the development, construction and stabilization of the Project. Upon substantial completion and stabilization of the Project, the Operating Company may procure a permanent mortgage loan on the Hotel Condo.

The selection of any lender and the terms of any indebtedness will be determined by the Project Manager in its discretion pursuant to the terms of the OpCo Agreement; however, the Project Manager does not intend to permit the Operating Company to incur any indebtedness that would cause its total debt to equity ratio to exceed 70:30.

See “THE PROJECT” and “RISK FACTORS – Risks Related to the Anticipated Financing” for additional information regarding the anticipated mortgage financing.

**The Project –
Development
Budget;
Development Fees**

The anticipated budget for the development, construction and stabilization of the Project (the “**Development Budget**”) is included in the Development Plan, a copy of which is attached hereto as Exhibit D.

For and in consideration of the services rendered or to be rendered by the Developer, pursuant to the Development Agreement, it is anticipated that the Fund and the Operating Company will be required to pay to the Developer a fee equal to three percent (3%) of the total development costs of the Project, on the terms and conditions set forth in the Development Agreement.

For and in consideration of the services to be rendered by the General Contractor, pursuant to the Construction Contract, it is anticipated that the Operating Company will be required to pay to the General Contractor a gross maximum price, on the terms and conditions set forth in the Construction Contract.

The Fund shall be responsible for a pro rata share of the development fee and costs incurred pursuant to the Construction Contract.

See “THE PROJECT” and “RISK FACTORS – Risks Related to the Development of the Property” for additional information regarding the development of the Project.

To the extent the aggregate hard and soft costs incurred by the Operating Company to complete the construction of the Project is less than the aggregate amount of the Development Budget, after taking into account any contingencies (for hard costs and soft costs) and offsetting any excesses in line items against cost savings in any other line items, the Project Manager will be entitled to retain fifty percent (50%) of such savings as compensation for its role in overseeing and successfully managing the development of the Project. The other fifty percent (50%) of such savings shall be retained by the Fund.

**Management of the
Companies; Asset
Management Fees**

The Project Manager is responsible for the operation of the Fund under the Fund Agreement. It is anticipated that the Asset Manager, will provide asset management services on behalf of the Manager.

Pursuant to the Fund Agreement, the Asset Manager, as the designee of the Manager, will be entitled to receive from the Fund and the Operating Company an annual asset management fee payable quarterly in arrears equal to 1.25% of the dollar denomination of Units issued in the Offering, which fee will commence at the opening of the Hotel. The “**Stabilization Date**” is the first business day following sixty (60) consecutive days of at least 93% occupancy at the Hotel.

The Fund shall be responsible for a pro rata share of the asset management fee.

See “MANAGEMENT” and “RISK FACTORS – Risks Relating to the Management of the Property.”

**Property
Management
Agreement;
Property
Management Fees**

The Property Owner has entered into a hotel management agreement with Dream Hotel Group (the “**Hotel Manager**”) to operate and manage the Hotel. The Project Manager believes that having a tenant contracted and in place prior to construction, essentially eliminates lease up risk⁹ associated with most construction projects. This agreement will be assigned to the Operating Company. The Hotel Management Agreement will provide for the Operating Company to pay the Hotel Manager a hotel management fee of no more than 3% of the effective gross income of the Operating Company and a brand marketing fee of 1.5% of total operating revenues.

See “MANAGEMENT” and “**RISK FACTORS** – Risks Relating to the Management of the Property.”

**Ownership
Structure**

It is anticipated that the Fund will be owned approximately 100% by Investors investing pursuant to this Offering, the proceeds of which will be used to acquire an anticipated fourteen and a half percent (14.5%) interest in the Operating Company and an equivalent interest in the Casino Condo, in each case assuming the anticipated maximum offering amount of \$25,000,000 is raised in the Offering. The Sponsor expects the remaining 85.5% of interests in the Operating Company to be owned by one or more alternative equity sources, including the Affiliate Fund. With respect to the Operating Company, the Fund and the Affiliate Fund, are referred to collectively herein as the “**OpCo Members**.”

**The Operating
Agreements**

The operations of the Fund are governed by the Fund Agreement, the form of which is attached hereto as Exhibit A. In connection with each Investor’s purchase of Units, the Investors will be required to enter into the Fund Agreement. See “**RISK FACTORS** – Risks Related to the Fund Structure.”

The operations of the Operating Company are governed by the OpCo Agreement, a copy of which is attached hereto as Exhibit B. The following is a summary of some of the significant provisions of the Fund Agreement and certain provisions of the OpCo Agreement, and is qualified in its entirety by reference to the full Operating Agreements.

EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE ENTIRE FUND AGREEMENT, THE FORM OF WHICH IS ATTACHED HERETO AS EXHIBIT B, AND THE OPCO AGREEMENT, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT C, BEFORE INVESTING.

• ⁹ In an asset where current vacancy exists that the sponsor expects to lease up over time, there is risk that the lease up may not occur or may occur at a slower rate than the sponsor anticipates.

Capitalized terms used in this section but not defined herein should be considered to have the same definitions ascribed to such terms in the Fund Agreement, unless otherwise indicated.

Capital Contributions

Each Investor and any other members of the Fund (collectively, the “**Members**”) will be deemed to have made a capital contribution to the Fund, and will receive capital account credit, equal to the amount such Member has paid to acquire his, her or its Units. Each Member must acquire at least one hundred (100) Units (i.e., \$100,000) in the Offering, unless the Fund waives this minimum requirement.

No Member will be required, without his, her or its consent, to make any additional capital contribution to the Fund.

Cost Overruns

Any Cost Overruns (as defined below) will be funded by the Project Manager through a loan to the Operating Company (a “**Cost Overrun Loan**”). Each Cost Overrun Loan will bear interest on the unpaid principal amount thereof from time to time remaining from the date advanced until repaid at the then applicable federal rate as prescribed by the Internal Revenue Service (the “**IRS**”), i.e. Applicable Federal Rates, compounding annually, and will be repaid from net cash flow prior to any distributions to the OpCo Members. A Cost Overrun Loan will be deemed a loan from the Project Manager and not a capital contribution of the Project Manager. For the avoidance of doubt, the Project Manager will have no obligation to fund any operating deficit of the Operating Company or any other cost incurred by the Operating Company that is unrelated to the construction of the Project or which is incurred after the completion of the construction of the Project. The occurrence of the completion of the construction of the Project will be determined in accordance with the standard for completion set forth in the Development Agreement.

“**Cost Overruns**” means the amount by which (a) the aggregate hard and soft costs incurred by the Operating Company to complete the construction of the Project, exceeds (b) the aggregate amount of the Development Budget, after taking into account any contingencies (for hard costs and soft costs) and offsetting any excesses in line items against cost savings in any other line items; provided, however, “Cost Overruns” does not include costs incurred by the Operating Company with respect to or as a result of changes to (i) the scope of the Project that constitute government mandated changes that could not have been reasonably anticipated, (ii) cost increases resulting directly from a *Force Majeure* Event (as defined in the OpCo Agreement), (iii) increases in property or liability insurance deductibles; and (iv) subsurface conditions not disclosed by the geotechnical reports obtained by the Operating Company prior to commencement of construction of the Project construction or environmental contamination not disclosed by the environmental reports obtained by the Operating Company prior to commencement of construction of the Project.

Management The Manager is responsible for managing the operations of the Fund. Except for situations in which the approval of the members is expressly required by the Fund Agreement or by nonwaivable provisions of the Delaware Limited Liability Company Act, the Manager has full and complete authority, power and discretion to manage and control the business, affairs and properties of the Fund, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to managing the business and affairs of the Fund.

The Project Manager is responsible for managing the operations of the Affiliate Fund and the Operating Company. Except for situations in which the approval of the members is expressly required by the OpCo Agreement or by nonwaivable provisions of the Delaware Limited Liability Company Act, the Project Manager has full and complete authority, power and discretion to manage and control the business, affairs and properties of the Affiliate Fund and the Operating Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to managing the business and affairs of the Affiliate Fund and the Operating Company.

Notwithstanding the foregoing, the OpCo Agreement provides that the Project Manager may not approve or take any of the following actions (each a “**Major Decision**”) on behalf of the Operating Company without the approval of the OpCo Members holding a majority or more of Units in the Operating Company:

- (1) cause the Operating Company to sell, exchange, transfer or otherwise dispose of all or substantially all of the Operating Company’s assets or voluntarily cause the Operating Company to dissolve, wind up and liquidate prior to the 10th anniversary of the Final Subscription Closing;
- (2) take certain actions related to bankruptcy or insolvency;
- (3) cause the Operating Company to admit a new member except as provided in the OpCo Agreement or issue any new units of ownership; or
- (4) amend the provisions of the OpCo Agreement related to Major Decisions.

Pursuant to the OpCo Agreement, in the event the Project Manager proposes a Major Decision, the Project Manager is required to directly notify the OpCo Members of such proposed Major Decision (a “**Major Decision Notice**”). The OpCo Members will have ten (10) business days from the date of such notice to deliver to the Project Manager a written response indicating their approval or nonapproval of the proposed Major Decision (the “**Major Decision Period**”). Failure of an OpCo Members to respond to a Major Decision Notice within the Major Decision Period will be treated as an approval of such Major Decision by such nonresponding OpCo Members. The Manager will make all decisions on behalf of the Fund with respect to any Major Decision.

The Manager may only be removed by the Members holding more than one-third (which for this purpose is at least thirty-three and thirty-four one-hundredths percent) (33.34%) or more of Units in the Fund for Cause, provided, however, that such removal is only effective if Members holding a majority (which for this purpose is more than fifty percent (50%)) of Units have selected a replacement Manager. For these purposes, “Cause” means the gross misconduct, fraud or gross negligence of the Manager or the Manager’s knowing misappropriation of funds, in each case as determined by a final, nonappealable judgment of a court of competent jurisdiction. Notwithstanding the forgoing, the Manager may only be removed with its prior written consent until the Manager and each of its affiliates have been fully removed from any guarantee or indemnity obligations they may have with respect to any loan of the Fund or the Operating Company or for the benefit of the Property. In the event of a vacancy in the office of the Manager occurring for any reason, Members holding a majority of Units will be entitled to select a successor Manager.

See “MANAGEMENT” and “RISK FACTORS – Risks Related to the Fund Structure.”

***Distributions:
From the
Operating
Company to the
OpCo Members
(including the
Fund)***

The amount and timing of any distributions will be determined by the Project Manager in its sole discretion. Due to the opportunistic nature of an investment in the Property, it is not anticipated that the Project Manager will be making distributions of any type until the Project is completed and stabilization is achieved. Actual distributions may vary from those targeted in the Financial Forecast, attached hereto as Exhibit D. See “RISK FACTORS – Risks Related to the Development of the Property – There can be no assurance that the Fund will be able to achieve expected cash flows necessary to maintain distributions at any particular level, or that distributions will increase over time.”

Distributions, if any, from the Operating Company to the OpCo Members will be made out of “Available Cash,” which is all cash and cash equivalents of the Operating Company, less any portion thereof set aside by the Project Manager to pay fees and expenses payable or reimbursable by the Fund and to establish or add to any reserves. All distributions of Available Cash will be distributed to the OpCo Members in proportion to their respective percentage interests, provided, however, that distributions may be delayed to manage the ongoing compliance of the Investors with rules applicable to their investment in an Opportunity Fund such as the Fund.

***Distributions:
From the Fund to
the Investors***

The Manager, in its sole discretion, will determine the timing and amount of any distributions from the Fund to the Investors. Distributions, if any, will be made out of “Available Cash Flow,” which is the positive amount, if any, of (a) all amounts received by the Fund (other than capital contributions), including distributions from the Operating Company in respect of the operation of the hotel portion of the Project and cash flow generated by the operation of the casino portion of the Project, Capital Transaction Proceeds (as defined in the Fund

Agreement), proceeds from the repayment of principal on loans receivable, and liquidating distributions of the Fund, less (b) the sum of (i) all expenses paid by the Fund, including management fees and other expenses incurred by the Project Manager for the benefit of the Fund and the Operating Company (exclusive of any non-cash deductions), (ii) amortization or other repayment of principal of indebtedness, (iii) reinvested earnings, (iv) capital expenditures, and (v) any reserves (whether for working capital, reinvestment, capital expenditures, satisfaction of liabilities, or emergencies) established by the Project Manager in its sole discretion, as may be adjusted from time to time by the Project Manager in its sole discretion. Due to the opportunistic nature of an investment in the Property, it is not anticipated that the Manager will be making distributions until the Project is completed and stabilization is achieved.

Among the factors to be taken into account when determining the amount of Available Cash Flow will be the management of any tax implications under the Opportunity Zone Rules of such distributions, including but not limited to, on or before December 31, 2026, any such distributions in excess of cash flow from operations of the Fund (including distributions from the Operating Company) prior to the placement of any nonrecourse debt on the Property that would be allocable to the holders of Units under general principles of tax law.

Available Cash Flow will be distributed as follows:

- (1) First, to the Investors, pro rata in proportion to their current and accrued Preferred Return, which, as to each Investor, means an amount equal to 7% per annum on such Investor's capital contributions, until all such current and accrued Preferred Returns have been paid;
- (2) Second to the Investors, pro rata in accordance with their respective Capital Contributions until each Investor has received an amount equal to its aggregate Capital Contributions;
- (3) Third, (i) 25% to the Manager or its designated affiliate and (ii) 75% to the Investors, pro rata in accordance with their respective Interests, until a 15% IRR is achieved by the Investors;
- (4) Thereafter, (i) 40% to the Manager and (ii) 60% to the Members, pro rata in accordance with their respective Interests.

Tax Distributions. Additionally, notwithstanding the distribution provisions summarized above, to the extent that there is Available Cash Flow, the Project Manager may make distributions of Available Cash Flow to the OpCo Members for the purpose of enabling the OpCo Members to pay the income taxes on the net income allocated to them pursuant to the OpCo Agreement.

<i>Allocations of Profits and Losses</i>	Income, expenses, gains and losses of the Fund will generally be allocated among the Members in a manner consistent with the rules applicable to the distribution of Available Cash Flow described above.
<i>Restrictions on Transfers or Assignments</i>	No holder of Units will have the right to transfer all or any portion of or any interest or rights in the holder's Units to any person except with the written consent of the Manager, which consent may be withheld in the Manager's sole and absolute discretion, or in certain limited circumstances to an affiliate or for estate planning purposes. A transferee of Units transferred by operation of law (including upon the death of a Member) will be an assignee and not a Member (except as otherwise provided in the Fund Agreement).
<i>Redemption; Liquidity</i>	<p>Members may request the Fund to redeem their Units under certain circumstances and conditions, including, after the Stabilization Date when requests may be made quarterly during the redemption open period. Any such request is subject to the approval of the Manager, which will have thirty (30) days to review the request. Once a request is approved, the Member making such request will cease to have the rights of a Member and will only have the right to receive payment for their Units. The purchase price of such Units will be the unreturned capital contribution of such Member.</p> <p>Any such redemption payment will be subject to a reasonable holdback as determined by the Manager to account for potential tax obligations of the Fund for which the Member may be liable. Neither the Fund nor the Manager will be under any obligation to sell, finance or refinance any Fund property to make any payment to a Member in response to a request for redemption.</p> <p>To the extent that there are insufficient funds available to honor all redemption requests, requests will be honored in the order received, provided that priority will be given to requests resulting from death, disability, bankruptcy, marriage or divorce.</p> <p>For the avoidance of doubt, any holder of Units exercising such liquidity rights will be required to disclaim any tax advice from the Manager and its affiliates, including but not limited to with respect to the Opportunity Zone Rules.</p>
<i>Dissolution</i>	<p>Except as otherwise provided in the Operating Agreements, the Companies will terminate on the earlier of: (1) the twelfth (12th) anniversary of the Final Subscription Closing or (2) the termination of the Companies by the Manager and Project Manager; provided that the Manager and Project Manager may, in their discretion, extend the term of the Companies for three additional 12-month periods, but, subject solely to non-ordinary course issues that may arise in connection with the disposition of the Property, the Companies will not terminate later than the fifteenth (15th) anniversary of the Final Subscription Closing.</p> <p>Upon winding up, the assets of the Fund will be distributed: (1) first, to creditors, including holders of Units who are creditors, to the extent permitted by law, in</p>

satisfaction of the Fund’s liabilities; and (2) thereafter, to the Members in the same manner as Capital Cash Flow.

***Qualified
Opportunity
Fund
Requirements***

The Project Manager is required to undertake commercially reasonable efforts to file all necessary forms, reports, certifications, and returns with all applicable tax and governmental authority, and follow all applicable procedures, as are now or may be in the future required, to certify or confirm the Fund’s status as a “qualified opportunity fund.”

**Conflicts of
Interest;
Compensation to
the Sponsor and its
Affiliates**

The Manager and Project Manager are affiliates of the Sponsor. The Project Manager will also serve as the Asset Manager and the Developer. The Sponsor and its affiliates and their respective principals will receive substantial compensation from the Offering and the development and operation of the Property and will have conflicts of interest.

See “**COMPENSATION TO THE SPONSOR AND ITS AFFILIATES**,” “**RISK FACTORS – Risks Related to the Development of the Property**,” “**RISK FACTORS – Risks Related to the Management of the Property**” and “**RISK FACTORS – Risks Related to the Fund Structure**.”

**Books and Records;
Reports to
Investors**

The Manager will keep proper and complete records and books of account for the Fund. These books and records will be kept at the Manager’s principal place of business at 2 Park Plaza, Suite 700, Irvine, California 92614 and will be available to the Investors during reasonable business hours.

The Manager will provide to the Investors all Forms K-1 and any other required tax information concerning the Fund that is necessary for preparing the Investor’s income tax returns for that year.

The Manager will provide each Member with unaudited quarterly financial statements and a summary of Fund operations. The Manager will also use its reasonable best efforts to provide each Member with audited financial statements and a report on the Fund’s operations within 120 calendar days after the end of each calendar year. In addition, the Manager will provide a quarterly summary of Property operations and a quarterly mark to market valuation.

**Plan of
Distribution;
Organizational and
Offering Expenses**

Dealer Manager Compensation

Units will be offered to residents of sales states and to affiliates of the Manager on a “best efforts” basis, which means that Shopoff Securities, Inc., a member of FINRA and SIPC, which is owned and controlled by William Shopoff, will act as the Dealer Manager (the “**Dealer Manager**”) for this Offering and will use its best efforts, but is not required to sell any specific amount of Units. The Dealer Manager will receive a two percent (2%) fee based on capital raised. For more information regarding the relationship between William Shopoff and the Dealer Manager see “**RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST**.” Also “**PLAN OF DISTRIBUTION**.”

Offering Sales Material

No person has been authorized by the Fund to make any representations or furnish any information with respect to the Fund or the Offering other than as set forth in this Memorandum or other documents or information furnished by the Fund upon request as described herein. However, authorized representatives of the Fund shall furnish, upon written request from a prospective Investor, a reasonable time prior to his purchase, the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and to obtain any additional information which the Fund possesses, or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of information previously furnished to such prospective Investor.

This Memorandum has been prepared solely for the benefit of persons interested in purchasing Units offered hereby. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Fund is expressly prohibited. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Fund or its representatives immediately upon request if the recipient does not purchase any of Units, or if the Offering of Units is withdrawn or terminated.

The Fund will bear all organizational and offering expenses (including legal, travel, accounting, filing, and other expenses) (“**Offering and Organizational Expenses**”) incurred in connection with the Offering and the formation of the Fund as outlined in the Development Budget included in the Development Plan, a copy of which is attached hereto as Exhibit D.

Use of Proceeds

The Offering is being made for purposes of acquiring the Site, developing and constructing the Project, establishing reserves and paying all related fees and expenses. See “**ESTIMATED USE OF PROCEEDS.**”

A detailed Development Budget is included in the Development Plan attached to this Memorandum as Exhibit D. The Fund intends that the Development Budget satisfy the safe harbor requirements set forth in the Opportunity Zone Rules with respect to the determination of reasonable amounts of working capital for the Operating Company.

Investor Suitability

Investment in Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity and who can afford to lose their entire investment. The Fund will only accept a subscription from an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act, who satisfies the investor suitability requirements set forth in the Subscription Agreement (as defined herein).

Sale or Transfer of Units

Units are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, Units are subject to restrictions on transfer. The Fund Agreement contains additional restrictions on transfer. If an Investor is able to sell his, her or its Units, the Investor and his, her or its purchaser(s) will bear the costs, if any, of the sale or transfer, including any tax costs and consequences.

General Tax Considerations

The Fund intends to be treated as a partnership for U.S. federal income tax purposes. As a result, the Fund generally will not pay entity level U.S. federal income taxes (subject to possible entity level taxation pursuant to the Bipartisan Budget Act of 2015, as discussed herein). Instead, each of the Investors will take into account his, her or its share of the Fund's income, gains, losses and deductions in computing his, her or its U.S. federal income tax liability, even if the Fund does not make cash distributions to that Investor. Consequently, an Investor may be liable for U.S. federal income taxes as a result of ownership of Units even if he, she or it has not received a cash distribution from the Fund. Cash distributions by the Fund to an Investor generally will not give rise to income or gain to the Fund, nor will such distributions generally give rise to income or gain to an Investor, to the extent of his, her or its tax basis in his, her or its Units immediately before the distribution. Allocations of taxable income to non-U.S. persons will be subject to applicable withholding taxes and non-U.S. persons will be required to file United States federal, and in some cases, state and local income tax returns (and pay any resulting tax) with respect to their allocable share of the Fund's taxable income. For a discussion of material U.S. federal income tax consequences that may be relevant to prospective Investors, see "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS". Each prospective Investor should have his, her or its own independent legal, tax, accounting and financial advisors closely review this Memorandum and all documents referenced herein and attached hereto and will be required to acknowledge the same in the Investor Questionnaire & Subscription Agreement.

Potential Tax Benefits of Investments of Gain in the Fund

The Fund intends to qualify as a "qualified opportunity fund" as such term is defined in Code Section 1400Z-2. The provisions of the Code and the Treasury Regulations promulgated thereunder relating to investments in qualified opportunity funds provide certain taxpayers with the opportunity to defer and reduce gains from certain sales or exchanges of property by timely investing such gains in a qualified opportunity fund. Gain eligible for deferral includes capital gain and excludes ordinary gain (including depreciation recapture). The tax attributes of capital gain that is deferred (for example, as long term or short term) will be preserved and will apply when a taxpayer ultimately reports the gain. The deferred gain is taxable at the tax rates in effect when the gain is taken into account.

