Memorandum No. _____

LUKROM iFUND LP

a Delaware limited partnership

4455 E Camelback Rd., Suite C-135
Phoenix, Arizona 85018

SECOND AMENDED AND RESTATED
PRIVATE PLACEMENT MEMORANDUM

MAXIMUM OFFERING AMOUNT

$250,000,000

MINIMUM INVESTMENT AMOUNT

Class A Partnership Interests	$50,000
Class B Partnership Interests	$500,000
Class C Partnership Interests	$1,000,000
Class D Partnership Interests	Not applicable
Class E Partnership Interests	Not applicable

September 1, 2025

LUKROM iFUND LP (the "***Fund***") is a Delaware limited partnership. The Fund is offering ("***Offering***") by means of this Second Amended and Restated Private Placement Memorandum ("***Memorandum***") Four (4) classes of limited partnership interests ("***Limited Partnership Interests***") on a "best efforts" basis to qualified investors who meet the investor suitability standards as set forth herein (see "Investor Suitability" below). The Four (4) classes of Limited Partnership Interests shall be identified as "***Class A Interests***," "***Class B Interests,"*** "***Class C Interests,"*** and "***Class D Interests***." Limited Partners who acquire Class A Interests shall be referred to individually as a "***Class A Partner***," and collectively as the "***Class A Partners***." Limited Partners who acquire Class B Interests shall be referred to individually as a "***Class B Partner***," and collectively as the "***Class B Partners***." Limited Partners who acquire Class C Interests shall be referred to individually as a "***Class C Partner***," and collectively as the "***Class C Partners***."

The Fund will be managed by Lukrom Capital LLC, a Delaware limited liability company (the "***General Partner***"). The Fund shall only offer Class D Interests to Affiliates[1] and subsidiaries of the General Partner,

[1] "***Affiliates***" shall mean any of the following: (1) a Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control with the General Partner (or the Fund), (2) a Person who, directly or indirectly, owns, or controls at least Ten Percent (10%) of the outstanding voting interests of the General Partner (or the Fund), (3) a Person who is an officer, director, manager, or member of the General Partner (or the Fund), or (4) a Person who is an officer, director, manager, member, general partner, trustee, or owns at least Ten Percent (10%) of the outstanding voting interests of a Person described in clauses (1) through (3) of this sentence. The term "***Person***" shall mean a natural person or **Entity**. The term "***Entity***" shall mean an association, relationship, or artificial person through or by means of which an enterprise or activity may be lawfully conducted, including, without limitation, a partnership, trust, limited liability company, corporation, joint venture, cooperative, or association.

and in limited circumstances, to qualified employees, consultants, and advisory board members (as applicable) of the General Partner who meet the investor suitability standards as set forth herein (see "Investor Suitability" below). Limited Partners who acquire Class D Interests shall be referred to individually as a "***Class D Partner***," and collectively as the "***Class D Partners***." The Fund may only offer "***Class E Interests***" to the General Partner (a "***Class E Partner***" and collectively, the "***Class E Partners***"). Class A Partners, Class B Partners, Class C Partners, Class D, and Class E Partner(s) shall be collectively referred to as the "***Limited Partners***." Each class shall have differing rights, preferences, and restrictions as set forth herein and in the Fund's Limited Partnership Agreement. (See "Exhibit A-2 – Limited Partnership Agreement").

As further described in the Memorandum, the Fund has been organized to conduct the following business: to make, purchase, originate, fund, acquire and/or otherwise sell loans secured by interests in real or personal property throughout the United States. The Fund may also manage, remodel, repair, lease, and/or sell real properties acquired through the Fund's lending activities including but not limited to properties acquired through foreclosure and real estate owned ("***REOs***").

In addition, the Fund has formed a real estate investment trust ("***REIT***") in the form of a subsidiary (the "***Sub-REIT***"). There are substantial benefits in establishing a REIT, as set forth below. (See "Terms of the Offering" below). Maintaining a REIT involves additional risks, including tax and investment risks, which will be detailed later in this Memorandum. (See "Income Tax Considerations" and "Risk Factors" below).

Prospective investors ("***Investors***") who execute a subscription agreement ("***Subscription Agreement***") to invest in the Fund will become a limited partner of the Fund ("***Limited Partner***") once the General Partner deposits the Investor's investment into the Fund's operating bank account and subject to terms and conditions in the Memorandum and Subscription Agreement. An investment in the Fund is subject to restrictions on withdrawal (See "Summary of the Limited Partnership Agreement – Withdrawal" below). Subject to the terms and conditions provided herein, Limited Partners will have the option to either receive income distributions from the Fund or reinvest their distributable share of Fund earnings back into the Fund, in whole or in part, as allowed by the General Partner in its sole discretion (See "Terms of the Offering" below). The General Partner will receive compensation and income from the Fund and is subject to certain conflicts of interest. (See "Risk Factors," "General Partner's Compensation," and "Conflicts of Interest" below). There are material income tax risks associated with investing in the Fund that prospective Investors should consider. (See "Income Tax Considerations" below).

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS OFFERING IS MADE IN RELIANCE ON AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED ("***ACT***"), AND RULE 506(C) OF REGULATION D PROMULGATED THEREUNDER.

THIS INVESTMENT INVOLVES A DEGREE OF RISK THAT MAY NOT BE SUITABLE FOR ALL PERSONS. ONLY THOSE INVESTORS WHO HAVE NO NEED FOR LIQUIDITY AND CAN BEAR THE LOSS OF A SIGNIFICANT PORTION (OR ALL) OF THEIR INVESTMENT SHOULD PARTICIPATE IN THE INVESTMENT. (SEE "RISK FACTORS" BELOW).

CERTAIN TERMS OF THE OFFERING

	Price to Investors [1]	Estimated Selling Commissions [2]	Estimated Fund Proceeds [3]
Amount to be Raised Per Limited Partnership Interest	$1	$0.08	$0.92
Class A Interests Minimum Investment Amount[4]	$50,000	$4,000	$46,000
Class B Interests Minimum Investment Amount[4]	$500,000	$40,000	$460,000
Class C Interests Minimum Investment Amount[4]	$1,000,000	$80,000	$920,000
Class D Interests Minimum Investment Amount	Not Applicable	$0	Not Applicable
Class E Interests Minimum Investment Amount	Not Applicable	$0	Not Applicable
Maximum Offering Amount [5]	$250,000,000	$20,000,000	$230,000,000

1. The offering price to Investors was determined by the General Partner.

2. Offers and sales of Limited Partnership Interests will be made on a "best efforts" basis by broker-dealers (the "***Selling Group Members***," and collectively, the "***Selling Group***") who are members of Financial Industry Regulatory Authority ("***FINRA***"). American Alternative Capital, LLC, a Delaware limited liability company, and a member of FINRA, will act as the managing broker-dealer (the "***Managing Broker-Dealer***") for the Offering.

The following commissions and expenses will be paid from the Offering proceeds to the Managing Broker-Dealer, a portion or all of which may be re-allowed to Selling Group Members or other associated persons eligible to receive such compensation:

2.1 A selling commission equal to Five Percent (5%) of Offering proceeds attributable to the sale of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Selling Commissions to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Selling Commissions may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and Selling Group Member.

2.2 A Managing Broker-Dealer fee of up to Three Percent (3%) of the Offering proceeds attributable to sales of Limited Partnership Interest (the "***Managing Broker-Dealer Fee***"), which includes and is made up of the following fees: (a) a selling broker-dealer/due diligence allowance (the "***Due Diligence Allowance***") equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Due Diligence Allowances applicable to sales of Limited Partnership Interests to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Due Diligence Allowances may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and the Selling Group Member; (b) a wholesaler fee (the "***Wholesaler Fee***") equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests; and (c) the Managing Broker-Dealer fee (the "***MBD Fee***") up to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests.

2.3 Collectively, 2.1 and 2.2 represent the selling commissions ("***Selling Commissions***").

3. Net proceeds to the Fund are calculated before deducting organization and offering expenses. The expenses relating to this Offering include without limitation, legal, organizational, printing, binding, and miscellaneous expenses. The remaining Offering proceeds will be available for investment in assets pursuant to the business plan of the Fund. The General Partner will receive its compensation from a variety of sources, including, without limitation, a portion of the Net Profits of the Fund. (See "General Partner's Compensation" below). The General Partner may, in its sole and absolute discretion, elect to be responsible for some or all of the foregoing expenses related to the Offering, whether through direct payment or reimbursement of such expenses incurred by the Fund.