Accordingly, an Investor who timely and properly invests capital gain in the Fund by purchasing Units may elect to exclude that gain from his, her or its gross income for the taxable year in which the sale or exchange giving rise to the gain occurred.

Federal income tax with respect to the gain will be deferred until the earlier of the following dates, at which time such gain will be recognized, in whole or in part: (a) the date on which an Inclusion Event occurs, or (b) December 31, 2026.

Investors who defer federal income tax with respect to gain by purchasing Units will receive an initial tax basis of \$0 in Units they acquire. An Investor's basis for federal income tax purposes with respect to his, her or its Units held for five years will be increased by an amount equal to ten percent (10%) of the gain he, she or it has deferred with respect to Units so long as Units are acquired on or before December 31, 2021. In addition, an Investor's basis for federal income tax purposes with respect to his, her or its Units held for at least ten (10) years and with respect to which he, she or it makes a separate election will be equal to the fair market value of Units on the date that the Investor sells his, her or its Units.

Each Investor is independently responsible for his, her or its own compliance with the provisions of Code Section 1400Z-2, which generally require that a taxpayer seeking to defer and reduce federal income tax with respect to gain must (a) make an election with the IRS, and (b) invest capital gain from a sale to, or exchange with, an unrelated person within the 180-day period beginning (generally) on the date of the sale or exchange giving rise to the gain. In addition, the sale or exchange must occur on or prior to December 31, 2026 and an election may not be made with respect to a sale or exchange if an election previously made with respect to the sale or exchange is in effect. The Fund will not provide any assurance to Investors that their acquisition of Units will meet the requirements of Code Section 1400Z-2. Nor will the Fund provide Investors with any assurance that they will otherwise be eligible to defer and/or eliminate gain under Code Section 1400Z-2. Each prospective Investor should discuss compliance with such requirements with his, her or its own independent legal, tax, accounting and financial advisors and rely exclusively on the advice of such advisors.

The potential tax benefits described in this Memorandum relating to the Fund's expected status as a qualified opportunity fund are limited to the federal income tax aspects of an investment of gain in Units. The Fund does not take any position with respect to other federal, state, local or other tax implications of an investment of gain in Units. Each prospective Investor should discuss such implications with his, her or its own independent legal, tax, accounting and financial advisors and must rely exclusively on the advice of such advisors.

**Qualified
Opportunity Fund
Requirements**

The availability of the foregoing potential tax benefits to prospective Investors with respect to their investments in the Fund is subject to various conditions and factors, including, without limitation, the Fund's qualification as a qualified opportunity fund. For further discussion of such potential tax benefits, see "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Potential Deferral of Gain*" and "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Basis of Investors in Units*". Each prospective Investor should consult with and must rely solely upon his, her or its own independent

legal, tax, accounting and financial advisors concerning his, her or its ability to defer and reduce federal income tax with respect to gain pursuant to Code Section 1400Z-2 in connection with an investment in the Fund.

In order to qualify as a qualified opportunity fund, the Fund must comply with the relevant provisions of Code Section 1400Z-2 and the Opportunity Zone Rules. Generally, these requirements include (1) the Fund's being an entity that is taxed as a corporation or a partnership and that is organized for the purpose of investing in "qualified opportunity zone property" (other than another qualified opportunity fund), and (2) the Fund's holding at least ninety percent (90%) of its assets in qualified opportunity zone property, determined by the average of the percentage of qualified opportunity zone property held by the Fund as measured (a) on the last day of the first six-month period of the taxable year of the Fund and (b) on the last day of the taxable year of the Fund. For further information, see "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Qualification of the Fund as a Qualified Opportunity Fund*". Although the Fund expects to satisfy these requirements, there is no assurance that the Fund will in fact satisfy such requirements. See "RISK FACTORS – *Tax Risks Related to Qualified Opportunity Funds*".

Tax Opinion

Special Tax Counsel shall provide the Fund with the Tax Opinion, which concludes that the Fund should constitute a qualified opportunity fund within the meaning of Code Section 1400Z-2.

The Tax Opinion is based, among other things, upon specified facts, assumptions and representations. If any of such facts, assumptions or representations are incorrect, the Fund may not constitute a qualified opportunity fund. Moreover, a legal opinion is not binding on the IRS or the courts, either of which may disagree with the reasoning set forth in the Tax Opinion or with judgments made therein with respect to matters on which there is no authority directly on point or otherwise. There can be no assurance that the IRS will not challenge the conclusion set forth in the Tax Opinion, or that a court may not rule in favor of the IRS in the event of any such challenge. No private letter ruling has been or will be sought with respect to the status of the Fund as a qualified opportunity fund, the tax implications of a Debt Financed Distribution or any other matter. A copy of the Tax Opinion will be available on request once complete. Each prospective Investor should have his, her or its independent tax advisor review the Tax Opinion and should obtain and must rely solely on the advice of such tax advisor before investing in the Fund.

Fund Counsel; Opportunity Zone Compliance Advisors

Seyfarth Shaw LLP ("**Seyfarth Shaw**") serves as Special Tax Counsel and as counsel to the Fund. Baker Tilly Virchow Krause, LLP ("**Baker Tilly**") serves as financial advisor to the Fund and renders compliance advice to the Fund and the Operating Company regarding its tax compliance with the rules applicable to qualified opportunity funds and their subsidiaries. A copy of the Fund's initial Opportunity Zone Compliance Statement will be issued by Baker Tilly and

available on request, once complete. It is anticipated to be complete in four weeks from the date of this Offering Memorandum.

**Additional
Information**

The Fund will answer inquiries concerning Units and other matters relating to the Offering. Also, the Fund will afford prospective Investors the opportunity to obtain any additional information (to the extent the Fund possesses such information or can acquire such information without unreasonable effort or expense) that is necessary to verify the information in this Memorandum.

HOW TO PURCHASE

The Fund will only accept a subscription from an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act. Prospective Investors who would like to purchase Units must carefully read this Memorandum. Prospective Investors must complete, execute, and deliver an Investor Questionnaire (an “**Investor Questionnaire**”) and Subscription Agreement (a “**Subscription Agreement**”) and together with the Investor Questionnaire, the “**Subscription Documents**”), the forms of which are included in the Subscription Documents attached as Exhibit A to this Memorandum, and tender a check or wire funds equal to their subscription amount (the “**Subscription Amount**”), payable to the order of “Integris DLV Opportunity Zone Fund, LLC.” Upon receipt of such documents and verification of the prospective Investor’s investment qualifications, the Fund will elect whether to accept the prospective Investor’s investment. Upon the Fund’s acceptance of a prospective Investor for the purchase of Units, the Fund will so notify the prospective Investor and will circulate various additional documents for the prospective Investor to sign and return.

Unless otherwise directed by the Fund, the documents and a check or wire for the Subscription Amount should be mailed or delivered to the Fund at the following address:

Integris DLV Opportunity Zone Fund, LLC
c/o Shopoff Realty Investments
2 Park Plaza, Suite 700
Irvine, California 92614
Telephone: 84-INTEGRIS or 844-683-4747
Fax: 949-988-3190
info@integrisinv.com

Any proposed purchase of Units not accepted within thirty (30) days of receipt will be deemed rejected. Prospective Investors cannot acquire Units if the Fund does not approve such purchase. The Subscription Amount will be fully refunded by the Fund if a prospective Investor is not accepted by the Fund. Otherwise, the Subscription Amount will be nonrefundable.

Closing of the purchase will take place at the above address and the executed documents will be forwarded to the Investor.

ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of funds in one hundred percent (100%) of the Project. The “Offering Equity” of \$25,000,000 represents the maximum equity raised by this Offering. While the final construction loan terms have yet to be finalized, the Sponsor anticipates that the assumptions below are reasonable at this time and does not expect any material changes. The Sponsor and its affiliates will receive substantial compensation and fees in connection with the ground lease of the Property and development of the Project, as described in this Memorandum.

SOURCES AND USES:		
Sources		
<u>Debt</u>	<u>Amount</u>	<u>%</u>
Construction Debt	\$363,610,369	68%
PACE Financing	\$0	n/a
Total Debt	\$363,610,369	68%
<u>Equity</u>	<u>Amount</u>	<u>%</u>
Managing Member	\$4,000,000	1%
Alternative Equity Sources	\$143,632,601	27%
Investor Equity*	\$25,000,000	5%
Total Equity	\$172,632,601	32%
Total	\$536,242,970	100%

Uses		
<u>Development Costs</u>	<u>Amount</u>	<u>%</u>
Soft Costs	\$75,851,665	14%
Hard Costs	\$386,730,653	72%
Financing Expense	\$25,874,250	5%
Total Selling Costs	\$15,799,586	3%
Project Contingency (7%)*	\$31,986,817	6.0%
Total	\$536,242,970	100%

The Fund is in discussions with a number of potential lenders who have indicated interest in the Project. A detailed Development Budget is included in the Development Plan attached to this Memorandum as Exhibit D. The Fund intends that the Development Budget satisfy the safe harbor requirements set forth in the Opportunity Zone Rules with respect to the determination of reasonable amounts of working capital for the Operating Company.

The Fund expects to use substantially all of the net proceeds from the Offering (after paying or reimbursing formation and offering expenses) to acquire the Site, develop and construct the Project, establish reserves and paying all related fees and expenses. Units will be offered to residents of sales states

and to affiliates of the Manager on a “best efforts” basis, which means that Shopoff Securities, Inc., a member of FINRA and SIPC, which is owned and controlled by William Shopoff, will act as the Dealer Manager for this Offering and will use its best efforts, but is not required to sell any specific amount of Units. See “**PLAN OF DISTRIBUTION.**”

PLAN OF DISTRIBUTION

Marketing of Interests

The Fund has entered into a managing broker-dealer agreement with the Dealer Manager, Shopoff Securities, Inc., an affiliate of Integrus and a member of FINRA. Offers and sales of Units will be made on a “best efforts” basis. The Dealer Manager will be entitled to certain compensation from the Fund pursuant to an agreement between the Dealer Manager and Integrus. The Dealer Manager will receive a two percent (2%) fee based on capital raised. In the event an Investor independently uses the services of a registered investment advisor in connection with the purchase of Units, no selling commissions or fees will be payable to the investment advisor with respect to such Investor’s purchase. The payment of any fees or similar compensation to such investment advisor will be the sole responsibility of the Investor, and Integrus will have no liability for that compensation. Offering expenses will be paid by the Fund as operating expenses as such amounts become due.

Qualifications of Investors

The Interests are being offered only to accredited investors who can represent that they meet the investor suitability requirements described in “**WHO MAY INVEST**” and Interests may be purchased only by prospective Investors who satisfy such suitability requirements.

Sale of Interests

Prospective Investors must adhere to the purchase arrangements summarized in “**HOW TO PURCHASE**” in this Memorandum and set forth in full in the Subscription Agreement, the form of which is attached as Exhibit A to this Memorandum. There is no assurance that all of the Interests will be sold, and the each of the Companies reserves the right to refuse to sell Interests to any person, in its sole discretion, and may terminate this Offering at any time.

Offering Sales Material

No person has been authorized by the Fund to make any representations or furnish any information with respect to the Fund or the Offering other than as set forth in this Memorandum or other documents or information furnished by the Fund upon request as described herein. However, authorized representatives of the Fund shall furnish, upon written request from a prospective Investor, a reasonable time prior to his purchase, the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and to obtain any additional information which the Fund possesses, or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of information previously furnished to such prospective Investor.

This Memorandum has been prepared solely for the benefit of persons interested in purchasing Units offered hereby. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Fund is expressly prohibited. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Fund or its representatives immediately upon request if the recipient does not purchase any of Units, or if the Offering of Units is withdrawn or terminated.

The Fund will bear all Organizational and Offering Expenses incurred in connection with the Offering and the formation of the Fund as outlined in the Development Budget.

Limitation of Offering

The offer and sale of the Interests is made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the investor suitability requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

THE SITE

Location and General Description of the Site

The Site consists of a prime 5.25-acre parcel of land located on the world-famous Las Vegas Strip located at 5051 South Las Vegas Blvd.

It is anticipated that the Site will be condominiumized into two condominium units (the “**Condominium**”) consisting of the Hotel Condo and the Casino Condo. The Operating Company (either directly or through a wholly owned special purpose entity that is disregarded for income tax purposes) will acquire the Hotel Condo. The Fund (through a wholly owned special purpose entity that is disregarded for income tax purposes) will acquire the Casino Condo.

Ground Lease of the Site

As of the date of this Memorandum, the Site has been ground leased by the Property Owner, which is an affiliate of the Sponsor. The Operating Company has entered into a ninety-nine (99) year ground lease agreement (the “**Site Ground Lease Agreement**”) with the owners of one hundred percent (100%) of the membership interests in the Property Owner.

Upon completion of the condominium conversion process and the completion of the separation of the Property into the Casino Condo and the Hotel Condo, the Site Ground Lease Agreement will be converted into two separate ninety-nine (99) year leases, one with respect to the Casino Condo between the Casino Subsidiary and DLV-C Owner, LLC, as tenants in common pursuant to the TIC Agreement, and the Property Owner, and the other with respect to the Hotel Condo between the Hotel Subsidiary and the Property Owner, on terms and conditions otherwise materially identical to the terms of the Site Ground Lease Agreement.

Zoning and Entitlements

The Site is located within the Paradise Land Use Plan and is part of the Commercial Tourist Master Planned Zone. The Site also has the Gaming Enterprise Overlay District which allows for Gaming Uses within the facility. The Site’s zoning is H-1 which is the most intense commercial zoning allowing for the development of gaming enterprises, compatible commercial, and mixed commercial uses. Based on the current zoning the Project is designated “by right” for the proposed use. To successfully develop the Project, the Property Owner applied for a special use permit and design review application from the Clark County Planning Department. The Project received full entitlement approval on October 6, 2021 by the Clark County Commission by a 6-1 vote. See Exhibit G for the Final Approval Notice from the Clark County Commission. In addition, we also received a formal determination from the Federal Aviation Administration (FAA) on August 24, 2021, which concludes that the proposed hotel is not a hazard to aircraft or the operation of the McCarran Airport.

Environmental

The Operating Company has obtained a Phase I Environmental Site Assessment (the “**Phase I**”) for the Site. Accordingly, in the event that environmental contamination consisting of hazardous substances or petroleum exists with respect to the Site when the Operating Company acquires the Site, but which was not disclosed in the Phase I, and the contamination is subsequently discovered on the Site, the Operating

Company may be able to avail itself of the defenses to, and the exemptions from, liability that are available under CERCLA (as defined herein) and other federal and state laws, since the Operating Company will acquire the Site within 180 days of the effective date of the Phase I and otherwise satisfied the conditions of All Appropriate Inquiry. See “RISK FACTORS – *Risks Related to the Property Generally – The existence of any environmental issues with the Site may adversely affect the Operating Company.*”

Qualified Opportunity Zone Designation

The Site is located in population census tract 32003006800. As such, the Site has been designated as a “qualified opportunity zone,” pursuant to Code Section 1400Z-1, by the United States Secretary of the Treasury and the IRS. You may find a map of qualified opportunity zones at https://www.cims.cdfifund.gov/preparation/?config=config_nmtc.xml and a link to a spread sheet listing the qualified opportunity zones at <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>. (These links were current as of the date of this Memorandum; however, there is no guarantee that they will remain current following such date.) The designation of the area in which the Site is located as a qualified opportunity zone will remain in effect until the close of the tenth (10th) calendar year beginning on or after the date of the designation. Pursuant to the QOF Proposed Regulations, the termination of the area’s status as a qualified opportunity zone will not preclude an Investor from making an election to increase his, her or its basis in Units held for at least ten (10) years at the time of the sale or exchange of such Units, provided that such Units are sold or exchanged by December 31, 2047.

THE PROJECT

General

The Project Manager will develop and construct, or cause to be constructed, on the Site, a single 19-story hotel tower that includes 526 luxury lifestyle hotel rooms & suites, multiple daytime & nighttime centric food and beverage venues, a resort pool and day club, nightclub, multiple retail venues and a fitness center and an approximately 26,000 square foot Casino with approximately 250 slot machines, 20 table games, and a sports book. The Operating Company, through its subsidiaries, has entered into a ninety-nine (99) year ground lease for the Site from the Property Owner, an affiliate of the Sponsor.

A copy of the site plan and specifications for the Project are included in the Development Plan, a copy of which is attached hereto as Exhibit D.



The renderings above are for illustration purposes only and are subject to change.

Anticipated Development, Construction and Financing

Development Agreement.

It is anticipated that the Operating Company will enter into the Development Agreement with the Developer, which is also the Project Manager, pursuant to which the Developer will serve as the developer for the Project. It is anticipated that the Operating Company will be required to pay to the Developer a fee equal to three percent (3%) of the total development costs of the Project, on the terms and conditions set forth in the Development Agreement.

See “**RISK FACTORS – Risks Related to the Development of the Property**” and “**COMPENSATION TO THE SPONSOR AND ITS AFFILIATES.**”

Construction Contract.

The Property Owner has already entered into a general contractor agreement and will enter into the Construction Contract with the General Contractor, on the terms and conditions set forth in the general contractor agreement. The Construction Contract will be assigned to the Property Manager prior to the start of construction.

See “**RISK FACTORS – Risks Related to the Development of the Property**” and “**COMPENSATION TO THE SPONSOR AND ITS AFFILIATES.**”

Development Budget; Anticipated Financing.

The anticipated Development Budget is included in the Development Plan, a copy of which is attached hereto as Exhibit D.

The Project Manager anticipates selecting a debt broker before the end of 2021 who will secure senior construction financing for the Project. The Project Manager expects to secure such financing in Q2 2022 prior to the start of construction. The Project Manager will have the discretion to procure a construction loan to complete the development, construction and stabilization of the Project. Upon substantial completion and stabilization of the Project, the Operating Company may procure a permanent mortgage loan on the Project. The selection of any lender and the terms of any indebtedness will be determined by the Project Manager in its discretion pursuant to the terms of the OpCo Agreement; however, the Project Manager does not intend to permit the Operating Company to incur any indebtedness that would cause its total debt to equity ratio to exceed 70:30.

See “**RISK FACTORS – Risks Related to the Anticipated Financing**” for additional information regarding the anticipated mortgage financing.

Anticipated Development and Construction Schedule.

The design process began in Q4 2020. The Fund expects to begin actual construction in Q2 of 2022 with an expected completion in Q3 2024 (approximately 25 months). Upon completion, the Fund expects the Property to stabilize in Year 2 of operations (i.e., 2026). See the Development Plan, a copy of which is attached hereto as Exhibit D, for additional information.

Hotel Management

In January 2020, the Property Owner engaged Dream Hotel Group (DHG Las Vegas, LLC) to operate the hotel under the DREAM® hotel and lodging brand. Certain terms of the Hotel Management Agreement are as follows:

- Term: 20 years, with the option for two five-year extensions.
- Services Provided: The Hotel Manager has the right and duty, subject to the terms of the Hotel Management Agreement, to determine operating policy, standards of operation, quality of service and any other matters affecting customer relations or efficient management and operation of the Hotel, and to supervise, direct and control the operation of the Hotel on behalf of Operating Company, in a business-like and efficient manner, consistent with the Operating Standards and the

Annual Plan and variances permitted thereto under this Agreement and using such degree of skill, care and diligence as is customary and usual for international branded operators of hotels comparable to other hotel service providers and consistent with the purposes and intention of maximizing the long-term profitability of the Hotel under the Brand.

- Fees in consideration of the hotel management and branding services provided by Hotel Manager:
 - Base Management Fee: 3% of Total Operating Revenue for all areas of the Hotel operated by Hotel Manager.
 - Coordination Fee: 1.5% of the rental income from the Casino and any food and beverage and signage revenue for facilities at the Hotel that are operated by a third party, and all such income and revenue is excluded from Total Operating Revenue when calculating the Base Management Fee.
 - Brand Marketing Fee: 1.5% of Total Operating Revenue.
 - Incentive Management Fee: 15% of Adjusted Gross Operating Profit (“AGOP”) over the Owner’s Priority Return. AGOP is defined as revenues minus expenses minus the base fee, real and personal property taxes, insurance premiums and the replacement reserve contributions. The Owner’s Priority is eight percent (8%) of Project Costs (the lesser of \$297 million and total costs) from opening through the first full year, nine percent (9%) for the second year, and ten percent (10%) thereafter.
 - Hotel Manager Contribution (Key Money): \$2,500,000 key money contribution, due at the time the entire Hotel and the Casino are open to the public for business as Dream Las Vegas. The obligation to provide the key money is contingent on, among other things, there not being an Owner event of default and Owner having secured for the benefit of Hotel Manager a non-disturbance agreement from the lender. If the Hotel Management Agreement terminates before the twentieth (20th) full operating year for any reason or Owner refinances without a non-disturbance in place, Owner shall repay to Hotel Manager a portion of the key money determined by multiplying \$2,500,000 by a fraction, the numerator of which is the number of full operating years remaining in the term but for such an event and the denominator of which is twenty (20). For the avoidance of doubt, the foregoing key money contribution is not part of the capital stack.
- Owner Performance Test: Owner may terminate the HMA without the payment of any termination fee or penalty if for two consecutive years, starting after completion of the fourth full calendar year after the opening of the Hotel:
 - (1) The actual AGOP (defined above in the Incentive Fee discussion) of the Hotel is less than ninety percent (90%) of the annual budgeted AGOP and
 - (2) The RevPAR of the Hotel is less than ninety percent (90%) of the average RevPAR for the competitive set of hotels. Provided that the performance test shall be equitably adjusted when either of the two prongs is failed due to any or a combination of the following: (i) a Force Majeure event, (ii) Event of Default by Owner, (iii) casualty, (iv) condemnation, or

(v) a lower inventory of guest rooms than the inventory projected in the operating budget for the applicable year where the difference in inventory is material. Hotel Manager has the right once during the initial term and once during each extension to cure the performance test by making certain payments to Owner.