4. Assumes the sale of the Minimum Investment Amount. Notwithstanding the foregoing, the Fund and General Partner reserve the right, in their sole and absolute discretion, to at any time, and for any reason or no reason, accept subscriptions in a lesser amount, require a higher amount, or reject any subscription(s). The Fund may, at its sole and absolute discretion, at any time during the period of the Offering, increase or decrease the Minimum Investment Amount.

5. Assumes sale or ownership of the Maximum Offering Amount. It is possible that the Fund will sell less than the Maximum Offering Amount. The Fund may, at its sole and absolute discretion, at any time during the period of the Offering, increase or decrease the Maximum Offering Amount.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF AUTHORIZED PERSONS INTERESTED IN THE OFFERING. IT CONTAINS CONFIDENTIAL INFORMATION AND MAY NOT BE DISCLOSED TO ANYONE OTHER THAN AUTHORIZED PERSONS SUCH AS ACCOUNTANTS, FINANCIAL PLANNERS, OR ATTORNEYS RETAINED FOR THE PURPOSE OF RENDERING PROFESSIONAL ADVICE RELATED TO THE PURCHASE OF SECURITIES OFFERED HEREIN. IT MAY NOT BE REPRODUCED, DIVULGED, OR USED FOR ANY OTHER PURPOSE UNLESS WRITTEN PERMISSION IS OBTAINED FROM THE FUND. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON EXCEPT THOSE PARTICULAR PERSONS WHO SATISFY THE SUITABILITY STANDARDS DESCRIBED HEREIN.

THE SALE OF LIMITED PARTNERSHIP INTERESTS COVERED BY THIS MEMORANDUM HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS SET FORTH IN SECTION 4(A)(2) OF THE ACT AND RULE 506(C) OF REGULATION D THEREUNDER. THESE SECURITIES HAVE NOT BEEN QUALIFIED OR REGISTERED IN ANY STATE IN RELIANCE UPON THE EXEMPTIONS FROM SUCH QUALIFICATION OR REGISTRATION UNDER STATE LAW. THESE SECURITIES ARE "***RESTRICTED SECURITIES***" AND MAY NOT BE RESOLD OR OTHERWISE DISPOSED OF UNLESS A REGISTRATION STATEMENT COVERING DISPOSITION OF SUCH LIMITED PARTNERSHIP INTERESTS IS THEN IN EFFECT OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THERE IS NO PUBLIC MARKET FOR THE LIMITED PARTNERSHIP INTERESTS AND NONE IS EXPECTED TO DEVELOP IN THE FUTURE. ANY SUMS INVESTED IN THE FUND ARE ALSO SUBJECT TO SUBSTANTIAL RESTRICTIONS UPON WITHDRAWAL AND TRANSFER. THE LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY SHOULD BE PURCHASED ONLY BY INVESTORS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THAT INFORMATION AND THOSE REPRESENTATIONS SPECIFICALLY CONTAINED IN THIS MEMORANDUM; ANY OTHER INFORMATION OR REPRESENTATIONS SHOULD NOT BE RELIED UPON. ANY PROSPECTIVE PURCHASER OF THE LIMITED PARTNERSHIP INTERESTS WHO RECEIVES ANY OTHER INFORMATION OR REPRESENTATIONS SHOULD CONTACT THE FUND IMMEDIATELY TO DETERMINE THE ACCURACY OF SUCH INFORMATION AND REPRESENTATIONS. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND OR IN THE INFORMATION SET FORTH HEREIN SINCE THE DATE OF THIS MEMORANDUM SET FORTH ABOVE.