- Area of Protection: Dream Hotel Group has agreed that it will not operate or license a hotel under the DREAM® brand in the Las Vegas, Nevada, metropolitan area that is open to the general public for business during the initial twenty (20) year term.

See “**RISK FACTORS** – *Risks Related to the Management of the Property*” and “**COMPENSATION TO THE SPONSOR AND ITS AFFILIATES.**”

RISK FACTORS

Units are speculative and involve a high degree of risk. A prospective Investor should be able to bear a complete loss of his, her or its investment. Prospective Investors should carefully read this Memorandum before purchasing Units.

A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY, AMONG OTHER RISKS, THE FOLLOWING RISKS, AND SHOULD HAVE HIS, HER OR ITS OWN INDEPENDENT LEGAL, TAX, ACCOUNTING AND FINANCIAL ADVISORS CLOSELY REVIEW THIS MEMORANDUM AND ALL DOCUMENTS REFERENCED HEREIN AND ATTACHED HERETO BEFORE INVESTING IN UNITS. THESE RISK FACTORS, OR OTHER EVENTS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THIS MEMORANDUM. FURTHERMORE, THESE RISK FACTORS RELATE TO A SOPHISTICATED TRANSACTION AND ALTHOUGH THE FUND HAS ENDEAVORED TO ANALYZE THIS TRANSACTION AND THE RISKS ATTENDANT TO THIS TRANSACTION TO THE BEST OF ITS ABILITY, THE FOLLOWING RISKS MAY NOT ENCOMPASS EVERY POSSIBLE RISK WITH REGARD TO THIS TRANSACTION. ONLY AFTER A PROSPECTIVE INVESTOR AND HIS, HER OR ITS INDEPENDENT ADVISORS HAVE ANALYZED THE UNDERLYING DOCUMENTS CAN HE, SHE OR IT FULLY UNDERSTAND THE TRANSACTION.

Risks Related to the Property Generally

There are inherent risks with real estate investments.

The real estate industry is highly cyclical by nature and future market conditions are uncertain. There are many factors which affect real estate investments and many of these factors are beyond the Fund's control, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions such as an oversupply of similar properties or a reduction in demand for the Property;
- the attractiveness of the Property to potential tenants and competition from many sources;
- the ability to collect rent from the tenants and to increase or maintain rental rates;
- changes in availability and costs of financing, which may affect the sale of the Property;
- eminent domain or condemnation actions against the Property;
- acts of nature, such as hurricanes, earthquakes, tornadoes and floods that may damage the Property and acts of nature such as a draught that could affect the value of real estate in the affected area including the Property;
- covenants, conditions, restrictions and easements relating to the Property;
- governmental regulations, including financing, environmental usage and tax laws, regulations and insurance;
- risks and operating problems arising out of the presence of certain construction materials and fluctuations in material costs;

- increases in the costs of labor, supplies, equipment, and materials;
- material and labor shortages;
- strikes, lockouts, slowdowns and labor disputes; and
- construction delays, including delays in obtaining permits, approvals, inspections and occupancy certificates, delays due to unforeseen conditions, third party claims, governmental controls and other *force majeure* delays.

Geopolitical events, conditions and policies may affect the Companies' operations and profitability.

Current national and international political and economic events and policies, the volatility of the price of oil, natural disasters or other acts of God, the decrease in or lack of the availability of credit and financing for national and international businesses, the continued threat of terrorism both within the United States and abroad, the ongoing military and other government and economic actions and heightened security precautions in response to these threats, and international tensions between the United States and other nations may cause declines in the real estate markets and/or economic activity resulting in adverse effects on the Companies' operations. The Companies may not be able to accurately anticipate or predict the extent and timing of any economic conditions resulting from the above factors, or how any such decreases or increases might affect the Companies or business otherwise to be conducted by the Companies. Any such failure adversely could affect the Companies' performance.

The long-term impact of the COVID-19 pandemic and the resulting global financial, economic and social distress remains uncertain.

In December 2019 there was an outbreak of a novel coronavirus, which causes the disease now known as COVID-19. COVID-19 was first identified in Wuhan, China and continues to spread globally in the form of several variants. Government efforts to contain the spread of the coronavirus through lockdowns of cities, business closures, restrictions on travel and emergency quarantines, among others, and responses by businesses and individuals to reduce the risk of exposure to infection, including social distancing in the form of reduced travel, cancellation of meetings and public and private events, and implementation of work-at-home policies, among others, have caused significant disruptions to the global economy and normal business operations across a growing list of sectors and countries, including in the United States.

The spread of the coronavirus, which continues throughout the world, despite many countries administering vaccines designed to protect against COVID-19 and injecting unprecedented amounts of capital into the economy through low or zero interest loans, tax cuts, and direct payments to consumers, and the continued efforts to contain its spread and reduce the risk of exposure through social distancing and other mitigation measures, is expected to continue having broader macroeconomic implications, including reduced levels of economic growth, fears of inflation, and the possibility of a global recession, the effects of which could be felt well beyond the time the pandemic is contained. Should the current global financial crisis continue, the Property could see substantial reductions in market valuation, which could adversely affect the financial condition and operating results of the Property and, in turn, the Fund. Moreover, the current and any future effects of the COVID-19 pandemic and the resulting global financial, economic and social distress may materially and adversely affect the validity of the assumptions used as a basis for the Financial Forecast attached as Exhibit E to this Memorandum. All of the foregoing could impact the rate

of return to Investors or cause the Investors to lose all or substantially all of their entire investment in the Trust.

Uninsured losses may adversely affect returns.

There can be no assurance that the insurance maintained by the Fund and/or the Operating Company will be sufficient to cover any particular liability or unanticipated loss. In addition, the particular risks that are currently insurable may not continue to be insurable on an economical basis or the necessary levels of coverage may not continue to be available. If a loss occurs that is partially or completely uninsured, an Investor may lose his, her or its entire investment in the Property.

The Fund and Operating Company will not guarantee the condition of, or title to, the Property.

Neither the Fund nor the Operating Company will make any warranties or representations to the Investors regarding the condition of the Property. A prospective Investor is investing in the Property in an “as is” condition, on a “where is” basis and “with all faults,” without any warranties of merchantability or fitness for a particular use or purpose.

In addition, the Property is, and will be, subject to various matters affecting title, including but not limited to zoning ordinances, building codes and other matters, which may include, for example, easements, declarations, covenants, restrictions and other limitations on the right of the Fund and/or the Operating Company to construct, develop and use the Property. In connection with the acquisition of the Site, it is anticipated that the Companies will purchase title insurance in an amount equal to the anticipated full value of the Property. In the event that a known or new matter arises with respect to the Property, however, there is no guarantee that the title insurance will sufficiently protect the Fund and/or Operating Company against all title issues affecting the Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Fund and/or Operating Company will not incur costs in making a title insurance claim.

The existence of any environmental issues with the Site which may adversely affect the Fund and the Operating Company.

Federal, state and local laws may impose liability on a landowner or tenant for releases of or the presence on the premises of hazardous substances and petroleum, without regard to fault or knowledge of the presence of such substances. A landowner and/or tenant may be held liable for the presence of hazardous substances and petroleum that occurred before it acquired title or commenced a lease and/or that occur during ownership or tenancy, even if the conditions are not discovered until after it sells a property or the lease ends. If hazardous substances or petroleum are found at any time on a property, the property owner and/or tenant may be found to be responsible for all or a portion of cleanup costs, fines, penalties and other costs regardless of whether the property owner owned such property when the releases occurred or such substances were discovered. Under the Federal Comprehensive Environmental Response, Compensation, and Liability Act (“**CERCLA**”) (which does not apply to petroleum contamination), as well as other federal and state environmental laws (many of which do apply to petroleum products), a purchaser of property and/or tenant may qualify for affirmative defenses to, and exemptions from, liability; one of the factors often critical to the defense is obtaining, within 180 days before acquiring or leasing the property, a Phase I Environmental Site Assessment (a “**Phase I**”) that qualifies as “All Appropriate Inquiry.”

The Operating Company obtained a Phase I for the Site, dated November 13, 2020 and prepared by NOVA Geotechnical & Inspection Services in compliance with the standards of ASTM Practice E1527-13, which the United States Environmental Protection Agency and many states have recognized as adequate to demonstrate compliance with “All Appropriate Inquiry.” The objective of the Phase I is to identify any Recognized Environmental Conditions (“RECs”), Historical RECs (“HRECs”), Controlled RECs (“CRECs”) and/or any other *de minimis* conditions (“*de minimis conditions*”) in connection with the Property. A REC is defined by ASTM E1527-13 as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment.” A HREC is defined by ASTM E1527-13 as “a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.” A CREC is defined by ASTM E1527-13 as “a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example as evidenced by issuance of a no further action letter or equivalent) with hazardous substances or petroleum allowed to remain in place subject to implementation of required controls.” *De minimis* conditions are not RECs. *De minimis* conditions generally do not present a threat to human health and the environment and generally are not subject to enforcement action if brought to the attention of governmental agencies.

A Phase I does not involve any invasive testing. A Phase I is limited to a physical walk through or inspection of the property and a review of the related governmental records. Consequently, there are no assurances that any actual environmental problems with or conditions on the Site would be exposed by a Phase I. It is possible that an environmental claim may be raised in such a manner that the claim could become enforceable against the Operating Company. The existence of any environmental issues with the Site may make it more difficult and more expensive, and perhaps impossible, to sell the Property. If losses arise from environmental matters, the financial viability of the Property may be substantially affected. In an extreme case, the Property may be rendered worthless, or the Operating Company may be obligated to pay cleanup and other costs in excess of the value of the Property.

The Phase I did not identify any evidence of RECs, HRECs, CRECs, or *de minimis* conditions. The Phase I noted that the adjoining Metro Police Station to the west of the Property contains a small quantity of contaminated soil due to the former presence of diesel underground storage tanks, and the adjoining McCarran International Airport to the east of the Property presents the potential of releases of petroleum products into the soil and groundwater. The Phase I considers these conditions environmental concerns that do not rise to the level of RECs due to the contained nature of the contamination and the estimated depth to groundwater in the case of the Metro Police Station and the unrealized potential of contamination in the case of the McCarran International Airport. The Phase I did not recommend any further action or investigation.

Compliance with various laws could affect the operation of the Property.

Various federal, state and local regulations, such as fire and safety requirements, environmental regulations, the Americans with Disabilities Act of 1990, non-discrimination laws, land use restrictions and taxes are expected to affect the Property. If the Property does not comply with these requirements, the Companies may incur governmental fines, liens or private damage awards. New, or amendments to

existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of the Property. These laws, rules, regulations or ordinances may adversely affect the ability of the Companies to develop, operate or sell the Property.

Risks Related to the Development of the Property

The Companies will rely on the Developer to develop the Project.

It is anticipated that the Companies will enter into the Development Agreement with the Developer, an affiliate of the Sponsor, which, subject to certain terms, conditions and limitations, will provide for the Developer to administer all aspects of the development and construction of the Project including, without limitation, the design, permitting and construction thereof. As a result, a prospective Investor should not purchase Units unless the prospective Investor is willing to entrust all the aspects of the development and construction of the Project to the Developer. If the Developer fails to properly manage the development and construction of the Project, then the Investor's investment may be adversely impacted, and the Investor may not achieve the expected return, if any, on his, her or its Units.

The Fund and the Operating Company will need various approvals and permits outside of their control.

Before construction of the Project can commence, the Developer will need to obtain various approvals and permits from third parties, including, but not limited to, utility and governmental authorities with respect to matters such as zoning, subdivision, architectural design, traffic, utilities, environmental controls and other issues. The ability to obtain necessary approvals and permits may be subject to factors outside of the requesting party's control including, without limitation, the discretion of the applicable third party or issuing utility or governmental authority, and the actions of interested parties that can adversely affect the approval or permit process by raising public concerns, and there are no assurances that the Developer will receive any such required approvals or permits in a timely manner, or at all. Any such delay in receiving, or inability to receive, necessary approvals or permits may have a material and adverse impact on the Fund and the Operating Company's ability to develop and realize income from the Project. See "THE SITE – Anticipated Acquisition of the Site" and "THE SITE – Zoning and Entitlements" for additional discussion.

The development and construction of the Project may be subject to cost overruns.

While the business goal of the Companies is for the Developer to complete the Project within the approved Development Budget, there are a number of factors outside of the control of the Companies that can result in cost overruns including, without limitation, shortages of materials, fluctuation in material costs due to weather or economic conditions, unforeseen soil or environmental issues, uninsured losses (including damage from wind storms, hurricanes, earthquakes, floods or other natural disasters or acts of nature), changes in availability and cost of insurance (including the inability to obtain insurance against various risks), labor shortages or increase in the costs of labor, construction defects, violations of law, strikes, lockouts, slowdowns and labor disputes and other construction delays, including delays in obtaining permits, approvals, inspections and occupancy certificates, delays due to third party claims, governmental controls and other *force majeure* delays. Pursuant to the OpCo Agreement, the Project Manager has agreed to fund Cost Overruns with a Cost Overrun Loan to the Operating Company; however, "Cost Overruns" does not include costs incurred by the Operating Company with respect to or as a result of changes to (i)

the scope of the Project that constitute government mandated changes that could not have been reasonably anticipated, (ii) cost increases resulting directly from a *Force Majeure* Event (as defined in the OpCo Agreement), (iii) increases in property or liability insurance deductibles; and (iv) subsurface conditions not disclosed by the geotechnical reports obtained by the Operating Company prior to commencement of construction of the Project construction or environmental contamination not disclosed by the environmental reports obtained by the Operating Company prior to commencement of construction of the Project.

There can be no assurance that the Fund will be able to achieve expected cash flows, that distributions will be made at any particular level, if at all, or that distributions will increase over time.

The anticipated results of operations set forth in this Memorandum, and in the Financial Forecast, attached hereto as Exhibit E, are based upon current estimates of income and expenses relating to the Property. Any return to the Investors on their investment will depend on the ability of the Developer to develop the Property in accordance with the approved Development Budget and within the approved development schedule, which are subject to conditions beyond the control of the Companies. A variety of factors, including, without limitation, any of the following, may cause actual results to differ:

- (1) the Project may experience material delays and cost overruns (in excess of those that the Developer is responsible for);
- (2) adverse market or economic conditions which delay or adversely affect lease-up efforts for the Project;
- (3) inability to achieve occupancy stabilization within the estimated time frame; or
- (4) inability to refinance or sell the Property prior to the maturity date of the note under the anticipated permanent mortgage loan.

Therefore, the actual results achieved during the life of the ownership of the Property may vary from those anticipated, and the variation may be material. As a result, there can be no assurance that the Fund will be able to achieve expected cash flows, that distributions will be made at any particular level, if at all, or that distributions will increase over time and therefore the rate of return to Investors may be substantially lower than that projected.

Investors may not recover all or any portion of their investment in a sale of the Property.

The portion of any proceeds realized from any sale of all or a portion of the Property that is allocable to the Fund will be distributed to the Investors in accordance with their respective Units, but only after payment of any loans then outstanding on the Property (and any other loans), expenses of the transaction, including a broker's fee and satisfaction of the claims of other third-party creditors. The ability of the Investor to recover all or any portion of his, her or its investment through a sale will therefore depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Investor will receive any proceeds from the sale of the Property.

Risks Specific to the Hotel Condo***There are unique risks of the hospitality industry in general.***

Hospitality projects are subject to certain unique risks, including the following:

- (1) The success of a hospitality project relies on relationships with the hotel management company as well as any brand franchise. Any deterioration in such relationships could materially and adversely affect the development and operations of a hospitality project.
- (2) Results of operations are subject to risks inherent in the hospitality industry, such as the demand for hospitality services in the general vicinity of a hotel, which could materially and adversely affect a hotel.
- (3) Successfully operating a hotel depends on key personnel whose continued service is not guaranteed, and their departure could materially and adversely affect a hotel.

The hospitality industry is highly competitive.

The hospitality industry is highly competitive. The Hotel will compete for guests based primarily on brand name recognition and reputation, location, customer satisfaction, room rates, quality of service, amenities, quality of accommodations and security. The Hotel's principal competitors are other operators of full service and select service properties, including other major hospitality chains with well-established and recognized brands. The Hotel will also compete against smaller hotel chains and independent and local hotel owners and operators. Some of the Hotel's competitors may be larger than the Hotel based on the number of properties or rooms they manage, franchise or own or based on the number of geographic locations where they operate. The Hotel's competitors may also have greater financial and marketing resources than the Hotel does, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could affect the Hotel's ability to compete for guests effectively.

Additional hotel development in the Las Vegas market may reduce occupancy of the Hotel. Moreover, industry consolidation may exacerbate these risks.

If the Hotel is unable to compete successfully, its revenues or profits may decline and its ability to maintain or increase its market share may be diminished.

The hospitality industry is cyclical and macroeconomic and other factors beyond the hotel's control can adversely affect and reduce demand for its hospitality products and services.

The hospitality industry is cyclical. Macroeconomic and other factors beyond the Hotel's control can reduce demand for hospitality products and services, including demand for rooms at the Hotel. These factors include (among others): (1) changes and volatility in general economic conditions, including the severity and duration of any downturn in the U.S. or global economy and financial markets; (2) changes in the desirability of particular locations or travel patterns of customers; (3) decreased corporate budgets and spending and cancellations, deferrals or renegotiations of group business (e.g., industry conventions); (4) low consumer confidence and high levels of unemployment; (5) depressed housing prices; (6) the financial condition of the airline, automotive and other transportation-related industries and its impact on travel; (7) decreased airline capacities and routes; (8) travel-related accidents; (9) oil prices and travel costs; and (10) cyclical over-building in the hotel industry. These factors can adversely affect the Hotel's business. How

the Hotel Manager manages any one or more of these factors could limit or reduce demand, or the rates the Hotel is able to charge for rooms or services, which could adversely affect the Hotel's business, results of operations and financial condition. Specifically, if the occupancy rate of the Hotel fluctuates, the operating results of the Hotel portion of the Property could be substantially and adversely affected by the loss of revenue. In the event the cash flow from the Hotel Condo is impacted, the Operating Company may not be able to pay expenses related to the Hotel Condo.

There are unique risks applicable to the management of hotels.

The management of hotels, including the expected management of the hotel, is subject to various unique risks, including the following:

- (1) The success of the any hotel in large part will be dependent upon the ability of the hotel's manager to manage such hotel's business and to comply with the its franchise agreement, if applicable. With respect to the Hotel, the Operating Company will rely on the Hotel Manager's management team to manage the Hotel's business and to comply with the Hotel Management Agreement.
- (2) Stringent state and local licensing/permitting issues (especially with respect to the sale and service of alcohol), stealing, and workman's compensation, "slip and fall" and other claims/lawsuits are typical risks prone to the hotel industry.
- (3) Unanticipated damage to the Hotel could result in a significant loss of revenue or decrease in the value of the Hotel. The Hotel may be subject to liabilities related to the Hotel that are not covered by insurance. For example, an accident at the Hotel for which the Hotel is uninsured or underinsured could have an adverse effect on the value of the Hotel and result in liability.
- (4) The Hotel will be subject to extensive federal, state and local government regulation relating to the Hotel and ancillary uses and the sale of rooms, food and alcohol as well as sanitation, fire, and building codes. Operating costs are also affected by other government actions that are beyond the control of the Hotel Manager, including increases in the minimum hourly wage requirements, workers' compensation insurance rates, unemployment insurance, and payroll taxes. The Hotel will require a number of approvals, licenses, and permits in the operation of its business, including licenses/permits for the sale and service of alcohol. There is no assurance that the various federal, state, and local agencies responsible for granting such licenses, approvals, and permits will do so or that, once granted, they will not be revoked.
- (5) The Hotel Manager will employ all of the Hotel's employees. The Hotel is not expected to have any unions. However, all hotels are subject to union organizing efforts, especially hotels in urban areas in larger cities such as Las Vegas. If any of the Hotel's employees became part of a union, this would have a material adverse effect on the profitability of the Hotel.
- (6) The Hotel's business and operations will be dependent upon the efforts and experience of the Hotel Manager's management team. Loss of the services of any of these key individuals could have a material adverse effect on the Hotel's business and operations. The Hotel's business and operations will also depend in part on the ability to attract and

retain qualified hotel management and other personnel. Competition for these personnel in the Las Vegas market might be intense. There is no assurance that the Hotel can attract and retain these personnel.

- (7) The sale of food, beverages and alcohol and the entertainment of guests will subject the Hotel to product liability and other liability claims that might result in losses. Insurance might not be sufficient to cover these claims.

Although the Hotel Manager has managed hotels in other locations, there are no assurances that the Hotel Manager will be able to successfully operate the Hotel as set forth in the Financial Forecast, attached hereto as Exhibit E.

The success of the Hotel will be dependent on the demand in Las Vegas, Nevada.

The Hotel is situated in Las Vegas, Nevada. As a result, the success of the Hotel will be directly dependent upon the continued demand for hotels in this city. See “**MARKET OVERVIEW**” for a description of the Las Vegas hospitality market.

Leisure and business travel are particularly susceptible to various factors outside of the control of the Fund, the Operating Company, the Hotel Manager.

The success of the Hotel will depend on the willingness of its guests to travel. Acts of terrorism, the spread of contagious diseases, and political and economic events could depress the public’s propensity to travel and cause severe disruptions in air travel and consumer discretionary spending, which could reduce the number of visitors to the Hotel, and have an adverse effect on the Hotel’s results of operations. Many of the Hotel’s guests will travel by air and the impact of higher prices for commercial airline services and availability of air services could cause a decrease in visitation by destination guests to the Hotel. Also, many of the Hotel’s guests may travel by vehicle and higher gasoline prices could adversely impact such guests’ willingness to travel to the Hotel. Higher travel costs may also affect the amount that guests are willing to spend at the Hotel and could negatively impact the Hotel’s revenue.

Risks Specific to the Casino Condo

While the Fund is merely a landlord with respect to the Casino portion of the Property, and will not itself operate the Casino, it is subject, directly and indirectly, to many of the risks faced by casino operators generally. Those risks applicable to casino operators, and thus indirectly applicable to the Fund, include the following:

The Fund will rely on the Casino Operator to manage the Casino and pay rent to the Fund.