PROSPECTIVE INVESTORS SHOULD NOT REGARD THE CONTENTS OF THIS MEMORANDUM OR ANY OTHER COMMUNICATION FROM THE FUND AS A SUBSTITUTE FOR CAREFUL AND INDEPENDENT TAX AND FINANCIAL PLANNING. EACH POTENTIAL INVESTOR IS ENCOURAGED TO CONSULT WITH ITS OWN INDEPENDENT LEGAL COUNSEL, ACCOUNTANT, AND OTHER PROFESSIONALS WITH RESPECT TO THE LEGAL AND TAX ASPECTS OF THIS INVESTMENT AND WITH SPECIFIC REFERENCE TO HIS, HER, OR ITS OWN TAX SITUATION, PRIOR TO SUBSCRIBING FOR THE LIMITED PARTNERSHIP INTERESTS.

THE PURCHASE OF LIMITED PARTNERSHIP INTERESTS BY AN INDIVIDUAL RETIREMENT ACCOUNT ("***IRA***"), KEOGH PLAN, OR OTHER QUALIFIED RETIREMENT PLAN INVOLVES

SPECIAL TAX RISKS AND OTHER CONSIDERATIONS THAT SHOULD BE CAREFULLY CONSIDERED. INCOME EARNED BY QUALIFIED PLANS AS A RESULT OF AN INVESTMENT IN THE FUND MAY BE SUBJECT TO FEDERAL INCOME TAXES, EVEN THOUGH SUCH PLANS ARE OTHERWISE TAX EXEMPT. (SEE "INCOME TAX CONSIDERATIONS" AND "ERISA CONSIDERATIONS BELOW").

THE LIMITED PARTNERSHIP INTERESTS ARE OFFERED SUBJECT TO WITHDRAWAL OR CANCELLATION OF THE OFFERING AT ANY TIME FOR ANY REASON (OR NO REASON), AND WITHOUT ANY NOTICE THEREOF, TO PROSPECTIVE INVESTORS. THE FUND RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO REJECT ANY SUBSCRIPTIONS IN WHOLE OR IN PART, FOR ANY REASON (OR NO REASON) AT ANY TIME.

THE FUND WILL MAKE AVAILABLE TO ANY PROSPECTIVE INVESTOR AND ITS ADVISORS THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, THE FUND, THE GENERAL PARTNER, OR ANY OTHER RELEVANT MATTERS, AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT THAT THE FUND POSSESSES SUCH INFORMATION.

THIS OFFERING INVOLVES SIGNIFICANT RISKS WHICH ARE DESCRIBED IN DETAIL HEREIN. FEES WILL BE PAID TO THE GENERAL PARTNER AND ITS AFFILIATES, WHO MAY SUBJECT TO THE POTENTIAL FOR CERTAIN CONFLICTS OF INTEREST. THE GENERAL PARTNER ASSUMES FIDUCIARY DUTY TO INVESTORS UNDER THE INVESTMENT ADVISERS ACT OF 1940 INCLUDING A DUTY OF CARE AND LOYALTY. PROSPECTIVE PURCHASERS OF LIMITED PARTNERSHIP INTERESTS SHOULD READ THIS MEMORANDUM CAREFULLY AND IN ITS ENTIRETY.

THE INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN SUPPLIED BY THE GENERAL PARTNER AND THE FUND. THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN DOCUMENTS NOT CONTAINED IN THIS MEMORANDUM, WHICH ARE BELIEVED BY THE GENERAL PARTNER AND FUND TO BE ACCURATE. HOWEVER, ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCES TO THE ACTUAL DOCUMENTS. COPIES OF DOCUMENTS REFERRED TO IN THIS MEMORANDUM, BUT NOT INCLUDED HEREIN AS AN EXHIBIT, WILL BE MADE AVAILABLE TO QUALIFIED PROSPECTIVE INVESTORS UPON REQUEST.

FOR RESIDENTS OF ALL STATES. THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN ANY PARTICULAR STATE. THIS MEMORANDUM MAY BE SUPPLEMENTED BY ADDITIONAL STATE LEGENDS. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE ADVISED TO CONTACT THE FUND FOR A CURRENT LIST OF STATES IN WHICH OFFERS OR SALES MAY BE LAWFULLY MADE. AN INVESTMENT IN THIS OFFERING IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF FINANCIAL RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER ALL OF THE RISK FACTORS DESCRIBED BELOW.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY 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 ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

UNITED STATES TERRITORIES AND POSSESSIONS. THESE SECURITIES ARE NOT AUTHORIZED FOR OFFERING OR SALE IN ANY TERRITORY OR POSSESSION OF THE UNITED STATES, IN LIEU OF APPLICABLE SECURITIES LAWS TO THE CONTRARY. SECURITIES AND/OR CAPITAL GUARDIANSHIPS ARE NOT AUTHORIZED FOR SALE IN SUCH TERRITORIES OR POSSESSIONS.

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EXHIBITS

FORWARD-LOOKING STATEMENTS

Investors should not rely on forward-looking statements because forward-looking statements are inherently uncertain. Investors should not rely on forward-looking statements in this Memorandum. This Memorandum contains forward-looking statements that involve risks and uncertainties. This Memorandum use words such as "anticipated," "projected," "forecasted," "estimated," "prospective," "believes," "expects," "plans," "future," "intends," "should," "can," "could," "might," "potential," "continue," "may," "will," and similar expressions to identify these forward-looking statements. Investors should not place undue reliance on these forward-looking statements, which may apply only as of the date of this Memorandum.

SUMMARY OF THE OFFERING

The following information is only a brief summary of, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. This Memorandum, together with the exhibits attached, including, but not limited to, the Second Amended and Restated Limited Partnership Agreement of the Fund ("***Limited Partnership Agreement***"), a copy of which is attached hereto as Exhibit A-2, should be carefully read in its entirety before any investment decision is made. If there is a conflict between the terms contained in this Memorandum and the Limited Partnership Agreement, the Limited Partnership Agreement shall prevail and control.

THE FUND AND ITS OBJECTIVES	Lukrom iFund LP is a Delaware limited partnership located at 4455 E Camelback Rd., Suite C-135, Phoenix, Arizona 85018. The Fund will raise money through this Offering of Limited Partnership Interests to conduct the following business: to make, purchase, originate, fund, acquire, and/or otherwise sell loans secured by interests in real or personal property throughout the United States. The Fund may also manage, remodel, repair, lease, and/or sell real properties acquired through the Fund's lending activities, including but not limited to, properties acquired through foreclosure and REOs.
THE GENERAL PARTNER	The Fund will be managed by Lukrom Capital LLC, a Delaware limited liability company. The General Partner is also located at 4455 E Camelback Rd., Suite C-135, Phoenix, Arizona 85018.
THE OFFERING	The Fund is hereby offering Investors an opportunity to purchase Limited Partnership Interests in the Fund, in a maximum aggregate amount of Two Hundred and Fifty Million Dollars ($250,000,000) at One Dollar ($1) per Limited Partnership Interest. Notwithstanding the foregoing, the One Dollar ($1) per Limited Partnership Interest may be subject to change due to net-asset-value fluctuations. The minimum Class A Interests investment amount per Investor is Fifty Thousand Dollars ($50,000); the minimum Class B Interests investment amount per Investor is Five Hundred Thousand Dollars ($500,000); the Class C Interests minimum investment amount per Investor is One Million Dollars ($1,000,000) (each, the ***Minimum Investment Amount***). Notwithstanding the foregoing, the General

	Partner reserves the right to accept subscriptions in a lesser amount or require a higher amount.
GENERAL PARTNER AND AFFILIATE CONTRIBUTIONS; FIRST LOSS PROTECTION	The General Partner, its Affiliates, subsidiaries, employees, consultants, and advisory board members ("***GP Affiliates***") shall invest in the Fund by purchasing Class D Interests, and the General Partner by purchasing Class E investments. The General Partner and the GP Affiliates shall collectively maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests, with the intent to maintain at least Ten Percent (10%) of the Fund's aggregate Limited Partnership Interests outstanding. Notwithstanding the foregoing, if Lukrom Capital LLC, the original General Partner of the Fund, is removed for cause (as outlined below), and the successor general partner is not an Affiliate of Lukrom Capital LLC, appointed by Lukrom Capital LLC, nor the GP Affiliates, the successor GP and the GP Affiliates are not required to maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests. To mitigate the risk of loss to the Fund (in particular the risk of loss to the Class A Partners, Class B Partners, and Class C Partners), the Class E Partner(s) shall bear the first loss incurred (up to but not to exceed their capital account in the Fund), and the Class D Partners shall cover any first loss not covered by the Class E Partner(s) thereafter (up to but not to exceed their capital account in the Fund). This includes all loans held by the Fund, the Sub REIT, and any subsidiaries of the Fund. This obligation shall be referred to herein as the "***First Loss Protection***". In addition, the First Loss Protection shall be applied to satisfy if necessary for withdrawals at dissolution, redemptions, and distributions.
PRIOR EXPERIENCE	The principals of the General Partner have prior experience in real estate finance and lending industries. (See "The General Partner" below).
SUITABILITY STANDARDS	Limited Partnership Interests are offered exclusively to certain individuals, Keogh plans, IRAs, and other qualified Investors who meet certain minimum standards of income and/or net worth. Each Investor must execute a Subscription Agreement and an Investor Questionnaire making certain representations and warranties to the Fund, including, but not limited to, such purchaser's qualifications as an "Accredited Investor," as defined by the Securities and Exchange Commission in Rule 501(a) of Regulation D. (See "Investor Suitability" below).
CAPITALIZATION	The Fund will be funded with equity of a maximum of Two Hundred and Fifty Million Dollars ($250,000,000) ("***Maximum Offering***