The Fund and Affiliate Fund will enter into the Casino Lease with a qualified gaming operator to fit out the Casino and operate the Casino pursuant to a lease

The Property Owner will enter into a lease with the Casino Operator. During the term of that lease, the Tenant will have the exclusive right to manage and operate the Casino. If the Tenant is not successful in operating and managing the Casino, then it may be unable to pay rent to the Fund, which may have a material adverse effect on the Fund’s ability to make distributions to Investors.

If the Casino Operator is unable to effectively compete against its competitors, its profits will decline and its ability to pay rent to the Fund may be diminished.

The gaming industry is highly competitive and the Casino Operator's competitors vary considerably in size, quality of facilities, number of operations, brand identities, marketing, and growth strategies, financial strength and capabilities, level of amenities, management talent, and geographic diversity. The Casino Operator also competes with other non-gaming resorts and vacation areas, and with various other entertainment businesses. The Casino Operator's competitors may have substantially greater financial, marketing, or other resources than we do, and there can be no assurance that they will not, in the future, engage in aggressive pricing action to compete with us. Although the Fund and Affiliate Fund anticipate selecting a Casino Operator with a history of successful casino operations, there can be no assurance that the Casino Operating will be able to continue competing effectively in the Las Vegas market, or that the Casino will be capable of maintaining or further increasing its market share. The Casino Operator's failure to successfully compete in Las Vegas or other markets could adversely affect its business, financial condition, results of operations, and cash flow, which may have a material adverse effect on the Casino Operator's ability to make rent payments to the Fund pursuant to the Casino Lease, and correspondingly the Fund's ability to make distributions to Investors.

Reduction in discretionary consumer spending resulting from a downturn in the national economy, the volatility and disruption of the capital and credit markets, adverse changes in the global economy and other factors could negatively impact the Casino Operator's financial performance, its ability to access financing and pay rent to the Fund, which may have a material adverse effect on the Fund's ability to make distributions to Investors.

Changes in discretionary consumer spending or consumer preferences are driven by factors beyond the Fund's control, such as perceived or actual general economic conditions; high energy, fuel and other commodity costs; the cost of travel; a soft job market; an actual or perceived decrease in disposable consumer income and wealth; increases in gaming taxes or fees; fears of recession and changes in consumer confidence in the economy; and terrorist attacks, disease outbreaks, or other global events. The casino business is particularly susceptible to any such changes because casino properties offer a highly discretionary set of entertainment and leisure activities and amenities. Gaming and other leisure activities represent discretionary expenditures and participation in such activities may decline if discretionary consumer spending declines, including during economic downturns, during which consumers generally earn less disposable income.

During periods of economic contraction, revenues may decrease while most of a casino's costs remain fixed and some costs even increase, resulting in decreased revenues.

The Casino Operator faces the risk of fraud and cheating.

Gaming customers may attempt or commit fraud or cheat in order to increase winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in the Casino Operator's gaming operations. In addition, negative publicity related to such schemes could have an adverse effect on the Casino Operator's (and our)

reputation, potentially causing a material adverse effect on business, financial condition, results of operations and cash flows.

The Casino Operator is subject to extensive governmental regulation and taxation policies, the enforcement of which could adversely impact its business, financial condition and results of operations.

The Casino Operator is subject to extensive regulation including gaming regulations and anti-money laundering regulations, and political and regulatory uncertainty. Regulatory authorities in the jurisdictions in which it operates have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit the gaming or other licenses of casino properties, impose substantial fines and take other actions, any one of which could adversely impact our Casino Operator's business, financial condition and results of operations. Furthermore, interpretations of laws and local regulations and ordinances on which we rely may change or be made conditional on certain other factors, which could adversely impact our Casino Operator's business, financial condition and results of operations.

From time to time, individual jurisdictions have also considered legislation or referendums, such as bans on smoking in casinos and other entertainment and dining facilities, which could adversely impact the operations of casino properties. The likelihood or outcome of legislation cannot be predicted, though any smoking ban would be expected to negatively impact our Casino Operator's financial performance.

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. From time to time, various state and federal legislators and officials have proposed changes in tax laws, or in the administration of such laws, including increases in tax rates, which would affect the industry. If adopted, such changes could adversely impact our Casino Operator's business, financial condition and results of operations.

Work stoppages and other labor problems could negatively impact our Casino Operator's future profits.

The Casino is not expected to have any unions. However, all casinos are subject to union organizing efforts, especially casinos in Las Vegas. Thus, some of the employees at the Property may become part of a union. A lengthy strike or other work stoppage could have an adverse effect on our business and results of operations.

Our Casino Operator may extend credit to a portion of its customers and may not be able to collect gaming receivables from its credit players.

Our Casino Operator will conduct its gaming activities on a credit and cash basis. Any such credit is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. Our Casino Operator may extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on its results of operations if deemed uncollectible. While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which our Casino Operator

allows play on a credit basis and judgments in such jurisdictions on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

Theoretical win rates for casino operations depend on a variety of factors, some of which are beyond our Casino Operator's control.

The gaming industry is characterized by an element of chance. Accordingly, our Casino Operator employs theoretical win rates to estimate what a certain type of game, on average, will win or lose in the long run. In addition to the element of chance, theoretical win rates are also affected by the spread of table limits and factors that are beyond control, such as a player's skill and experience and behavior, the mix of games played, the financial resources of players, the volume of bets placed and the amount of time players spend gambling. As a result of the variability in these factors, the actual win rates at the casino may differ from theoretical win rates and could result in the winnings of our gaming customers exceeding those anticipated. The variability of these factors, alone or in combination, have the potential to negatively impact our actual win rates, which may adversely affect our business, financial condition, results of operations and cash flows.

Insurance coverage may not be adequate to cover all possible losses our Casino Operator could suffer, and, in the future, its insurance costs may increase significantly or it may be unable to obtain the same level of insurance coverage.

Our Casino Operator may suffer damage to the Property caused by a casualty loss (such as fire, natural disasters and acts of war or terrorism) that could severely disrupt its business or subject it to claims by third parties who are injured or harmed. Although it will maintain insurance (including property, casualty, terrorism and business interruption insurance), that insurance may be inadequate or unavailable to cover all of the risks to which our business and assets may be exposed. Should an uninsured loss (including a loss which is less than our Casino Operator's deductible) or loss in excess of insured limits occur, it could have a significant adverse impact on casino operations and revenues.

Our Casino Operator generally renews insurance policies on an annual basis. If the cost of coverage becomes too high, it may need to reduce our policy limits or agree to certain exclusions from coverage in order to reduce the premiums to an acceptable amount. Among other factors, homeland security concerns, other catastrophic events or any change in the current U.S. statutory requirement that insurance carriers offer coverage for certain acts of terrorism could adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause a reduction in policy limits) and additional exclusions from coverage.

Risks Related to the Anticipated Financing

The terms of any mortgage loan will not be finalized until after the Offering has commenced.

The Project Manager anticipates selecting a debt broker before the end of 2021 who will secure senior construction financing for the Project. The Project Manager expects to secure such financing in Q2

2022 prior to the start of construction. The Project Manager will have the discretion to procure a construction loan to complete the development, construction and stabilization of the Project. Upon substantial completion and stabilization of the Project, the Operating Company may procure a permanent mortgage loan on the Hotel Condo. The selection of any lender and the terms of any indebtedness will be determined by the Project Manager in its discretion pursuant to the terms of the OpCo Agreement; however, the Project Manager does not intend to permit the Operating Company to incur any indebtedness that would cause its total debt to equity ratio to exceed 70:30. Because the terms of any mortgage loan will not be finalized until after the Offering has commenced, the terms and conditions of any such loan may vary, perhaps substantially, from what is disclosed herein.

Mortgage debt reduces the funds available for other purposes, and increases the risk of loss.

The Operating Company is permitted to incur mortgage debt by obtaining loans secured by the Property. Principal and interest payments reduce cash that would otherwise be available for other purposes. Further, incurring mortgage debt increases the risk of loss because defaults on indebtedness secured by the Property may result in foreclosure actions initiated by the lender and the loss of the Property. For tax purposes, a foreclosure is treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds the tax basis in the Property, the Fund would recognize taxable income on foreclosure, but would not receive any cash proceeds. The Fund may provide full or partial guarantees to lenders of mortgage debt to the Operating Company. In this case, the Fund will be responsible to the lender for satisfaction of the debt if it is not paid by the Operating Company.

Volatility and uncertainty in the market will impact the Operating Company's ability to borrow monies.

The Operating Company may not be able to obtain financing for investments on acceptable terms and conditions, if at all. Volatility and uncertainty in the market will impact the Operating Company's ability to borrow monies to fund costs related to the Project. If the Operating Company is unable to borrow monies on acceptable terms and conditions, it may have a material and adverse impact on the ability of the Companies to develop and realize income from the Project. Additionally, the reduction in equity and debt capital resulting from turmoil in the capital markets has resulted in fewer buyers seeking to acquire commercial properties leading to lower property values and the continuation of these conditions could adversely impact the timing and ability to sell the Property.

Any future increases in interest rates could impact operating cash flow and the Fund's ability to make distributions.

The Operating Company may borrow money that bears interest at a variable rate. In addition, from time to time, the Operating Company may pay a mortgage loan or refinance the Property in a rising interest rate environment. Accordingly, increases in interest rates could increase interest costs, which could have a material adverse effect on operating cash flow and the Fund's ability to make distributions.

Any loan documents are anticipated to contain various restrictive covenants, and if the Operating Company fails to satisfy or violate these covenants, the lender may declare the loan in default.

When providing financing, a lender may impose restrictions on the Operating Company that affects distributions, operating policies and ability to incur additional debt. Loan documents may contain covenants that limit the Operating Company's ability to further mortgage the Property or affect other operational policies. Such limitations would hamper the Operating Company's flexibility and may impair its ability to achieve operating plans.

Risks Related to the Management of the Property

The Operating Company will rely on the Hotel Manager to manage the Hotel.

The Property Owner has entered into the Hotel Management Agreement (which will be assigned to the Operating Company) with the Hotel Manager for the operation and management of the Hotel. During the term of the Hotel Management Agreement, the Hotel Manager will have the exclusive right to manage and operate the Hotel. The Hotel Manager may also retain independent contractors, which may be affiliates, to provide services. Accordingly, a prospective Investor should not purchase Units unless he, she or it is willing to entrust all such aspects of management and operation of the Hotel to the discretion of the Hotel Manager. See "MANAGEMENT" for additional information regarding the Hotel Manager. If the Hotel Manager is not successful in operating and managing the Hotel, then an Investor's Units may be adversely impacted, and the Investor may not achieve the expected return, if any, on his, her or its Units.

The Sponsor, the Project Manager, the Manager and the Asset Manager are, or will be, subject to various conflicts of interest.

The Sponsor, the Project Manager, the Manager and the Asset Manager, and their respective affiliates are, or will be, subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Companies and the Operating Company. Conflicts exist in allocating management time, services and functions between their current and future activities and the Companies and the Operating Company. None of the management arrangements or agreements between or with such entities is the result of arm's-length negotiations.

The Hotel Manager will receive compensation, regardless of whether Investors have received distributions.

The Hotel Manager will be entitled to receive significant fees and other compensation, payments and reimbursements regardless of whether the Operating Company is profitable. Certain of those fees will be paid prior to any distributions by the Operating Company. See "COMPENSATION TO THE SPONSOR AND ITS AFFILIATES."

Risks Related to the Fund Structure

Investors have limited control over the management of the Operating Company and Fund.

The Project Manager is responsible for the operation of the Operating Company under the OpCo Agreement. The Manager is responsible for the operation of the Fund under the Fund Agreement. It is anticipated that the Asset Manager will provide asset management services on behalf of the Fund.

Under the terms of the OpCo Agreement, except for situations in which the approval of the OpCo Members is expressly required by the OpCo Agreement or by nonwaivable provisions of the Delaware Limited Liability Company Act, the Project Manager has full and complete authority, power and discretion to manage and control the business, affairs and properties of the Operating Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to managing the business and affairs of the Operating Company.

Under the terms of the Fund Agreement, except for situations in which the approval of the members is expressly required by the Fund Agreement or by nonwaivable provisions of the Delaware Limited Liability Company Act, the Manager has full and complete authority, power and discretion to manage and control the business, affairs and properties of the Fund, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to managing the business and affairs of the Fund.

The Investors will have no right to participate in the management of the Companies or in the decisions made by the Project Manager or Manager. The Project Manager will retain ultimate responsibility for all decisions relating to the operation and management of the Operating Company. The Project Manager is under no obligation to make any decision, including with respect to any prospective sale of the Property, in accordance with the wishes of the Investors. The Manager will retain ultimate responsibility for all decisions relating to the operation and management of the Fund.

With respect to the Operating Company, the Project Manager may not be removed or replaced by the Investors. The Property Manager may only be removed for Cause by the Members holding at least seventy-five percent (75%) of Units. Notwithstanding the forgoing, the Property Manager may only be removed with its prior written consent until the Manager and each of its affiliates have been fully removed from any guarantee or indemnity obligations they may have with respect to any loan of the Operating Company or for the benefit of the Property. Any successor manager may be removed with or without Cause by the OpCo Members holding a majority of Units. In the event of a vacancy in the office of the Project Manager occurring for any reason, a Supermajority will be entitled to select a successor manager.

With respect to the Fund, the Manager may not be removed or replaced by the Investors. The Manager may only be removed for Cause by the Members holding at least seventy-five percent (75%) of Units. Notwithstanding the forgoing, the Manager may only be removed with its prior written consent until the Manager and each of its affiliates have been fully removed from any guarantee or indemnity obligations they may have with respect to any loan of the Fund or the Operating Company or for the benefit of the Property. Any successor manager may be removed with or without Cause by the Members holding a majority of Units. In the event of a vacancy in the office of the Manager occurring for any reason, a Supermajority will be entitled to select a successor manager.

Accordingly, a prospective Investor should not purchase Units unless he, she or it is willing to entrust all such aspects of management and operation of the Fund to the discretion of the Manager and of the Operating Company to the discretion of the Project Manager. See “**MANAGEMENT**” for additional information regarding the Manager and Project Manager. If the Project Manager is not successful in operating and managing the Operating Company, then an Investor’s Units may be adversely impacted, and the Investor may not achieve the expected return, if any, on his, her or its Units.

The Manager has limited duties to Investors, and may take actions that are not in the best interests of the Investors.

The Manager does not owe any duties to the Investors other than those provided for in the Fund Agreement. The Fund Agreement provides that the Manager is not liable, responsible or accountable to the Fund or any of the Members (1) for mistakes of judgment, or for other acts or omissions not amounting to willful misconduct or gross negligence, or for losses or liabilities due to such mistakes or other acts or omissions, so long as it acted in good faith and in a manner it reasonably believed to be in the best interests of the Fund, or (2) due to the negligence, dishonesty or bad faith of any other agent, employee or independent contractor retained or engaged to provide services, provided that reasonable care was exercised in selecting, employing, supervising or appointing such person.

See also, “**RISK FACTORS** – *Risks Related to the Management of the Property – The Sponsor, the Project Manager, the Manager, the Asset Manager and the Hotel Manager are, or will be, subject to various conflicts of interest.*”

Investors will not have legal title to the Property.

Investors will not have legal title to the Property. The Investors will not have the right to seek an in-kind distribution of the Property or divide or partition the Property. The Investors do not have the right to sell the Property.

The Asset Manager will receive compensation, regardless of whether Investors have received distributions.

The Asset Manager, as the Manager’s designee, will be entitled to receive significant fees and other compensation, payments and reimbursements regardless of whether the Companies are profitable. Certain of those fees will be paid prior to any distributions to the Investors. See “**COMPENSATION TO THE SPONSOR AND ITS AFFILIATES.**”

Risks Related to the Offering

There is no public market for Units.

An Investor will be required to represent that he, she or it is acquiring Units for investment purposes and not with a view to distribution or resale, and he, she or it can bear the economic risk of investment in the Property for an indefinite period of time. Units are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, Units will be subject to restrictions on transfer. Even if these transfer restrictions expire or are not applicable to a particular Investor, there is no public market for Units, and neither the Sponsor nor the Fund will take any steps to develop a market. Investors should expect to hold their Units for a significant period of time.

Units are not registered with the SEC or any state securities commissions.

Units have not been, and will not be, registered with the SEC or any state securities commission. Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. Since this is a nonpublic offering and, as such, is not registered under federal

or state securities laws, a prospective Investor will not have the benefit of review or comment by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

If the Fund fails to comply with the requirements of the exemptions related to Units, the Fund could suffer material adverse effects.

Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. If the Fund should fail to comply with the requirements of such exemption, Investors may have the right, if they so desired, to rescind their purchase of Units. This might also occur under the applicable state securities laws and regulations in states where Units will be offered without registration or qualification pursuant to a private offering or other exemption. If this were the case and a number of Investors were successful in seeking rescission, the Fund would face severe financial demands that would adversely affect the Fund as a whole and, thus, the investment in Units by the remaining Investors.

An Investment in Units is not a diversified investment.

An Investor will acquire Units in the Fund, which will own the Property. Thus, an investment in Units will not be diversified as to geographic location, type of property or otherwise.

Investors may not realize a return on their investment for years, if at all.

An Investor may not realize a return on his, her or its investment and could lose the entire investment. For this reason, a prospective Investor should carefully read this Memorandum and should consult with his, her or its attorney, tax advisor, and business advisor prior to making the investment.

The Fund is not providing the prospective Investor with separate legal, tax, accounting or business advice or representation.

The Fund, the Manager and their respective affiliates are not represented by separate counsel. Further, the Fund's and the Manager's counsel and accountants have not been retained, and will not be available, to provide legal counsel, tax advice or accounting advice to a prospective Investor.

If all of Units are not sold, the Sponsor or its affiliate will own the unsold Units, which could result in potential conflicts of interest.

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with the Offering. Accordingly, if the Fund is unable to sell all of Units, a Sponsor affiliate will own any unsold Units or may transfer unsold Units to its affiliates. The ownership of Units by these entities involves certain risks that potential Investors should consider, including, but not limited to, the fact that there may be conflicts of interest between the objectives of the Investors and those of the Sponsor and its affiliates, or, if the Offering is not fully subscribed, that a significant amount of Units will not have been acquired by disinterested investors after an assessment of the merits of the Offering.

Tax Risks – In General

There are substantial risks associated with the federal income tax aspects of a purchase of Units. The following risk factors summarize some of the tax risks to an Investor. Investors who are making an investment in the Fund of proceeds of a sale intended to qualify for deferral of gain pursuant to Code Section 1400Z-2 should also review the risk factors described under “RISK FACTORS – *Tax Risks Related to Qualified Opportunity Funds*” below. It is not possible to describe all of the tax risks that might arise for a Member. A further discussion of the tax aspects (including other tax risks) of a purchase of Units and becoming a Member of the Fund is set forth under “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS”. **Because the tax aspects of the Offering are complex, each prospective Investor is strongly encouraged to consult with and must rely exclusively on his, her or its own tax advisor about this Offering’s tax aspects, both generally and in light of his, her or its individual situation. The tax discussion herein is not intended, and should not be construed, as tax advice to any potential Investor. No representation or warranty of any kind is made with respect to the acceptance by the IRS of the treatment of any item by an Investor. The Fund will not seek any rulings from the IRS regarding any of the tax issues discussed herein.**

Potential publicly traded partnership or corporation classification would be detrimental to the Fund and could result in reduced distributions to the Investors.

The Fund will take the position that it is a partnership under applicable income tax laws. This means that the Fund itself generally will not be subject to income taxation, but that instead the taxable income and loss of the Fund will be reportable by, and taxable to, the Members (including the holders of Units).

If a secondary trading market develops for Units that exceeds a certain level, the IRS may determine that the Fund is a “publicly traded partnership” and hence, under certain circumstances, taxed as a corporation. The IRS has promulgated safe harbor provisions which allow for a minimal level of public trading on the secondary market without classification as a “publicly traded partnership.” Due to the complex nature of these provisions and the lack of interpretive guidance with respect to those provisions, there is no assurance that the Fund will be able to avoid being treated as a “publicly traded partnership” if a secondary market for Units develops. The Fund has not asked and does not intend to ask the IRS for a ruling regarding its tax status.

If the Fund were to be classified as a “publicly traded partnership,” it could be taxable as a corporation. In that case, the Fund’s net income would be taxable to the Fund, all items of income, gain, loss, deduction and credit would be reflected only on the Fund’s corporate income tax return and would not be passed through to the Investors and distributions to each Investor would be treated as ordinary dividend income to the extent of the Fund’s current or accumulated earnings and profits, and treated as capital gain to the extent distributions exceed current and accumulated earnings and profits and the Investor’s tax basis in Units.

If the IRS were to challenge the Fund’s status as a partnership and attempt to tax the Fund as a corporation, the Fund may contest the determination during IRS administrative proceedings and/or in court. This could lead to legal expenses and, if the Fund did not succeed during the administrative proceedings and lost the court case, the Fund would be subject to additional tax liabilities and the Members would not receive the benefits of partnership taxation. In addition, the Fund’s cash available for distribution to the

Members could be reduced. Therefore, the treatment of the Fund as a corporation could result in a material reduction in the anticipated cash flow and after-tax return to the Members and therefore result in a substantial reduction in the value of Units.

Furthermore, current law or the Fund's business operations may change causing the Fund to be treated as a corporation for U.S. federal income tax purposes or otherwise subjecting the Fund to entity level taxation. Additionally, because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise, or other forms of taxation. If any applicable state were to impose a tax upon the Fund as an entity, the cash available for distribution to the Members would be reduced. States may or may not follow the Federal rules on qualified opportunity funds.

The IRS could reallocate items of income, gain, loss, deduction and credit.

The IRS may successfully challenge the Fund's allocations of tax attributes and reallocate them in a manner that could negatively impact its Members. If the IRS successfully challenges the allocations, Members may be required to report greater taxable income or less taxable loss, file amended returns, and pay additional tax, possibly including penalties and interest.

The IRS may not allow the Fund to deduct certain fees and expenses that it pays.

If the IRS were to disallow any material portion of the Fund's fees and expenses, then the amount of the Fund's taxable income allocated to its Members will increase without an associated increase in net cash from operations to distribute to the Members. The classification of fees and expenses into proper categories and the determination of whether certain fees and expenses are ordinary and necessary and reasonable in amount depends upon facts relating to, and existing at the times, the services are to be rendered. Thus, the Fund cannot predict the outcome if the IRS were to challenge the deductibility or timing of deduction or amortization of those fees and expenses.