	Amount"). The Fund may, at its sole and absolute discretion, at any time during the period of the Offering, increase or decrease the Minimum Investment Amount and/or the Maximum Offering Amount.
COMMISSIONS FOR SELLING LIMITED PARTNERSHIP INTERESTS	Offers and sales of Limited Partnership Interests will be made on a "best efforts" basis by the Selling Group who are members of FINRA. American Alternative Capital, LLC, a Delaware limited liability company, and a member of FINRA, will act as the Managing Broker-Dealer for the Offering. The following commissions and expenses will be paid from the Offering proceeds to the Managing Broker-Dealer, a portion or all of which may be re-allowed to Selling Group Members or other associated persons eligible to receive such compensation: i. A selling commission equal to Five Percent (5%) of Offering proceeds attributable to the sale of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Selling Commissions to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Selling Commissions may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and Selling Group Member. ii. A Managing Broker-Dealer Fee of up to Three Percent (3%) of the Offering proceeds attributable to sales of Limited Partnership Interest, which includes and is made up of the following fees: (a) a Due Diligence Allowance equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Due Diligence Allowances applicable to sales of Limited Partnership Interests to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Due Diligence Allowances may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and the Selling Group Member; (b) a Wholesaler Fee equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests; and (c) the MBD Fee up to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests. iii. Collectively, (i) and (ii) represent the Selling Commissions.
NO LIQUIDITY	There is no public market for Limited Partnership Interests, and none is expected to develop. Additionally, there are substantial restrictions

	on the transferability of Limited Partnership Interests. (See "Risk Factors" below).
LOAN ORIGINATOR AND SERVICER	The General Partner, the Fund, an Affiliate, and/or a third-party may originate the loans as a mortgage broker. It is presently anticipated that Lukrom Mortgage LLC ("***Lukrom Mortgage***"), a Delaware limited liability company and an Affiliate of the General Partner, shall initially originate and service the Fund's loans. The servicer, whether a third party or the General Partner or its Affiliate, shall be herein referred to as the "***Servicer***." The Servicer will be compensated by the Fund and/or borrowers for such loan servicing activities, as agreed upon by the General Partner and Servicer. (See "General Partner's Compensation" below). To the extent applicable, the General Partner will oversee the activities and performance of the Servicer. At its sole election, the General Partner may service the Fund's loans, appoint an Affiliate, or elect to retain a different third-party loan servicer at any time, for any or no reason.
RECOVERY OF DEFERRED COMPENSATION	If the General Partner or Servicer waives, defers, or assigns to the Fund any of its respective compensation, the General Partner and/or Servicer may elect, in the sole and absolute discretion of the General Partner, to recover the same at a later time within the same calendar year (or, if expressly approved by the General Partner, in any subsequent calendar year). Notwithstanding the foregoing, the General Partner and/or Servicer have no obligation to waive, defer, or assign to the Fund any portion of such compensation at any time.
SIDE LETTER	The General Partner may, without any further act, approval, or vote of any of the Limited Partners, enter into side letters or other similar arrangements with one or more Limited Partners that have the effect of establishing rights, or altering, supplementing, or modifying the terms of the Limited Partnership Agreement, including, the rights and terms which are more favorable to the recipients of such side letters ("***Side Letters***"). Side letter arrangements may vary depending on circumstances, economics, and agreements between the Fund and its Investors.
LEVERAGING THE PORTFOLIO	The Fund and/or Sub-REIT may borrow funds from third-party lenders, investors, and/or financial institutions to fund the Sub-REIT's investments, funding the Fund's operations, redemptions, and distributions, amongst other purposes. These borrowed funds may be secured or unsecured. If borrowed funds are secured, the Fund may secure borrowed funds by the assets held by the Fund and/or Sub-REIT. Leveraging involves additional risks that are detailed later in this Memorandum. (See "Risk Factors – Business Risks – Risks of Leveraging the Fund" below).
PREFERRED RETURN	Limited Partners will generally be entitled to receive a cumulative, annualized preferred return ("***Preferred Return***") on their unreturned capital contributions (plus all amounts previously earned