The deductibility of losses may be limited.

Investors will be allocated their pro rata share of the Fund's tax losses. To the extent that tax losses allocated to Members who are individuals, trusts, estates, closely held C corporations, or personal service corporations are characterized as passive losses, which arise from passive activities, the deductibility of those losses will be limited. Passive activities include: (1) any activity which involves the conduct of any trade or business in which the taxpayer does not "materially participate" (a statutorily-defined test); and (2) rental activities (subject to an exception for taxpayers who qualify as real property operators under certain statutory tests). Passive losses may not be used to offset "portfolio income" (such as interest, dividends, annuities, and royalty income) or active business income. Accordingly, Members who are individuals, trusts, estates, closely held C corporations, or personal service corporations may receive no current benefit from their share of passive tax losses unless they are currently being allocated passive income from other sources.

In addition, each Member who is an individual or, in certain cases, a C corporation, may not be able to deduct losses that exceed the lesser of (a) the Member's adjusted income tax basis in his, her or its Units at the end of the tax year, and (b) the amount that the Member is considered "at risk" with respect to his, her or its Units (if the "at risk" rules apply to the Member). A Member is considered "at risk" for the

amount of money and the adjusted tax basis of property that the Member contributes to the Fund, plus the Member's proportionate share of the Fund's "qualified nonrecourse financing" and any of the Fund's debt that is treated as recourse to the Member. If a Member is allocated losses in excess of his, her or its adjusted income tax basis in his, her or its Units or amount at-risk, then the losses are suspended and may not be used to offset income from other sources until the Member's adjusted income tax basis or amount at-risk is subsequently increased.

Finally, under Pub. L. 115-97 (commonly referred to as the "Tax Cuts and Jobs Act of 2017") (the "TCJA"), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), for tax years beginning after December 31, 2020, excess business losses of a Member that is not a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the Member's net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the Member attributable to his, her or its trades or businesses over the sum of the Member's aggregate gross income or gain plus a threshold amount. The threshold amount for 2021 is \$262,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership such as the Fund, the provision applies at the Member level. The provision applies after the application of the passive loss rules. Thus, a Member's excess business losses may be limited.

Business interest deductions arising from any future loans on the Property may be limited unless a special tax election is made, which election may reduce depreciation deductions available to the Investors in the absence of such election.

The Fund and/or the Operating Company may obtain a loan secured by the Property (a "Loan") and, if one of the entities does obtain a Loan (such entity, the "Borrower Entity") then it is expected to pay a considerable amount of interest with respect to the Loan. Each Investor would be considered to have paid his, her or its *pro rata* share of such interest. However, pursuant to certain provisions of the TCJA, if the Borrower Entity has average annual gross receipts in excess of \$100 million, then its business interest deductions (including deductions for interest on a Loan) may be deferred to the extent that they exceed the sum of thirty percent (30%) of the partnership's "adjusted taxable income" ("ATI," and such limit, the "ATI Limit") plus certain types of business interest income of the Borrower Entity (the "Business Interest Limitation"). The Business Interest Limitation is applied at the Fund (if the Fund is the Borrower Entity) or Operating Company (if the Operating Company is the Borrower Entity) level. See "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Limit on Business Interest Deductions.*" Thus, an Investor's *pro rata* share of business interest deductions from the Borrower Entity may be limited.

If the Business Interest Limitation applies to the Borrower Entity, then the Borrower Entity's manager or general partner may make an election (the "Real Property Business Election") to treat the Borrower Entity's trade(s) and/or business(es) as an electing real property trade or business. If the Borrower Entity makes a Real Property Business Election, then an Investor's share of any interest paid or accrued on a Loan will not be subject to the Business Interest Limitation. However, if the Borrower Entity makes a Real Property Business Election, then the Borrower Entity will be required to depreciate the Property using the straight-line method under longer recovery periods (from 39 years to 40 years for nonresidential property, from 27.5 years to 30 years for residential real property, and from 15 years to 20 years for qualified improvement property). In addition, the Borrower Entity will be ineligible to claim any bonus depreciation deductions under Code Section 168(k) that it may have otherwise been eligible to claim with respect to the

Property. See “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Limit on Business Interest Deductions.*” Thus, an Investors *pro rata* share of depreciation deductions from the Borrower Entity may be limited.

Income and gain from passive activities may be subject to the Medicare contributions tax.

Certain Investors who are U.S. individuals, estates, or trusts (including those that would own their Units through an entity treated as a partnership or S corporation for U.S. income tax purposes) are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the lesser of (1) “net investment income” for the relevant taxable year and (2) the excess of modified adjusted gross income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (a) the undistributed “net investment income” for the relevant tax year and (b) the excess of the “adjusted gross income” for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. Among other items, “net investment income” generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

Taxation on disposition of Units will cause Members (other than those Members who have deferred gain pursuant to Code Section 1400Z-2, who hold their Units for at least 10 years and who so elect) to recognize taxable income or gain.

If a Member sells or otherwise disposes of Units, the Member will or may recognize taxable income (or loss) equal to the difference between the consideration received and his, her or its tax basis in Units.

Prior distributions to a Member in excess of the total net taxable income allocated to him, her or it with respect to his, her or its Units will decrease his, her or its tax basis in such Units. As a result, a Member’s tax basis in his, her or its Units may be less than his, her or its original purchase price for such Units, and such Member may recognize income even though the consideration he, she or it receives is less than or equal to his, her or its purchase price for his, her or its Units.

Generally, the gain or loss from the taxable disposition of Units is treated as capital gain or loss, but such characterization depends on the Fund’s assets held and the income. Accordingly, some portion of the gain or loss realized on the disposition of Units may be characterized as ordinary income or loss.

An Investor should expect to use funds from other sources to satisfy tax liabilities.

Investors should expect to have pay U.S. federal income taxes and, in some cases, state and local income taxes on their share of the Fund’s taxable income even in the absence of any cash distribution from the Fund. This will occur because cash flow from the Property may be used to fund nondeductible operating or capital expenses of the Property, including reserves, that are not offset by depreciation or other deductions. In addition, a sale or exchange of the Property could result in ordinary income, depreciation recapture or capital gain to an Investor without any accompanying net cash proceeds from the sale or disposition of the Property to pay income taxes on such items. If this were to occur, Investors would have to use funds from other sources to satisfy their tax liabilities.

The Fund might be audited, which could result in increased tax, interest, and penalties.

The IRS may audit the Fund's federal income tax returns, which could result in a related audit of a Member's tax return. If the Fund is audited, the tax treatment of all items of the Fund's income, expense, gain or loss may change, which would result in revised allocations of these items to Members. The Manager (acting as its partnership representative) will be primarily responsible for contesting any federal income tax adjustments. In this connection, the Project Manager may extend the statute of limitations as to all Members and may bind each Member to a settlement with the IRS.

Schedules K-1 may for any given fiscal year may not be available until after April 15th of the following year.

The Fund may not be able to provide final Schedules K-1 to the Members for any given fiscal year until after April 15th of the following year. The Manager will endeavor to provide the Members with final Schedules K-1 or with estimates of the taxable income or loss allocated to their investment in the Fund on or before such date, but final Schedules K-1 may not be available until the Fund has received the tax-reporting information necessary to prepare final Schedules K-1. Members may be required to obtain extensions of time to file their U.S. federal, state, and local income tax returns (which do not provide Members with an extension of time to pay any tax that may be due on such tax returns). Each prospective Investor should consult with his, her or its own advisor as to the advisability and tax consequences of an investment in the Fund.

State, local and other taxes may differ.

In addition to U.S. federal income taxes, Members will likely be subject to other taxes, including state and local taxes, unincorporated business taxes, and estate, inheritance, gift or intangible taxes that are imposed by the various jurisdictions, including jurisdictions in which the Fund does business or owns property now or in the future, even if the Members do not reside in any of those jurisdictions. Members will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these jurisdictions. Further, Members may be subject to penalties for failure to comply with those requirements. It is the responsibility of each Member to file all U.S. federal, state, local and foreign tax returns that may be required of such Member. Special Tax Counsel has not advised in any manner on the state or local tax consequences of an investment in Units.

Future legislative or regulatory action may adversely impact the Fund.

In recent years, numerous legislative, judicial, and administrative changes have been made to the federal income tax laws applicable to investments, including Units. Additional changes to the tax laws may continue to occur and may adversely affect the tax treatment of owning Units. There can be no assurance that changes in existing legislation and/or IRS guidance (including Treasury Regulations), or new legislation and/or IRS guidance, will not modify the tax consequences of owning Units, or that changes or modifications in existing judicial decisions and/or in applicable state or local tax laws will not substantially (and unfavorably) modify the tax treatment outlined in this Memorandum or the consequences that may arise from such changes or modifications.

Tax Risks Relating to Qualified Opportunity Funds

In addition to reading the following risk factors, see “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS” below for a more complete discussion of material federal income tax considerations with respect to an investment in the Fund.

A failure to meet the requirements of Code Section 1400Z-2 will result in the Investor’s not being entitled to any of the tax benefits described in Code Section 1400Z-2.

An Investor seeking to defer and reduce federal income tax on gain by investing in Units must satisfy the requirements of Code Section 1400Z-2. Generally, Code Section 1400Z-2 provides that an Investor must meet the following requirements: (1) the gain must be from a sale to, or exchange with, an unrelated person of property held by the Investor, (2) taxation with respect to the gain must be deferred at the election of the Investor, (3) the gain must be invested by the investor in a qualified opportunity fund during (in general) the 180-day period beginning on the date of such sale or exchange, (4) an election previously made with respect to the sale or exchange must not be in effect, and (5) the election must be made on or prior to December 31, 2026. On April 9, 2020 and June 4, 2020, the IRS issued Notices 2020-23 and 2020-39, respectively, which together automatically extend until December 31, 2020 the 180-day deadline for Investors whose 180-day deadline would have otherwise come due on or between April 1, 2020 and December 31, 2020 as a result of the COVID-19 pandemic. See “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Potential Deferral of Gain.*” The Fund will not provide any assurance to Investors that their acquisition of Units will meet the requirements of Code Section 1400Z-2. The Fund strongly recommends that Investors discuss compliance with such requirements with their tax advisers. Each Investor is independently responsible for his, her or its own compliance with the provisions of Code Section 1400Z-2. If for any reason an Investor fails to meet the requirements of Code Section 1400Z-2 then, notwithstanding the Fund’s expected initial qualification as, and ongoing compliance with the requirements to remain, a qualified opportunity fund, the Investor will not be entitled to any of the tax benefits described in Code Section 1400Z-2.

There is a lack of precedent and limited guidance related to qualified opportunity funds.

The provisions in the Code and in particular the Opportunity Zone Rules establishing and relating to qualified opportunity funds are relatively new and limited guidance has been issued to date regarding their interpretation and operation. Various aspects of these provisions are unclear and/or incomplete, which limits the ability of the Fund and its Manager to ensure that the Fund is established, and at all times will operate, in accordance with such provisions. Although the Fund believes the Operating Company and the Fund will be established and operate in accordance with the Code and the Regulations, and will regularly consult with its advisors (including its legal counsel and accountants), there can be no assurance that the Fund meets or will continue to meet all of the requirements of the relevant provisions.

In addition, new guidance, new laws and/or changes in existing guidance and laws may require the Fund to modify its operations in order to comply therewith. There can be no assurance that the Fund will be able to or will modify its operations in a timely manner or at all in order to comply with any such changes. Accordingly, there is a risk that the Fund may fail to comply with the relevant qualified opportunity fund provisions of the Code and Regulations and any such failure may result in adverse economic and tax consequences to the Fund and its Members. The Fund also notes that the applicable federal income tax regulations (the “**Income Tax Regulations**”) address various, but not all, of the criteria for the deferral and

possible partial forgiveness of capital gain by reason of an investment in a qualified opportunity fund and for the possible forgiveness of taxation in respect of appreciation in the value of an investment in a qualified opportunity fund.

This Memorandum does not address each and every criterion necessary to achieve the possible tax benefits resulting from an investment in a qualified opportunity fund. Investors are urged to consult, and must rely exclusively on, their own tax advisors with respect to all tax matters involving qualified opportunity funds, including matters not expressly addressed in this Memorandum.

No assurance can be or is given by the Fund, the Project Manager, the Manager, any affiliate of the Manager or Special Tax Counsel that the Fund constitutes a qualified opportunity fund for federal income tax purposes.

The Fund must satisfy numerous technical requirements in order to constitute a qualified opportunity fund. See “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Qualification of the Fund as a Qualified Opportunity Fund.*” Notwithstanding the Tax Opinion of Special Tax Counsel to the Fund, the Fund may not constitute a qualified opportunity fund for a variety of reasons. For example, the Fund may not be able to substantially improve the Casino Condo and/or the Operating Company may not be able to substantially improve the Hotel Condo within the first 30 months of operations, or the Operating Company may need to vary in a meaningful way from its working capital safe harbor plan due to unforeseen circumstances, delays, labor disputes, financing problems, zoning approvals, force majeure events, pandemics, including the COVID-19 pandemic, and other potential issues. Although the IRS has provided some limited relief from some of the technical requirements (see “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Qualification of the Fund as a Qualified Opportunity Fund*”), no IRS guidance provides the full scope of relief that the Fund or the Operating Company may need in order effectively to deal with the COVID-19 pandemic or any other current or future unforeseen circumstances and potential issues. In addition, the Tax Opinion is based on specified facts, assumptions and representations which could turn out to be incorrect, and various judgments that the went into the Tax Opinion may turn out to be incorrect, which could result in the Fund’s not constituting a qualified opportunity fund.

If the Fund is not a qualified opportunity fund, then no deferral or elimination of taxable gain will be available to the Members of the Fund. Investors should also note that a tax opinion is not a guarantee of tax consequences. No ruling will be sought from the IRS with respect to the status of the Fund as a qualified opportunity fund. No assurance can be or is given by the Fund, the Project Manager, any affiliate of the Project Manager or Special Tax Counsel that the Fund constitutes a qualified opportunity fund for federal income tax purposes. The Tax Opinion does not address any requirement for the deferral or elimination of gain other than the status of the Fund as a qualified opportunity fund.

There are limitations on non-qualified opportunity zone property holdings and the Fund may incur a penalty if it does not comply with the limitations and lacks good cause for its failure to comply.

A qualified opportunity fund is subject to the requirement that it hold at least ninety percent (90%) of its assets in “qualified opportunity zone property,” determined by the average of the percentage of qualified opportunity zone property held (1) on the last day of the first 6-month period of the fund’s taxable year and (2) on the last day of the fund’s taxable year (the “**90% Good-Asset Requirement**”). Qualified opportunity zone property includes “qualified opportunity zone partnership interests” and “qualified

opportunity zone business property” as well as corporate stock meeting certain requirements. The Casino Condo owned by the Fund is intended to constitute qualified opportunity zone business property, and the Units are intended to constitute a qualified opportunity zone partnership interests. A working capital safe harbor is available to the Operating Company with respect to the Hotel but not to the Fund with respect to the Casino. Among other things, this means that the Fund is limited as to the amount of intangible property and financial assets it may hold.

Failure of the Fund to comply with the 90% Good Asset Requirement will subject the Fund to penalties for each month the Fund fails to meet the requirement equal the product of (a) the excess of (i) an amount equal to its aggregate assets, over (ii) the aggregate amount of qualified opportunity zone property the Fund holds, multiplied by (b) the interest rate in respect of underpayments of federal income taxes for each such month. Because the Fund is a partnership, the foregoing penalty will be taken into account proportionately by each Member of the Fund. However, the Fund will not be subject to a penalty if the Fund is able to demonstrate that its failure to comply with the 90% Good Asset Requirement was due to “reasonable cause.” No assurance can be or is given by the Fund, the Project Manager, any affiliate of the Project Manager or Special Tax Counsel that the Fund will meet the 90% Good Asset Requirement on all testing dates or that it will have reasonable cause for failing to do so.

Investors who hold their Units in the Fund through December 31, 2026 will automatically recognize some or all of the federal income tax gain that they deferred no later than December 31, 2026.

Investors who hold their Units in the Fund through December 31, 2026 and who have deferred gain through that time pursuant to Code Section 1400Z-2 by acquiring their Units will automatically recognize the federal income tax gain that they deferred no later than December 31, 2026 (see “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Potential Deferral of Gain*” below for further discussion of the Code Section 1400Z-2 requirements; see “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Basis of Investors in Units*” below for a discussion of potential reduction of gain for investments held for five years or longer). Accordingly, Investors will be required to pay U.S. federal income taxes with respect to such gain, whether or not they receive cash distributions from the Fund. Investors may therefore be required to pay such taxes out of pocket without cash distributions from the Fund sufficient to pay such amounts. The tax attributes of capital gain that is deferred by Investors (*e.g.*, as long term or short term) will be preserved and will apply when a taxpayer ultimately reports such gain (including, if applicable, on December 31, 2026), and such gain will be taxable at the tax rate in effect at the time the gain is taxed.

An early liquidation of the Operating Company or the Fund and/or sale of the Hotel or the Casino could result in tax.

Although the Fund intends that the Casino, the Units, and the Hotel will be held for at least 10 years, circumstances may warrant a sooner liquidation of the Fund, sale by the Fund of its interest in the Casino Condo, liquidation of the Operating Company, and/or sale by the Operating Company of the Hotel Condo. Any such liquidation and/or sale, or a sale of assets included in the Casino or Hotel, could or would result in tax to Investors.

The failure of the tenancy in common arrangement with respect to the Casino Condo to be respected as such for income tax purposes may adversely affect the Fund.

In order to optimize the Fund's compliance with the income tax rules applicable to Opportunity Funds, the Fund intends to own its interest in the Casino Condo indirectly as an undivided interest in real estate as opposed to an interest in a partnership (or a qualified opportunity zone business) for federal income tax purposes. The determination of whether the Fund's interest in the Casino Condo will be treated for federal income tax purposes as ownership in real estate and not as an interest in a partnership is dependent upon all of the surrounding facts and circumstances. On March 19, 2002, the IRS issued Revenue Procedure 2002-22, which states that it will consider issuing rulings under Section 1031 for exchanges which involve an undivided fractional interest in real property, and provides certain conditions that generally must be met to receive a favorable advance ruling. While Revenue Procedure 2002-22 does not purport to provide substantive rules for co-ownership arrangements, it does indicate where the IRS would be willing to issue a favorable ruling on a specific co-ownership structure.

Revenue Procedure 2002-22 provides fifteen conditions that generally must be satisfied before the Service will consider a co-ownership structure for a favorable ruling. The conditions generally are:

- Co-owners must hold legal title to the property as tenants-in-common under local law, directly or indirectly through a disregarded entity.
- The number of co-owners must be limited to no more than 35 persons.
- The co-ownership may not file a partnership or corporate tax return, conduct business under a common name, may not execute a partnership or limited liability company agreement and may not otherwise hold itself out as a partnership or other form of business entity.
- The co-owners may enter into a limited co-ownership agreement that may run with the land.
- Major decisions such as sale, lease, financing, refinancing and the appointment of managing agents must be approved unanimously.
- Each co-owner must have the right to transfer, partition and encumber the co-owner's undivided interest in the property without the approval of any person (although lender-mandated restrictions are generally not prohibited). However, a right to partition may be made subject to a prior right of first offer to other co-owners, the program sponsor or the lessee at fair market value.
- If the property is sold, any mortgage debt must be satisfied and the remaining sales proceeds must be distributed to co-owners in accordance with their undivided interests in the property.
- Co-owners must share in all revenues and all expenses of the property in proportion to their undivided interests.
- Mortgage debt generally must be shared in accordance with the co-owners undivided interests.
- A co-owner may issue a call option to purchase its undivided interest as long as the exercise price is at fair market value at the time that the option is exercised (fair market value is determined with reference to the market value of the property as a whole, multiplied by the co-owner's undivided interests).
- Co-owners' activities must be limited to those customarily performed in connection with the maintenance and repair of passive rental real estate.
- Co-owners may enter into property management and brokerage agreements, but such agreements must be renewed annually.

- All leases must be true leases for federal tax purposes (rents must reflect the fair value for the use of the property).
- The mortgage lender may not be related to any co-owner, program sponsor, property manager or lessee of the property.
- Payments to the program sponsor must reflect the fair market value of the acquired co-ownership interest and may not depend upon the income or profits derived from the property.

The Casino Condo will be held indirectly by two co-owners pursuant to a TIC Agreement. There may be some areas in which the TIC Agreement may be viewed as deviating from the ruling requirements specified in Revenue Procedure 2002-22, which may include but not be limited to the level of business activity that the Fund and Affiliate Fund are required to engage in with respect to the Casino Condo for purposes of the Opportunity Zone Rules. Although the Fund can hold the Casino Condo directly once the Casino is operational, if the TIC Agreement were to be treated as a partnership for income tax purposes between the Fund and the Affiliate Fund, the Fund's interest in the deemed partnership that holds its Casino Condo interest likely would not be treated as a good "qualified opportunity zone partnership interest" because of the casino operations, and thus not count favorably towards the Fund's satisfaction of the 90% Good Asset Requirement. Although the Fund believes that its interest in the Casino Condo will not at any time constitute 10% or more of the assets of the Fund, if TIC Agreement is deemed to constitute a partnership for income tax purposes and the aggregate of all non-qualified opportunity zone property held by the Fund exceeded 10% of its total assets on the applicable bi-annual measurement dates, the Fund could become liable for excise taxes as a result of such nonqualified property.

Notwithstanding the foregoing, Section 1031(a) of the Code indicates that if co-owners qualify for an election under Section 761 of the Code to be excluded from treatment as a partnership, and such election is made, then the co-owners will be treated as owning an undivided interest in property and not a partnership interest. To qualify, the co-owners must: (i) own their property as co-owners, (ii) reserve the right separately to take or dispose of their shares of the property acquired or retained and (iii) not actively conduct business or irrevocably authorize some person or persons acting in a representative capacity to purchase, sell or exchange such investment property, although each separate participant may delegate authority to purchase, sell or exchange its share of any such investment property for the time being for its account, but not for a period of more than one year. The election is made by either filing an election with the IRS or an election will be deemed to be made if there is an intent to make the election in the ownership agreement. The Treasury Regulations provide that either one of the following will indicate the requisite intent: (a) at the time of the formation of the organization, there is an agreement among the co-owners that the organization be excluded from Subchapter K beginning with the first taxable year of the organization or (b) co-owners owning substantially all of the capital interest report their respective shares of the items of income, deductions and credits of the organization on their respective returns (making such elections as to individual items as may be appropriate) in a manner consistent with the exclusion of the arrangement from Subchapter K, beginning with the first taxable year of the organization. The TIC Agreement includes the provision set forth in (a) above and requires the Fund and Affiliate Fund to comply with (b). Consequently, the TIC Agreement and the Fund should be excluded from the partnership provisions of the Code for federal income tax purposes.

The state, local and other tax implications of a qualified opportunity zone investment are unclear.

The potential tax benefits described in this Memorandum relating to the Fund's expected status as a qualified opportunity fund, and of Investors' potential to defer and eliminate gain by acquiring Units, are limited to the federal income tax aspects of an investment of gain in Units. The Fund does not take any position with respect to other federal, state, local or other tax implications of an investment of gain in Units. Although the Fund has not undertaken a review of applicable state and local laws, the Fund notes it is possible that relevant tax authorities will require an Investor to recognize gain for state and/or local tax purposes in full at the time of the sale or other disposition giving rise to the gain, notwithstanding the ability to defer or reduce gain for federal income tax purposes. Investors should discuss such implications with their tax advisers.

ERISA Risks

The Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Code Section 4975 impose certain fiduciary restrictions, including prohibited transaction restrictions, on funds that hold "**plan assets**."

The U.S. Department of Labor ("**DOL**") Regulation Section 2510.3-101 (the "**Plan Asset Rules**") provide that, subject to certain exceptions outlined in the rules, the assets of an entity (such as the Fund) in which a "benefit plan investor" (as defined in the Plan Asset Rules, and hereinafter, a "**Benefit Plan Investor**") holds an ownership interest may be treated as assets of an investing plan, in which event the assets of the Fund (and transactions involving such assets, such as a sale of the Property) would be subject to ERISA's fiduciary provisions, including any prohibited transaction provisions under ERISA or Code Section 4975. One exception to the look-through rule under the Plan Asset Rules provides that an investing plan's assets will not include any of the underlying assets of an entity if at all times less than twenty-five percent (25%) of each class of "equity" interests in the entity are held by Benefit Plan Investors. The Sponsor and the Project Manager intend to take such steps as may be necessary to limit the ownership of Units in the Fund by Benefit Plan Investors to less than twenty-five percent (25%) of the total amount of Units, and thereby qualify for the twenty-five percent (25%) exemption. If, nevertheless, Benefit Plan Investors acquire twenty-five percent (25%) or more of the aggregate amount of Units and the Plan Asset Rules apply to the Fund, ERISA's fiduciary standards and prohibited transaction rules would apply to the operation of the Fund, which would likely impose substantial additional compliance expenses upon the Fund, thereby potentially reducing amounts distributable by the Fund to the Investors. Finally, if the Fund is subject to the Plan Asset Rules and is not able to comply with ERISA or Code Section 4975, Benefit Plan Investors may be at risk of breaching fiduciary duties owed to their sponsoring plan.

Employee benefit plans such as governmental and non-United States plans, while not subject to ERISA, may be subject to laws regulating employee benefit plans that contain rules substantially similar to ERISA and may contain other rules relating to permissible investments. Such plans should conclude that an investment in Units would satisfy all such laws before making such an investment (and, as indicated above, may be required to make certain assurances to the Fund).

THE SPONSOR

Integrus Real Estate Investments, LLC (the “**Sponsor**”) was founded in 2021 by Mr. William Shopoff.¹⁰ Since its inception, the real estate investments of the Manager (including its predecessor Asset Recovery Fund) and affiliates (The Shopoff Group and Shopoff Realty Investments) have included the purchase of unentitled and undeveloped land, as well as income producing properties. As of June 30, 2021, approximately 1,033, or approximately ninety-six percent (96%), of the 1,073 assets of the Project Manager from these investment programs have gone full cycle, while the remaining programs are ongoing.

Sponsor’s Strategy: The Sponsor’s strategy, through its focus on opportunistic commercial income properties and land entitlement assets is to create and increase wealth, as well as realize untapped value, through the transformation of underutilized, undervalued or mismanaged real estate into more attractive and valuable assets. The Manager intends to pursue this strategy by (a) identifying motivated and off-market sources of underperforming and/or undervalued real estate, (b) repositioning, rehabilitating and recapitalizing these assets, and (c) selling these assets to buyers of stabilized real estate investments. The Manager’s strategy starts with its identification of market opportunities, including:

- A consistent supply of opportunistic assets – from unique sellers, including corporations, institutions, and organizations
- An expanding number of undervalued assets and undercapitalized sellers
- Corporate sales of non-essential real estate
- Markets overlooked by large institutions and out of reach of individuals
- Inefficiently priced assets that require unique negotiation skills, and
- Increasing interest and investment from institutions seeking value-add opportunities from qualified real estate managers

Risk Management: The Manager’s approach to risk management is derived from its experience with its opportunistic real estate investment approach. The Manager’s risk management undertakings include:

- Extensive pre-acquisition strategy formulation and due diligence
- Early input from end-user buyers to increase value through design
- Option structures to limit downside, when appropriate

¹⁰ Asset Recovery Fund was the predecessor of the Manager. Asset Recovery Fund was founded in 1992, with The Shopoff Group being formed in 2004 as the successor of Asset Recovery Fund. Shopoff Realty Investments was formed thereafter.

- Institutional and family office co-investment to enable more diverse and larger transactions
- Pari passu* co-investments between all parties, at asset and fund levels
- Self-dealing restrictions, and
- Protective processes and systems, third party oversight, and transfer agent

Experience: The Management Team, which will be responsible for the overall management, operations and administration of the affairs of the Partnership, has broad experience in the real estate industry, across various sectors and markets. The Management Team's track record includes:

- Over 200 real estate purchase transactions
- Over 440 real estate sale transactions
- 1,077 assets purchased of which 1,033 assets have been sold
- Over \$1 billion in total asset acquisitions
- Nearly \$800 million in total asset dispositions

See "**TRACK RECORD**" attached as Exhibit G to this Memorandum.

Capitalization Objectives: Although specific investment ratios vary by investment program, the Manager's overall approach to capitalization of its investments starts with the premise that the Manager and its affiliates co-invest *pari passu* in the Manager's investment programs. From there, it is anticipated that institutional investors may co-invest in and further capitalize the Manager's investment programs. See "**STRATEGIC RELATIONSHIPS.**"

MANAGEMENT TEAM

Management Team: The Management Team consists of executives from four different companies:

- Shopoff Realty Investments/Integrus Real Estate Investments¹¹ (Co-Project Manager): William Shopoff, Edward Morrell, Brian Rupp, Bill Smith, Jan Svec, James O'Malley, Cameron Ghassemi, Torry Lozano, David Graves, Matthew Lorimer and Jason Sack.
- Contour Real Estate (Co-Project Manager): David Daneshforooz, Colin Sevren and Jay Jung
- Dream Hotel Group (Hotel Management): Jay Stein, Rabinder Pal Singh, David Kuperberg, Michael Lindenbaum and Laura Mutterperl

Integrus Real Estate Investments* and Shopoff Realty Investment Team Members:

*Integrus Real Estate Investments is an affiliate of Shopoff Realty Investments and team members serve equivalent roles in each organization.

Mr. William Shopoff

Mr. Shopoff has more than 40 years of real estate and investment experience. His expertise includes the acquisition, development, and sale of new and redeveloped residential and commercial properties throughout the United States, as well as partnership structure, debt placement, venture capital and investment underwriting. Mr. Shopoff has acquired over 1,000 properties on behalf of his various entities, including the acquisition of over 6,000 apartment units (fee or mortgage loans), the entitlement of over 18,000 lots/units of land suitable for single-family or multi-family development, as well as millions of square feet of commercial projects. Additionally, the firm has undertaken numerous development projects, with current developments underway including high cube logistics buildings, apartments, luxury condominiums and single family build to rent product.



For almost 30 years, Mr. Shopoff has led Integrus, and its affiliate and predecessor firms. Since 1992, he has served as either Principal or as President of the Asset Recovery Fund, and since August 1999, as the President of Eastbridge Partners, L.P. Upon acquiring the assets of Eastbridge Partners, L.P. in April 2004, Mr. Shopoff created the manager, Shopoff Realty Investments, L.P., and has served as its President since that time. Involved in a number of industry associations, Mr. Shopoff is currently a member of Commercial Investment Real Estate (CIRE) and is a Certified Commercial Investment Member (CCIM). He is also a member of the Urban Land Institute (ULI), the Building Industry Association (BIA) as well as Lambda Alpha International (LAI), a global land economics society.

Mr. Shopoff is also involved in various collegiate councils, being named to the Executive Council of the Real Estate Center at The University of Texas McCombs School of Business. This Executive Council advises faculty and staff on curriculum matters within the University's real estate department. He is also a member of the University of California Irvine-Chief Executive Roundtable (UCI CERT), which works in

¹¹ Shopoff Realty Investments is an affiliate of Integrus Real Estate Investments

concert with local business leaders and university faculty. In addition to his industry and educational board involvement, Mr. Shopoff is also involved in various nonprofit foundations, including his role as a board member of Global Energy Network International (GENI), a non-profit organization based in San Diego, California. Furthermore, Mr. Shopoff has also been the top fundraiser for the past 20 years for the AIDS LifeCycle, a 585-mile bicycle ride from San Francisco to Los Angeles, which supports the San Francisco AIDS Foundation and the Los Angeles LGBT Center.

Mr. Shopoff is a frequent speaker on various real estate and investment related topics. He has been invited to participate as a key panelist and a guest speaker on professional panels at real estate conferences and industry events throughout the United States. Mr. Shopoff holds the Series 79 license from FINRA.

Mr. Ed Morrell

Ed Morrell is a member of the Management Team, Chief Financial Officer for the Sponsor, Corporate Secretary for Shopoff Properties Trust and a member of the Investment Committee. He oversees accounting and tax administration at both the partnership and property levels. Mr. Morrell has sixteen (16) years of experience in accounting and finance at real estate investment funds, private equity funds, and hedge funds both as an auditor and in industry. He started his career at Ernst & Young, where he spent four (4) years in the real estate assurance group, and then transitioned to accounting and finance for twelve (12) years at several asset management firms, including the Blackstone Group, AIG Global Real Estate, and Kairos Investment Management. He is a certified public accountant licensed in both California and New York. Mr. Morrell has worked with investment funds ranging from \$10 Million to \$20 Billion in assets under management. In addition to accounting and finance, Mr. Morrell has worked in various investor relations roles in charge of portfolio performance communications as well as other communications related to accounting and tax matters. He graduated from Cornell University with a Bachelor of Science in Hotel Administration.



Mr. Brian Rupp

Brian Rupp, a member of the Management Team, Executive Vice President of Real Estate for the Sponsor, and a member of the Investment Committee. Mr. Rupp has been with the firm for more than fifteen (15) years and joined The Shopoff Group, the predecessor of Shopoff Realty Investments, in 2005. Mr. Rupp is responsible for management of the real estate department, determining the direction of both land and commercial real estate acquisitions and dispositions, as well as assessing and directing where the company deploys capital. He leads the real estate investment teams, providing insight, management and direction, in addition to completing all fund transactions and maintaining portfolio developments.



Mr. Rupp has twenty-four (24) years of experience in acquisition, planning and entitlement, asset management, and disposition of both real estate investments and land

development projects. Mr. Rupp's expertise in land use entitlements and development include residential master planned communities, urban infill projects, hotel and resort developments, and industrial developments. He has successfully managed residential, commercial and industrial real estate investment syndications and development projects in Pennsylvania, New Jersey, Southern California, Arizona, and the Island of Hawaii, with over 7,500 residential units entitled under his management. Mr. Rupp earned his Master of Business Administration from California State University, San Marcos and has a Bachelor of Science in engineering and a Master's in environmental engineering from Penn State University.

Mr. Bill Smith

Bill Smith is a member of the Management Team and the Senior Vice President of Design and Construction for the Sponsor's Land Assets Team. Mr. Smith has more than thirty (30) years of experience designing and constructing high profile, luxury projects across the world. Prior to joining Shopoff Realty Investments, Mr. Smith served as senior vice president of global construction at Las Vegas Sands where he was responsible for managing construction projects globally valued at approximately \$6 billion. Mr. Smith also served with AECOM Capital as their executive vice president of design and construction, managing projects nationally with a total development value of \$4 billion. Mr. Smith most notably served as president and chief operating officer of MGM MIRAGE Design Group where he was responsible for the design and construction of the \$9 billion CityCenter project in Las Vegas, NV. Mr. Smith has been involved with or led the construction of more than \$18 billion in assets over his tenure, and his expertise in this arena will further strengthen our already stellar team of development professionals as we move forward with high profile projects of our own in the coming years.



In his role at Shopoff, Mr. Smith will primarily be responsible for the design, construction and delivery of Shopoff's Dream hotel project, a luxury 526 room hotel and casino, located on the Las Vegas Strip. Mr. Smith will manage the project schedule and construction budget throughout the pre-construction and construction phase, and provide the strategic leadership, direction, management, and vision necessary during construction to ensure the success and delivery of this project. Mr. Smith earned a bachelor's degree in architecture from Temple University. He is a Registered Architect and member of the American Institute of Architects.

Mrs. Jan Svec

Jan Svec serves as Senior Vice President, Corporate Finance for Shopoff Realty Investments. Mrs. Svec has been with Shopoff since 2016, and has more than twenty (20) years of experience in real estate finance, capital markets, and investments. At Shopoff, Mrs. Svec is responsible for raising capital for the Company’s investments, including structuring deals and managing relationships with the Company’s institutional and family office debt and equity capital partners. Prior to joining Shopoff, she served as Vice President, Corporate Finance and Banking at The Irvine Company and Senior Director at Fitch Ratings. Mrs. Svec holds a Master of Science in Real Estate from the Schack Institute of Real Estate at New York University, a Master of Business Administration from the Simon School of Business at the University of Rochester, and a Bachelor of Science in Business Administration from the Robins School of Business at the University of Richmond. She holds a Certified Public Accountant license in Virginia.



Mr. James O’Malley

James O’Malley is a member of the Management Team as the Vice President of Development for the Sponsor’s Land Assets Team. Mr. O’Malley has more than twenty-seven (27) years of experience in a variety of capacities, including land acquisition, forward planning and land development. Prior to joining Shopoff Realty Investments, Mr. O’Malley was a Vice President at Meritage Homes and was responsible for regional land acquisitions, forward planning and entitlement efforts throughout Southern California. Mr. O’Malley also previously worked for such notable companies as Trumark Co., Beazer Homes, Inc., and Hon Development Co. Mr. O’Malley has originated and completed numerous land transactions, and has also successfully managed entitlement efforts in over twenty cities and counties within California. As Vice President of Development, Mr. O’Malley’s role includes overseeing the entitlement efforts required to create the highest value possible for properties under the ownership, control and management of Shopoff Realty Investments. Mr. O’Malley received a Bachelor of Science in City and Regional Planning from the School of Architecture and Environmental Design at California Polytechnic State University, San Luis Obispo.



Mr. Cameron Ghassemi

Cameron Ghassemi is a member of the Management Team as the Director of Acquisitions, for the Sponsor’s Land Assets Team. Mr. Ghassemi has more than fourteen (14) years of experience in various real estate and finance roles. As Director of Acquisitions, Mr. Ghassemi’s responsibilities include: the sourcing of investment opportunities, market analysis, financial modeling, planning, finance, deal structuring, capital markets and entitlement risk management. Mr. Ghassemi has successfully contributed in the underwriting, acquisition, entitlement, management and disposition of numerous asset classes including office, retail, industrial, multifamily and single family residential with an aggregate value in excess of \$1 billion. Prior to joining Shopoff Realty Investments, Mr. Ghassemi has held senior roles with Pelican Realty and Fidelity Capital, where he was charged with deal sourcing, financial analysis, risk management, due diligence management, and/or repositioning of distressed complex assets regionally. Mr. Ghassemi holds a B.A. in Finance from California State University of Fullerton and a Masters of Real Estate Development with academic honors from the University of Southern California.



Mr. Torry Lozano

Torry Lozano is the Director of Construction for Shopoff Realty Investments. Mr. Lozano has over thirty (30) years of experience in construction and development with hands-on expertise throughout the high end residential and commercial construction and real estate industries. He has been directly responsible for, or has led teams through, the process of building, selling, marketing, developing and managing properties. At Shopoff, Mr. Lozano has direct responsibility during the pre-construction and construction phase of projects, helping identify and assess risk, manage expectations around cost, schedule, quality and feasibility throughout all the phases of development to ensure the decisions made in concept become reality. Mr. Lozano holds a Bachelor’s of Science in Business Administration from Pepperdine University, and is a licensed real estate agent in the state of California.



Mr. David Graves

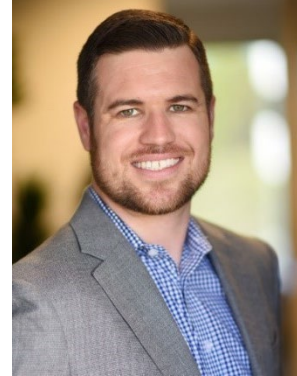
David Graves is the Director of Development for Shopoff Realty Investments. Mr. Graves has over thirty-five (35) years of experience. Mr. Graves is a seasoned veteran in the California real estate development industry with diversified community development experience gained during his tenure with Civil Engineering and Land Development firms located in Southern California. Mr. Graves has been in responsible leadership roles on numerous high-profile projects throughout Southern California and is well respected for his high level of integrity and professionalism as well as his understanding of the complexities of planning, entitlements, engineering, and construction associated with complex land development projects. Mr. Graves’ unique depth and breadth of professional expertise in the acquisition, design, entitlement, and ultimate



development of high profile, large-scale real estate development projects provide Shopoff the expertise to take-on unique development opportunities. Prior to joining Shopoff in 2018, Mr. Graves served as Director of Planning and Development at Pinnacle Residential for 3 years working on various vertical residential developments, including semi-custom homes, townhomes, and single-family homes. Throughout his career Graves has worked on more than 60 development projects, many from acquisition to occupancy, large and small, several projects for TRI Pointe Group, Lennar, Pardee Homes, Irvine Apartment Communities, and Catellus.

Matthew Lorimer

Matthew Lorimer is the Director of Acquisitions and Investments for Integrus Real Estate Investments. Mr. Lorimer has over six (6) years of real estate experience and is currently responsible for sourcing, underwriting, diligence, and transaction execution of investment opportunities. Prior to joining Shopoff, Mr. Lorimer was in Land Acquisition for an Active Adult Multifamily Developer. In addition, he also was with a Hotel Owner/Operator where he was intimately involved in over \$950 million dollars-worth of transactions. Mr. Lorimer attended the Pennsylvania State University, where he graduated with a degree in Economics from the Smeal College of Business.



Jason Sack

Jason Sack is the Associate Director Real Estate for Shopoff Realty Investments and is responsible for deal screening, underwriting, due diligence, acquisition, and asset management of a portfolio of investments. Mr. Sack has more than eleven (11) years of experience in acquisitions, asset management, and brokerage across all asset types. Mr. Sack has successfully contributed to the underwriting, acquisition, management, and disposition of numerous asset classes including office, retail, multi-family, manufactured housing, industrial, and hospitality with an aggregate value in excess of \$1 billion. Prior to working at Shopoff, Mr. Sack worked at Stream Realty Partners and was responsible for property valuation and market research in the Southern California office market. In addition, Mr. Sack worked on multi-family acquisitions for Sack Properties in San Francisco, and acquisitions and asset management across multiple asset types for RREEF in Tokyo, Japan. Jason attended the University of Washington where he earned his Bachelor of Arts in Economics and International Studies as well as the University of California, Irvine – The Paul Merage School of Business where he obtained his Master’s in Business Administration.



The Operating Company has no employees, and has therefore, entered into a contract with the Manager for the overall management and administration of the operations of the Company. The Manager is an affiliate of the Company and will use the resources of an affiliate.

Contour Real Estate Management Team

Mr. David Daneshforooz

David Daneshforooz has more than nineteen (19) years of experience in the commercial real estate industry. Mr. Daneshforooz is the CEO of Contour, the real estate development arm of Forooz & Associates, Inc., a privately-held family-owned commercial real estate company founded in 1987 in Las Vegas, NV. Since inception, Forooz & Associates, Inc. has acquired, managed, developed, and disposed of more than 15 million square feet of real estate across multiple asset classes valued at more than \$1 billion in value. Mr. Daneshforooz studied Computer Science and Philosophy at Westmont College and holds a pilot license.



Mr. Colin Severn

Colin Severn is Chief Financial Officer of Contour and brings over twenty (20) years of institutional real estate finance experience and eleven (11) years of executive-level management experience at a publicly-traded company. He began his career at Ernst & Young in 1999 as an auditor for various asset classes in the commercial real estate industry. In 2003, Mr. Severn joined William Lyon Homes, a top-20 homebuilding company, as a controller where he managed accounting consolidation and reporting for the executive team. In 2009, he was promoted to SVP and CFO. During his tenure as CFO, Mr. Severn grew the company's annual revenues from \$200 million to \$2 billion, equity from \$50 million to over \$1 billion, and new home deliveries from 600 to more than 4,000. In 2013, Mr. Severn led the company through a successful IPO. From 2013 to 2019, he led and managed the acquisition and integration of three companies, totaling just under \$1.1 billion. In 2017, The Orange County Business Journal awarded Mr. Severn CFO of the Year. In 2019, Mr. Severn managed the disposition of William Lyon Homes to Taylor Morrison for \$2.4 billion. He holds a BBA from California State University Fullerton.



Mr. Jay Jung

Jay Jung is the Executive Vice President of Contour and an experienced finance professional with over fifteen (15) years of experience. He was an investment banker at Goldman Sachs in its New York and San Francisco offices where he advised companies on their M&A and capital raising efforts, including debt and equity. Mr. Jung has executed approximately \$50 billion worth of transactions over his career. Prior to Goldman, Mr. Jung was a consultant at McKinsey & Co. based out of their Hong Kong office, where he advised multinational clients on strategy & corporate finance. Mr. Jung received an MBA from the Wharton School of Business at the University of Pennsylvania and a BBA from Seoul National University in South Korea.



Dream Hotel Group Management Team

Mr. Jay Stein

Jay Stein is Chief Executive Officer of Dream Hotel Group, overseeing the evolution and expansion efforts of the Company and its portfolio of brands. With over four decades in the hospitality industry and more than twenty-seven (27) years with Dream Hotel Group, Mr. Stein has served in a variety of property and corporate roles with both large and boutique hotel brands, including Hilton Worldwide, Starwood Hotels and Resorts, and Doral Hotels.



Mr. Stein began his career in 1983 with Hilton Worldwide at the Vista International Hotel in the World Trade Center in New York City. A veteran of food and beverage management, he turned his sights to general hotel operations in 1987 and quickly rose up through the ranks to become Managing Director for three Doral Hotels in New York City. In 1995, after taking two of those properties through the transition to Starwood Hotels and Resorts, he stayed on as Area General Manager for almost three (3) years with Starwood. He then joined Dream Hotel Group as Executive Vice President of Operations and was promoted to Chief Operating Officer in 2005, overseeing hotel operations and playing a vital role in the Company’s expansion efforts. Mr. Stein was named Chief Executive Officer in 2015. An engaged professional dedicated to making a difference, Mr. Stein is a true ambassador for the industry, having spoken on numerous panels at conferences worldwide and having served as adjunct professor for the Hospitality programs at NYC College of Technology and New York University.

Mr. Rabinder Pal Singh

Mr. Rabinder Pal Singh is Chief Financial Officer of Dream Hotel Group. He is well-versed in global business matters and with over thirty (30) years of experience in asset management, acquisitions, financing, corporate planning, corporate restructuring and taxation. Mr. Singh is Executive Vice President and Chief Financial Officer of Dream Hotel Group. As a critical partner to the other members of the executive team, Mr. Singh plays a critical role in the group’s financial relationships and bridges the operational and development divisions on both the US domestic and international front. In his twenty-seven (27) years with the company, he served Dream Hotel Group in a variety of roles including Vice President and Senior Vice President of Finance, before being promoted to Chief Financial Officer. Prior to joining Dream Hotel Group, Mr. Singh worked for PriceWaterhouse and Coopers & Lybrand. Mr. Singh, who holds a Bachelor of Commerce degree from Panjab University, is a Chartered Accountant and a member of the American Institute of Certified Public Accountants.



Mr. David Kuperberg

As Chief Development Officer, David Kuperberg is responsible for the continued growth and success of Dream Hotel Group and its portfolio of brands. He most recently served as Senior Vice President of Development for Virgin Hotels before joining Dream Hotel Group in 2013. Mr. Kuperberg began his hospitality career in 2004 as Senior Director of Mergers & Acquisitions with Wyndham Worldwide Corporation, where he oversaw the acquisition of Ramada International from Marriott, which included over 200 hotels and resorts worldwide. He was later appointed to VP of Global Development & Strategy and achieved great success in leading the acquisition of the TRYP brand from Sol Melia, as well as a joint venture with Malta-based Corinthia Group to acquire and rebrand fifteen (15) European hotels under Wyndham flags. He was also an associate at True North Capital, a New York-based private equity group, and worked as a strategy consultant for Computer Sciences Corporation. Mr. Kuperberg holds a Master of Management degree from Yale University and earned his bachelor's degree in history from the University of California at Berkeley.



Mr. Michael Lindenbaum

As Chief Operating Officer of Dream Hotel Group, Michael Lindenbaum oversees the onboarding of all new properties within Dream Hotel Group's portfolio of lifestyle brands. An integral part of the company's strategic growth and development efforts, Mr. Lindenbaum works closely with independent ownership partners, food and beverage operators, interior designers, architects and other key stakeholders to ensure hotel projects and programming are operationally on-brand.



Most recently, Mr. Lindenbaum served as Executive Vice President of Hotel Development & Operations, where he was responsible for successfully leading the operations and lifecycle of each brand, with a particular focus on the development, build out and launch of new hotels worldwide, as well as defining and developing strategic partnerships and brand activations. He has held various positions including General Manager and Managing Director since joining the group in 2010. With a hospitality career that spans two and a half decades and significant senior management experience working with a variety of lifestyle brands and hotel operators, including Gansevoort Hotel Group, Gotham Hospitality, The Library Collection, and Richard Born and Ira Drukier of BD Hotels, Lindenbaum is regarded as one of the industry's top hotel and brand management executives with a proven track record of shepherding hotels from the planning stages to unparalleled profitability. Hospitality, The Library Collection (formerly HK Hotels) and Born-Drukier Hotels.

Ms. Laura B. Mutterperl

As Executive Vice President and General Counsel, Laura Mutterperl brings almost fifteen (15) years of legal counsel and hotel business strategy to Dream Hotel Group. Ms. Mutterperl previously served as Vice President and Associate General Counsel at Starwood Hotels & Resorts, where she served as a point person across strategic planning and implementation in business operations and hotel development. Based primarily in North America, Ms. Mutterperl was also responsible for legal matters in Asia and the Middle East and worked for a stint in Starwood's Asia Pacific headquarters. She also has extensive experience as lead counsel within restaurant, retail and spa businesses. Ms. Mutterperl joined Starwood from Kirkland & Ellis, where she advised clients across private and public transactions, including mergers and acquisitions, financings, joint ventures, public offerings, corporate governance and other corporate matters. Mutterperl graduated from Harvard College with honors and earned her JD from Harvard Law School.



TRACK RECORD

The information in this section and in Exhibit J attached to this Memorandum represents the historical experience of real estate programs managed by the Sponsor¹² and its affiliates. Prospective Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in any of the real estate programs listed below. Prior performance is not indicative of future results. Investors who purchase Units will not thereby acquire any ownership interest in any entities to which the following information relates or in any other programs of the Sponsor or its affiliates. The purpose of this track record information is to enable prospective Investors to evaluate the experience of the Sponsor and its affiliates and their efforts in sponsoring and managing similar programs.

Data for all private programs (which are generally formed using limited partnerships) are prepared and presented in accordance with the cash basis of accounting for income tax purposes. This is because most, if not all, of the investors in these private programs are individuals required to report to the IRS using the cash basis of accounting for income tax purposes, and the limited partnerships are required to report using such basis when more than fifty percent (50%) of their investors are taxpayers that report using the cash basis of accounting for income tax purposes. The presented data was prepared with the intention of presenting consistent results meaningful to the typical individual investor who invests in limited partnerships.

The track record of the listed real estate programs has varying performance levels. These programs reflect the general nature of investing in real estate, the financial results of which can vary widely.

The total equity, profit/loss, and IRR data listed in Exhibit J are representative of the real estate program in its entirety, including contributions from and profits/losses allocated to the Sponsor, or its affiliate, of the real estate program presented, and do not represent contributions from and profits/losses allocated solely to the investors for each such real estate program.

The graphs on the following page summarize certain historical and current investment activity of the Sponsor affiliate as of June 30, 2021:

¹² The Sponsor is a newly formed entity with no operating history. All current experience is based the experience of its affiliates.

Shopoff Realty Investments Track Record as of June 30, 2021

Transaction Count Breakdown		
	Number of Purchase Transactions*	Number of Sale Transactions*
Hard Asset	8	10
Loan	20	25
Apartments	28	35
Hard Asset	2	0
Loan	1	3
Industrial	3	3
Hard Asset	11	3
Loan	2	15
Office	13	18
Hard Asset	10	6
Loan	3	4
Retail	13	10
Hard Asset	1	9
Loan	9	242
SFR	10	251
Hard Asset	4	3
Storage	4	3
Hard Asset	1	0
Ground Lease	1	0
Hard Asset	1	0
Manufactured Housing Community	1	0
Commercial	72	320
Hard Asset	115	66
Loan	6	44
Raw Land	120	110
Hard Asset	20	14
Loan	7	6
Covered Land	27	20
Hard Asset	1	1
Finished Lots	1	1
Land	148	130
Grand Total	220	450

Asset Count Breakdown	
	Number of Assets Purchased
Hard Asset	10
Loan	339
Apartments	349
Hard Asset	2
Loan	3
Industrial	5
Hard Asset	13
Loan	15
Office	28
Hard Asset	10
Loan	5
Retail	15
Hard Asset	66
Loan	304
SFR	370
Hard Asset	5
Storage	5
Hard Asset	1
Ground Lease	1
Hard Asset	1
Manufactured Housing Community	1
Commercial	773
Hard Asset	159
Loan	45
Raw Land	204
Hard Asset	24
Loan	7
Covered Land	31
Hard Asset	65
Finished Lots	65
Land	300
Grand Total	1073
Number of Assets Sold	1033
Percentage of Assets Sold	96.3%

*Note: Number of Sale Transactions exceeds the Number of Purchase Transactions as a result of certain Purchases that were bifurcated into more than one Sale.

Asset Holding Periods	On-Going		Closed Assets	
	Asset Count	Avg Holding Period	Asset Count	Avg Holding Period
Land Hard Assets	20	5.38	228	4.24
Land Loans	2	6.66	50	2.82
Land Assets (Hard Assets & Loans)	22	5.50	278	4.05
Commercial Hard Assets	17	4.02	90	3.01
Commercial Loans	1	1.21	665	1.65
Commercial Assets (Hard Assets & Loans)	18	3.86	755	1.90
Total & Overall	40	4.78	1033	2.84

Total Transactions \$	
On-going programs	\$588,181,627
Closed programs	\$796,934,578
Total Acquisitions	\$1,385,116,205
Total Dispositions	\$1,197,460,174
Total Transactions	\$2,582,576,378

Tax Credit Programs	
Number of Purchases	5
Number of Assets	5
Number of Sale Transactions	5
Average Holding Period	9.70

COMPENSATION TO THE SPONSOR AND ITS AFFILIATES

The following is a summary of compensation that may be paid to the Sponsor, the Project Manager, the Manager, the Asset Manager, the Developer, the General Contractor, the Hotel Manager, and the Dealer Manager in connection with the Offering and the development and operation of the Property, exclusive of any distributions to which any of Sponsor, the Project Manager or their affiliates may be entitled by reason of its purchase and ownership of Units in the Fund and with respect to its carried interest in the Fund. These compensation arrangements are not the result of arm's-length negotiations. All fees are intended to be market rates for the services provided.

See “RISK FACTORS – Risks Related to the Development of the Property,” “RISK FACTORS – Risks Related to the Management of the Property” and “RISK FACTORS – Risks Related to the Fund Structure.”

Type of Compensation	Description	Estimated Maximum Amount of Compensation
ACQUISITION, OFFERING AND ORGANIZATION STAGE		
Reimbursement of Offering and Organizational Expenses:	The Fund will reimburse the Sponsor and certain affiliates and third parties for Offering and Organizational Expenses incurred by such parties.	\$500,000 based on a maximum raise of \$25,000,000
Dealer Manager Fee:	The Fund will pay the Dealer Manager a fee of up to two percent (2%) of the capital raise.	\$500,000 based on a maximum raise of \$25,000,000
DEVELOPMENT AND CONSTRUCTION STAGE		
Development Fee	It is anticipated that, pursuant to the Development Agreement, the Operating Company will be required to pay to the Developer a fee equal to three percent (3%) of the total development costs of the Project, on the terms and conditions set forth in the Development Agreement. The development fee will be finalized based on the final pricing established in the Construction Contract and will be paid in arrears in monthly installments during the development stage.	\$15,103,397, based on the Development Budget. See <u>Exhibit D</u> .
General Contractor Fee	It is anticipated that the Operating Company will be required to pay to the General Contractor a gross maximum price, on the terms and conditions set forth	\$17,795,725, based on the Development Budget. See <u>Exhibit D</u> .

Type of Compensation	Description	Estimated Maximum Amount of Compensation
	in the Construction Contract.	
OPERATIONAL STAGE		
Reimbursement of Expenses to Manager	Pursuant to the Operating Agreements, the Project Manager will be entitled to the reimbursement for all costs incurred by the Project Manager and its affiliates (including the Asset Manager) on behalf of the Companies or otherwise in connection with the performance of the Project Manager's duties.	Impracticable to determine at this time.
Asset Management Fees	Pursuant to the Fund Agreement, the Asset Manager, as the designee of the Manager, will be entitled to receive from the Fund an annual asset management fee equal to 1.25% of committed capital, which fee will commence on the opening date of the Hotel and will be paid in arrears in quarterly installments.	\$2,157,908 for the initial year of operations.
Hotel Management Fees	It is anticipated that, pursuant to the Hotel Management Agreement, the Operating Company will be required to pay to the Hotel Manager a fee of no more than 3% of the effective gross income of the Operating Company and a brand marketing fee of 1.5% of Total Operating Revenues. Please refer to the Hotel Management Agreement section for details.	\$4,134,297 for the initial year of operations.
Ground Lease Rent	The Property Owner, which is controlled by an affiliate of the Sponsor, will receive rent in connection with its lease of the Property to the Fund and its subsidiaries.	Amount not determinable at this time
Carried Interest in Fund	The Manager or an affiliate will be entitled to (a) 25% of total cash flow after Investors have received a preferred return of 7.0% on their invested capital amounts, plus the return of an amount equal to their invested capital, and (b) 40% of total cash flow after Investors have achieved a 15% IRR in respect of their Units.	Amount not determinable at this time

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

EACH INVESTOR SHOULD SEEK, AND MUST DEPEND SOLELY UPON, THE ADVICE OF THAT INVESTOR'S TAX ADVISOR WITH RESPECT TO HIS, HER OR ITS INVESTMENT, AND EACH INVESTOR IS RESPONSIBLE FOR THE FEES OF SUCH ADVISOR. NOTHING IN THIS MEMORANDUM OR THE TAX OPINION IS INTENDED, OR SHOULD BE CONSTRUED, AS LEGAL OR TAX ADVICE TO AN INVESTOR. INVESTORS SHOULD BE AWARE THAT THE IRS MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY THE FUND AND THAT CHANGES TO THE CODE OR THE TREASURY REGULATIONS OR RULINGS THEREUNDER OR COURT DECISIONS AFTER THE DATE OF THIS MEMORANDUM MAY CHANGE THE ANTICIPATED TAX TREATMENT TO AN INVESTOR.

The following discussion summarizes certain material U.S. federal income tax considerations that may be relevant to the acquisition, ownership, and disposition of Units. This discussion is based upon the provisions of the Code, applicable Income Tax Regulations (including, without limitation, the Opportunity Zone Rules), judicial authority and administrative interpretations, as of the date of this Memorandum, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. No ruling will be sought from the IRS on the federal income tax consequences of any of the matters discussed in this Memorandum or any other tax issues affecting the Fund or the Members. The Fund has neither requested nor will it receive an opinion from its counsel with respect to the tax matters discussed below save only with respect to the status of the Fund as a qualified opportunity fund. The Fund cannot assure prospective Investors that the IRS will not challenge one or more of the tax consequences described in this discussion, and the Fund has not obtained, nor does it intend to obtain, a ruling from the IRS or an opinion of counsel (other than the Tax Opinion) with respect to the U.S. federal tax consequences of acquiring, holding or disposing of Units. Moreover, the facts with respect to the Fund's anticipated activities may not occur as set forth in this Memorandum. No assurances can be given that the federal income tax treatment described herein will be applicable to the Fund or its activities. In addition, additional Treasury Regulations or other guidance may be issued in the future, and it is not possible to anticipate how such Income Tax Regulations or other guidance may impact qualified opportunity funds, including funds that have been formed and that are operational.

This discussion does not purport to address all tax considerations that may be important to a particular Investor in light of the Investor's circumstances, or to certain categories of Investors that may be subject to special rules. In addition, unless expressly stated otherwise, the following discussion does not address state, local or non-U.S. tax considerations related to the acquisition or disposition of Units by Members, or the tax considerations of other transactions effectuated prior to, concurrently with, or after the acquisition of Units, whether or not such transactions are in connection with the acquisition of Units.

This summary of U.S. federal income tax considerations deals only with Units held as "capital assets" as defined in the Code, does not purport to deal with Investors other than individuals who are natural persons, and expressly excludes (i) individuals in special tax situations, such as traders in securities, dealers in securities or currencies, persons holding securities as a "hedge" or as a position in a "straddle" or "conversion" transaction, (ii) individuals whose functional currency is not the U.S. dollar, (iii) non-United

States persons, and (iv) tax-exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, 401(k) plans, annuities and charitable remainder trusts. Moreover, this discussion does not purport to deal with (x) the tax treatment of retirement plans, individual retirement accounts or other tax-deferred accounts with respect to Units, or (y) the effect of holding Units for an investor that has incurred interest expense properly allocable to an investment in Units. Further, this discussion is limited to Investors who purchase Units in this offering and not to future investors that may acquire Units from a prior Investor.

As noted above, the discussion in this “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS” section of this Memorandum, and the discussion of tax matters elsewhere herein, does not address considerations applicable to non-U.S. persons. Non-U.S. persons should therefore consult and must rely exclusively on their own tax advisors as to the U.S. tax consequences of an investment in the Fund, including as regards U.S. income, estate and gift taxes with respect to a disposition of an interest in the Fund. It should be noted, however, that the Fund will be required to pay U.S. withholding taxes to the IRS annually, at the highest applicable rate of Federal income taxation, in respect of the portion of the taxable income of the Fund that is allocable to Members who are non-U.S. persons, whether or not any distributions are made to such Members by the Fund. The Fund Agreement requires each Member, upon demand by the Fund, to indemnify the Fund for his, her or its share of any such withholding taxes.

This discussion assumes that all Investors who purchase Units in the Fund will do so solely in accordance with Code Section 1400Z-2, including, without limitation, with amounts that constitute gain from the sale to, or exchange with, an unrelated person of property that was held by the Investor (generally) not more than 180 days prior to the date the Investor acquires such Units. See “MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Potential Deferral of Gain.*” Failure by an Investor to comply with Code Section 1400Z-2, the Opportunity Zone Rules, and other IRS guidance, including IRS Notices 2020-23 and 2020-39, will or may negate an Investor’s ability to defer and reduce federal income tax on gain pursuant to an investment in Units, regardless of whether the Fund qualifies as a qualified opportunity fund. See “RISK FACTORS – *Tax Risks Related to Qualified Opportunity Funds – A failure to meet the requirements of Code Section 1400Z-2 will result in the Investor’s not being entitled to any of the tax benefits described in Code Section 1400Z-2.*”

Fund Classification

Under current Treasury Regulations, a domestic limited liability company or limited partnership that has two or more members or partners generally will be classified as a partnership for federal income tax purposes unless it elects to be treated as a corporation. A domestic limited liability company that has a single owner and that does not elect to be treated as a corporation will be disregarded as an entity separate from its owner for federal income tax purposes. The Fund, being organized as a multi-member limited liability company, should be classified as a partnership for federal income tax purposes. The Operating Company, being organized as a multi-member limited liability company, should also be classified as a partnership for federal income tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a “publicly traded partnership” as defined in the Code

and Treasury Regulations. The Fund does not expect either the Fund or the Operating Company to be treated as a publicly traded partnership.

As partnerships, the Fund and the Operating Company generally will not themselves be subject to U.S. federal income tax. Instead, each Member, in computing its federal income tax liability for a taxable year, will be required to take into account its distributive share of the Fund's items of income, gain, loss, deduction and credit for the taxable year of the Fund ending within or with the taxable year of the Member, regardless of whether such Member has received or will receive corresponding distributions from the Fund. The Members' distributive shares will in turn be based on the items of income, gain, loss, deduction and credit of the Operating Company, regardless of whether the Fund has received corresponding distributions from the Operating Company. It is possible that in any given taxable year, a Member's tax liability arising from its investment in the Fund could exceed the distributions made by the Fund to the Member. The Fund will provide its Members with appropriate information necessary to file their U.S. federal income tax returns each year.

For U.S. federal income tax purposes, a Member's allocable share of the Fund's income, gain, loss, deduction, and credit will be governed by the Fund Agreement if such allocations have substantial economic effect, or are determined to be in accordance with such Member's interest in the Fund under the Code and corresponding Treasury Regulations. Under the Fund Agreement, items of income, gain, loss, deduction and credit will be allocated among the Members in a manner that is intended to comply with all applicable Treasury Regulations. Nonetheless, it is possible that the IRS could challenge such allocations; and if the allocations that are made under the Fund Agreement were successfully challenged by the IRS, then the re-determination of the allocations to a particular Member could be less favorable than the allocations set forth in the Fund Agreement.

Allocations

For United States federal income tax purposes, a partnership is not a taxable entity but is rather a conduit through which items of taxable income, gain, loss, deduction and credit are passed through to, and reported by, its partners. Thus, each Member will be required to report on his, her or its federal income tax return his, her or its allocable share of items of taxable income, gain, loss, deduction, or credit realized by the Fund directly or through the Operating Company. This rule applies without regard to whether the Member receives or will receive any cash distributions from the Fund. Accordingly, for any taxable year of the Fund, a Member may be required to report and pay tax on his, her or its share of items of the Fund's income without receiving sufficient (or any) cash distributions.

The Fund Agreement contains certain allocations of income, gain, losses, and deductions that could be reallocated by the IRS if it were determined that the allocations did not have "substantial economic effect" under Code Section 704(b), and the allocations were not made in accordance with the Members' respective interests in the Fund, taking into account all relevant facts and circumstances. If the IRS does not respect an allocation and the Members' distributive shares of income and loss are adjusted, the Members may be required to file amended income tax returns which could subject the Members to additional taxes, interest, and penalties.

Distributions

Distributions by the Fund to a Member generally will not be taxable to such Member for federal income tax purposes to the extent of his, her or its tax basis in his, her or its Units immediately before the distribution. Cash distributions in excess of such basis generally will be considered to be gain from the sale or exchange of Units, taxable as further described herein. Any reduction in a Member's share of the Fund's liabilities included in his, her or its basis in his, her or its Units may be treated as a distribution of cash to such Member. A decrease in a Member's ownership interest in the Fund because of an issuance of additional Units may decrease such Member's share of nonrecourse liabilities, potentially resulting in a corresponding deemed distribution of cash.

Possible Audit of Information Return

The Fund generally will not be liable for the payment of federal income tax at an entity level (subject to possible entity level taxation pursuant to the Bipartisan Budget Act of 2015, as discussed herein), but will be required to file a federal information return each year. Any such return may be audited by the IRS and any such audit may result in adjustments. Any adjustments of the Fund's information return would result in adjustments to, and could result in an audit of, a Member's own tax return. Any audit of a Member's tax return could result in adjustments of non-Fund as well as Fund items, and could involve payment of additional tax and interest (and possibly penalties) as well as additional personal expense to the Member in responding to such an audit. The Fund may be liable for U.S. federal income taxes (including penalties and/or interest) with respect to adjustments to the Fund's information returns upon audit, pursuant to the partnership audit rules under the Bipartisan Budget Act of 2015 and related Treasury Regulations, unless the Fund elects to pass on the tax adjustments to its Members, in which case the Members will be responsible for tax, penalties, and/or interest, as applicable.

Status of the Fund as a Qualified Opportunity Fund

The Fund and/or the Operating Company must satisfy numerous technical requirements in order for the Fund to constitute a qualified opportunity fund, including an investment vehicle requirement, an organizational requirement, a purpose requirement, a certification requirement, a qualified opportunity zone property requirement, a qualified opportunity zone partnership interest requirement, a qualified opportunity zone business property requirement (including a purchase sub-requirement, an original use or substantial improvement sub-requirement, and a place of use sub-requirement), a qualified opportunity zone business requirement (including a trade or business sub-requirement, a substantially all sub-requirement, a gross income sub-requirement, an active business sub-requirement, a substantial portion sub-requirement, a reasonable amount sub-requirement and additional sub-requirements), and the 90% Good Asset Requirement. In addition, a general anti-tax avoidance rule applies. Each of these requirements (and sub-requirements) is discussed in the Tax Opinion, a copy of which is available upon request. Potential Investors are directed to the Tax Opinion for a detailed discussion of the applicable requirements for the Fund to constitute a qualified opportunity fund. If any one of the requirements (or sub-requirements) were determined not to be satisfied, the Fund would not constitute a qualified opportunity fund for federal income tax purposes and Investors would not be entitled to defer or eliminate taxable gains by investing in the Fund.

Potential Deferral of Gain

Provided that the Fund qualifies as a qualified opportunity fund, as described above, an Investor who invests gain in the Fund by purchasing his, her or its Units in accordance with the requirements of Code Section 1400Z-2 will not include that gain in such Investor's gross income for the taxable year in which the sale or exchange giving rise thereto occurred. Federal income tax with respect to such gain will be deferred until the earlier of an Inclusion Event or December 31, 2026, at which time the gain will be recognized (and subject to tax at the then applicable rates), in whole or in part. Investors who defer federal income tax with respect to gain by purchasing their Units in accordance with the requirements of Code Section 1400Z-2 will receive an initial basis of \$0 in Units they acquire, with such basis subject to increase as described below under "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Basis of Investors in Units.*" For purposes of tax compliance, the Project Manager intends to provide a third-party appraisal of the fair market value of Units as of December 31, 2026.

Under the applicable Income Tax Regulations, gain eligible for deferral pursuant to Code Section 1400Z-2 includes capital gain and excludes ordinary income or gain (including depreciation recapture). In addition, the Income Tax Regulations provide that the tax attributes of capital gain that is deferred (*e.g.*, as long-term or short-term) will be preserved and will apply when a taxpayer ultimately reports the gain.

Generally, Code Section 1400Z-2 provides that a taxpayer seeking to defer federal income tax with respect to gain must meet the following requirements: (1) the gain must be from a sale to, or exchange with, an unrelated person of property held by the taxpayer, (2) taxation with respect to the gain must be deferred at the election of the taxpayer, (3) the gain must be invested by the taxpayer in a qualified opportunity fund during (in general) the 180-day period beginning on the date of the sale or exchange, (4) an election previously made with respect to the sale or exchange must not be in effect, and (5) the election must be made on or prior to December 31, 2026. Each Investor is independently responsible for his, her or its own compliance with the provisions of Code Section 1400Z-2. The Fund will not provide any assurance to Investors that the funds they use to purchase their Units or the timing of such purchase, or any other matter, meets the requirements of Code Section 1400Z-2.

Basis of Investors in Units

The tax basis of an Investor in his, her or its Units is important for several reasons including, but not limited to, determining (a) the current deductibility of the Investor's distributive share of the Fund's losses, (b) the income tax consequences of distributions to the Investor, and (c) the gain or loss on the Investor's sale of his, her or its Units. In general, absent the applicability of the provisions of the Code relating to investments in qualified opportunity funds, the initial tax basis of a partner in his, her or its interest in a partnership will equal his, her or its initial investment in the partnership. Under Code Section 1400Z-2, however, the initial basis of Investors who acquire Units in the Fund will be \$0. If such an Investor holds his, her or its Units for five years, then his, her or its basis will be increased by ten percent (10%) of the gain that he, she or it deferred by acquiring Units. Those Investors who hold their Units for at least 10 years may, upon his, her or its sale or other disposition of his, her or its Units, elect to step up the tax basis in their Units to the fair market value of Units on the date of such the sale or other disposition.

Generally, this will mean that the Members will not incur any taxable gain on such a sale or other disposition.

A Member's tax basis in his, her or its Units will generally be increased by the Member's (a) share of the Fund's (including the Operating Company's) taxable income, (b) share of the Fund's (or the Operating Company's) liabilities that are without recourse to any Member ("**nonrecourse liabilities**"), if any, and (c) share of the Fund's (or the Operating Company's) liabilities for which the Member bears the economic risk of loss ("**recourse liabilities**"), if any. Generally, a Member's basis in his, her or its Units will be decreased (but not below zero) by the Member's (i) share of the Fund's distributions, (ii) share of decreases in nonrecourse liabilities or recourse liabilities, (iii) share of the Fund's (including the Operating Company's) losses, and (iv) share of nondeductible expenditures that are not chargeable to capital. Deemed contributions of money that arise among other things from allocations of nonrecourse liabilities to a partner are not treated as investments in a qualified opportunity fund separate from an investment of capital gains.

Investments with Mixed Funds

In the case of any investment in a qualified opportunity fund only a portion of which consists of investments of capital gain to which a deferral election is in effect, the investment is bifurcated for Federal tax purposes into two separate investments. One such investment only includes the amounts to which the deferral election applies, and the other such investment consists of the other amounts invested. The qualified opportunity fund rules for the deferral of capital gains, the partial forgiveness of capital gains in respect of investments held for at least five years, and the elective basis adjustment in respect of investments held for at least 10 years apply only to the separate investment to which the deferral election applies.

Anti-Abuse Rules

Under the Income Tax Regulations with respect to partnerships, the IRS has broad authority to disregard a partnership in whole or in part, to refuse to treat a partner as a partner, to adjust a partnership's method of accounting, or to alter or disregard partnership allocations in the case of a partnership that the IRS determines to have been formed or availed of with a principal purpose of substantially reducing the present value of the partners' aggregate federal tax liability in a manner which, even though in compliance with the literal language of the Code or Income Tax Regulations thereunder, the IRS determines to be inconsistent with the intent of subchapter K of the Code, dealing with the taxation of partners and partnerships.

Under the Income Tax Regulations with respect to qualified opportunity funds, the IRS may recast or re-characterize a transaction (or series of transactions) for federal tax purposes as appropriate to achieve tax results that are consistent with the purposes of the Code provisions on qualified opportunity funds if a significant purpose of the transaction (or series of transactions) is to achieve a tax result that is inconsistent with the purposes of the Code provisions on qualified opportunity funds and of the Income Tax Regulations promulgated thereunder, viz. to provide specified federal income tax benefits to owners of qualified opportunity funds to encourage the making of longer-term investments, through qualified opportunity funds and qualified opportunity zone businesses, of new capital in one or more qualified opportunity zones and to increase the economic growth of such qualified opportunity zones.

A special partnership anti-abuse rule applies to partnerships formed or availed of with a significant purpose of avoiding the requirement that a gain be recognized for federal income tax purposes and subject to federal income taxation prior to 2027 in order to be eligible for deferral and other tax benefits under the qualified opportunity fund regime.

Disposition of Units

A Member generally will recognize capital gain or loss on the sale, redemption, exchange or other taxable disposition of Units. This gain or loss equals the difference between the Member's adjusted tax basis in the Unit and the proceeds received, excluding any proceeds attributable to interest income (or some other form of ordinary income), which will be recognized as ordinary income to the extent that the Member has not previously accrued such income. The foregoing, as well as the following general discussion of basis and gain, are subject in their entirety to the discussion above under "MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS – *Basis of Investors in Units*," which describes the initial basis Investors will receive in their Units if they acquire such Units to defer gain in accordance with Code Section 1400Z-2, as well as the potential for the basis in such Units to increase if those Units are held for five years or longer.

An Investor's adjusted tax basis in his, her or its Units that constitute a qualifying investment in a qualified opportunity fund generally equals any income allocated to his, her or its Units, increased by any partnership liabilities allocated to him, her or it, and decreased by the amount of any distributions and losses allocated to him, her or it.

In computing gain or loss, the proceeds that a Member receives will include the amount of any cash and the fair market value of any other property received for his, her or its Units, and the amount of any actual or deemed relief from indebtedness encumbering his, her or its Units. Subject to the discussion above, the gain or loss is generally long-term capital gain or loss if Units are held for more than one year before disposition. Long-term capital gains of individuals, estates and trusts are currently generally taxed at a maximum rate of twenty percent (20%), plus any applicable state income and capital gains taxes and any applicable "Medicare Tax" as discussed below. The deductibility of capital losses may be subject to limitation. Depending on the circumstances of a particular Member, the effect of such limitation may be to defer or to eliminate any tax benefit that might otherwise be available from a loss on a disposition of Units. Capital losses are first deducted against capital gains, and, in the case of non-corporate taxpayers, any remaining such losses are deductible against salaries or other income from services or income from portfolio investments only to the extent of \$3,000 per year (or \$1,500 in the case of a married individual filing a separate return).

Prospective Investors should consult their tax advisors as to, among other things, estate and gift tax consequences of dispositions of Units.

Excess Business Losses

Under the TCJA, as modified by the CARES Act, for tax years beginning after December 31, 2020, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent

taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2021 was \$262,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

Limit on Business Interest Deductions

Under the TCJA, a partnership may be subject to the Business Interest Limitation and it may be limited in its ability to deduct business interest to the extent that its business interest exceeds the ATI Limit unless it falls within the Small Business Exception (as defined below). The Business Interest Limitation is applied at the partnership level. The portion of such a partnership's business interest expense that may be currently deducted upon application of the Business Interest Limitation is taken into account in determining its non-separately stated taxable income or loss. The portion of its business interest expense that is deferred upon application of the Business Interest Limitation is allocated to each of its partners as "excess business interest expense" in the same manner as the non-separately stated taxable income or loss of the partnership. Each partner carries forward its share of excess business interest expense and in a succeeding taxable year the partner may treat its excess business interest expense as business interest expense paid or accrued by the partner to the extent that the partnership allocates the partner "excess taxable income" or "excess business interest income." Excess taxable income is the amount of the partnership's ATI for a tax year that was in excess of what it needed to deduct its business interest expense for a tax year, and excess business interest income is the amount by which business interest income for a tax year exceeded business interest expense for that tax year at the partnership level. Excess taxable income is allocated to each partner in the same manner as the partnership's non-separately stated taxable income or loss. An allocation of excess taxable income to a partner increases the partner's ATI. Similarly, an allocation of excess business interest income to a partner increases the partner's business interest income. Once excess business interest expense is treated as business interest expense paid or accrued by the partner, such business interest expense is subject to the partner's Business Interest Limitation, if any.

"Small businesses" (in general, businesses whose average annual gross receipts for the three-year period ending with the prior taxable year do not exceed \$100 million) are excepted from the Business Interest Limitation (the "**Small Business Exception**").

Code Section 163(j) provides that "trade or business" excludes any trade or business of performing services as an employee, certain regulated utility businesses, any electing farming business, and any business that has made a Real Property Business Election. Thus, interest paid or accrued on indebtedness properly allocable to a trade or business that has made a Real Property Business Election is not "business interest" subject to the Business Interest Limitation. If a partnership makes a Real Property Business Election with respect to its trade(s) and/or business(es), then it must use the alternative depreciation system ("ADS") to depreciate its property. As such, the depreciable life of property subject to the Real Property Business Election would be increased as follows: nonresidential real property would be increased from 39 years to 40 years, residential real property would be increased from 27.5 years to 30 years, and qualified improvement property would be increased from 15 years to 20 years. Moreover, because the electing real

property trade or business must use ADS to depreciate such property, to the extent any such property would otherwise be eligible for an additional depreciation deduction in the year that the property is placed in service equal to one hundred (100%) of the taxpayer's adjusted basis in the property under Code Section 168(k) ("**Bonus Depreciation**"), such electing real property trade or business will be ineligible for claiming Bonus Depreciation.

Deduction for Qualified Business Income

The TCJA adds new Code Section 199A that generally provides that a noncorporate taxpayer can deduct twenty percent (20%) of the "qualified business income" that he, she, or it receives from certain types of entities, including partnerships such as the Fund, during the taxable year. "Qualified business income" is the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. For taxpayers whose taxable income exceeds the threshold amount of \$157,500 (\$315,000 in the case of a joint return) the deductible amount for a qualified trade or business is the lesser of: (1) 20% of the taxpayer's qualified business income, or (2) the greater of (a) 50% of the W-2 wages relating to the qualified trade or business or (b) the sum of (i) 25% of the W-2 wages relating to the qualified trade or business and (ii) 2.5% of the "unadjusted basis immediately after acquisition of qualified property."

The IRS issued IRS Revenue Procedure 2019-38 that creates a safe harbor that taxpayers with rental real estate activities can, if they meet the requirements, rely upon to treat their rental real estate activities as a "rental real estate enterprise" that will be considered a "trade or business" for purposes of Code Section 199A. Generally speaking, the safe harbor requires that (1) for rental real estate enterprises that have been in existence less than four years, 250 or more hours of rental services are performed (as described in this revenue procedure) per year with respect to the rental real estate enterprise; (2) separate books and records are maintained to reflect income and expenses for each rental real estate enterprise; (3) the taxpayer maintains contemporaneous records, including time reports, logs, or similar documents, regarding (i) hours of all services performed; (ii) description of all services performed; (iii) dates on which such services were performed; and (iv) who performed the services; and (4) the taxpayer attaches a form to its tax return that includes certain information. Rental services include, but are not limited to: (a) advertising to rent or lease the real estate; (b) negotiating and executing leases; (c) verifying information contained in prospective tenant applications; (d) collection of rent; (e) daily operation, maintenance, and repair of the property, including the purchase of materials and supplies; (f) management of the real estate; and (g) supervision of employees and independent contractors. Rental services may be performed by owners or by employees, agents, and/or independent contractors of the owners. The term rental services does not include financial or investment management activities, such as arranging financing; procuring property; studying and reviewing financial statements or reports on operations; improving property; or hours spent traveling to and from the real estate.

Investors may be entitled to take this new deduction with respect to the qualified items of income, gain, deduction, and loss that they receive from the Fund, but the application of Code Section 199A will differ based on each Investor's facts and circumstances. Therefore, each prospective Investor should consult with his, her, or its personal tax advisor to determine whether Code Section 199A applies to the income that the Investor receives from the Fund.

Information Reporting and Backup Withholding

Information reporting will apply to distributions with respect to Units, and to proceeds of the sale, redemption, or other disposition of Units held by a Member unless the Member provides a taxpayer identification number, certified under penalties of perjury, as well as certain other information, or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed a Member's actual U.S. federal income tax liability and such Member timely provides the required information or appropriate claim form to the IRS.

Medicare Tax

Prospective Investors that are U.S. individuals, estates, and trusts, including individuals, estates, and trusts that would own their interests through an entity treated as a partnership or S corporation for U.S. income tax purposes, should note that Code Section 1411 expands "FICA" taxes to include a 3.8% tax on the lesser of (x) "net investment income" for the relevant taxable year and (y) the excess of modified adjusted gross income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (1) the undistributed "net investment income" for the relevant tax year and (2) the excess of the "adjusted gross income" for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. In general, this tax will be 3.8% of the lesser of (i) the taxpayer's "net investment income" or (ii) the excess of the taxpayer's adjusted gross income over the applicable threshold amount (\$100,000 for taxpayers filing a joint return, \$125,000 for married individuals filing separate returns, and \$200,000 for other taxpayers). The distributive share of the Fund's taxable income or gain will be included as investment income in the determination of "net investment income" under Code Section 1411. Further, in the case of a disposition of Units, any taxable gain will be taken into account for purposes of determining "net investment income" under Section 1411 as if the Fund had the Property for fair market value immediately before such disposition.

Possible Changes in Federal Tax Laws and Interpretation

The Code is subject to change by Congress, and interpretations of the Code may be modified or affected by the courts through judicial decisions, by the Treasury Department through changes in Income Tax Regulations, and by the IRS through its public and private rulings and other published guidance and in the course of tax audits. Although significant statutory and regulatory changes historically have been given prospective application, no assurance can be given that any changes made in the tax law or the interpretation thereof affecting an investment in the Fund would be limited to prospective effect. Accordingly, the ultimate effect on an Investor's tax situation may be governed by laws, regulations or interpretations of laws or regulations which have not yet been proposed, passed or made, as the case may be. In addition, apart from the issuance of final Income Tax Regulations with respect to qualified opportunity funds and the IRS Notices described herein with respect to COVID-19 matters related thereto, there is a lack of precedent and limited guidance with respect to the provisions in the Code establishing and relating to qualified opportunity funds and investments therein. See "RISK FACTORS – Tax Risks Related to Qualified Opportunity Funds – There is a lack of precedent and limited guidance related to qualified opportunity funds."

FOR ALL THE FOREGOING REASONS, POTENTIAL INVESTORS ARE URGED TO SEEK, AND MUST RELY EXCLUSIVELY ON, LEGAL AND TAX ADVICE FROM THEIR OWN INDEPENDENT LEGAL AND TAX ADVISORS PRIOR TO PURCHASING UNITS DESCRIBED IN THIS MEMORANDUM.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in the Fund by Benefit Plan Investors. The following is merely a summary of such considerations, however, and a complete discussion of the considerations associated is beyond the scope of this summary.

Each Benefit Plan Investor considering investing the assets of an IRA, or a pension, profit sharing, 401(k), Keogh or other employee benefit plan in the Fund should satisfy itself that such investment is consistent with its fiduciary obligations under ERISA and other applicable law, is made in accordance with the documents and instruments governing the plan or IRA, including the plan's investment policy, and satisfies the prudence and diversifications requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA. Each Benefit Plan Investor should also determine that an investment in the Fund will not impair the liquidity of the plan or IRA and that, even though it is expected that Units will produce unrelated business taxable income for the Benefit Plan Investor, the purchase and holding of Units is still consistent with the fiduciary obligations of the Benefit Plan Investor. Each Benefit Plan Investor should also satisfy itself that it will be able to value the assets of the plan annually in accordance with ERISA requirements.

Treatment of the Fund under ERISA

ERISA and the Code do not define "plan assets." However, the DOL has issued the Plan Asset Rules concerning the definition of what constitutes the assets of an employee benefit plan. The Plan Asset Rules provide that, as a general rule, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a plan purchases an "equity interest" will be deemed, for purposes of ERISA, to be assets of the investing plan unless certain exceptions apply. The Plan Asset Rules define an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Units in the Fund offered hereby should be treated as "equity interests" for purposes of the Plan Asset Rules.

One exception to the look-through rule under the Plan Asset Rules provides that an investing plan's assets will not include any of the underlying assets of an entity if at all times less than twenty-five percent (25%) of each class of "equity" interests in the entity are held by Benefit Plan Investors. The Sponsor and the Project Manager intend to take such steps as may be necessary to limit the ownership of Units in the Fund by Benefit Plan Investors to less than twenty-five percent (25%) of the total amount of Units, and thereby qualify for the twenty-five percent (25%) exemption. If, however, neither this nor any other exemption under the Plan Asset Rules were available and the Fund were deemed to hold plan assets by reason of a Benefit Plan Investor's investment in Units, such investor's indirect interest in the Property would be considered a plan asset. In such event, the Property, transactions involving the Property and the persons with authority or control over and otherwise providing services with respect to the Property would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Code Section 4975. See "RISK FACTORS – *ERISA Risks*" for a discussion of certain consequences if the prohibited transaction provisions of ERISA and Code Section 4975 apply to the Fund.

Each Benefit Plan Investor that is a prospective Investor in Units should consult with its counsel with respect to the potential applicability of ERISA and Code Section 4975 to such investment and determine on its own whether any exceptions or exemptions are applicable and whether all conditions of any such exceptions or exemptions have been satisfied. Moreover, each Benefit Plan Investor should determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in Units is appropriate for the Benefit Plan Investor, taking into account the overall investment policy of such investor and the composition of such investor's investment portfolio. The sale of Units in the Fund is in no respect a representation by the Sponsor, the Fund, their affiliates or any other person that such an investment meets all relevant legal requirements with respect to investments by plans generally or that such an investment is appropriate for any particular plan.

EXHIBIT A

Subscription Documents

[attached]

EXHIBIT B

Form of Operating Agreement for Integrus DLV Opportunity Zone Fund, LLC

[attached]

EXHIBIT C

Form of Operating Agreement for DLV-H, LLC

[attached]

EXHIBIT D

Development Plan

[attached]

EXHIBIT E

Financial Forecast

[Updated and Replaced in Whole by Exhibit B
of Supplement No. 2]

EXHIBIT F

Investor Summary

[attached]

EXHIBIT G

Final Notice of Entitlement Approval from Clark County

[attached]

EXHIBIT H

Founder's Club Privileges

[attached]

EXHIBIT I

Applied Analysis Sample Research Report

[attached]

EXHIBIT J

Dream Hotel Group Presentation

[attached]

EXHIBIT K

Track Record

[Updated and Replaced in Whole by Exhibit B of

Supplement No. 2]

EXHIBIT L

Convergence Strategy Group Gaming Potential dated June 30, 2020

[attached]

EXHIBIT L

Las Vegas Convention and Visitors Authority (LVCVA) Research Center

[attached]