	but unpaid), calculated and payable monthly, (and prorated as applicable for the amount of time that a Limited Partner was a Limited Partner of the Fund). The Preferred Return shall be calculated and payable on a monthly basis, and payable prior to any profit participation by the General Partner (however, all expenses and fees other than profit participation will be paid to the General Partner prior to the Preferred Return). The Preferred Return shall be equal to a cumulative, annualized rate of Eight Percent (8.0%) for Class A Partners; Eight and One-Half Percent (8.5%) for Class B Partners, Nine Percent (9.0%) for Class C Partners, and Ten Percent (10%) for Class D Partners. The monthly distributions of the Preferred Return shall be equal to the Limited Partner's unreturned capital contributions multiplied by the rate corresponding to such Limited Partner's Class, divided by Twelve (12). Preferred Return is calculated using the Thirty/Three Hundred Sixty (30/360) day-count convention, which assumes each month has Thirty (30) days and each year has Three Hundred Sixty (360) days. (See "Terms of the Offering – Preferred Return; Cash Distributions; Election to Reinvest" below).
DISTRIBUTION OF PROFITS	The General Partner may receive monthly distributions of the Fund's earnings as further described below. (See "Terms of the Offering – Preferred Return; Cash Distributions; Election to Reinvest" below).
REINVESTMENT	Limited Partners have the option of receiving cash or having their share of cash credited to their capital accounts and reinvested in the Fund, at the then-current price of Limited Partnership Interests, for any income distributions of the Fund's earnings, as further described below. (See "Terms of the Offering – Preferred Return; Cash Distributions; Election to Reinvest" below). However, the General Partner reserves the right to commence making cash distributions at any time, to any Limited Partner in order for the Fund to remain exempt from the ERISA plan asset regulations and/or to remain in compliance with REIT qualifications. (See "ERISA Considerations," "Tax Considerations Related to Real Estate Investment Trust," and "Summary of the Limited Partnership Agreement" below).
RETURN OF CAPITAL	The General Partner reserves the right to return part or all of the Limited Partner's capital investment to the Limited Partner at any time during the investment, and to expel any Limited Partner for cause or for no reason. (See "Summary of the Limited Partnership Agreement – Redemption Policy and Other Events of Disassociation" below).
VALUATION ALLOWANCE	A valuation allowance may be maintained by the Fund and/or the Sub-REIT. The loan valuation allowance will be evaluated and established on a case-by-case basis at the sole and absolute discretion of the General Partner. This valuation allowance is intended to temporarily protect Limited Partners from potential unrecoverable

	losses from the Fund's and/or Sub-REIT's business and operating activities. Although the valuation allowance will help reduce the impact of defaults temporarily, ultimate repayment/resale of the loans will be jeopardized to the extent that any loans are in default and are not eventually repaid or resold, whether by the applicable borrower or by the Sub-REIT, to protect available collateral. Depending on reserve overages and the weighted risk levels of the portfolio, reserve amounts may be reduced, eliminated, or increased accordingly in the sole and absolute discretion of the General Partner. The valuation allowance may initially be funded from the proceeds of the Offering, and thereafter may be funded from Offering proceeds or cash flow and/or profits of the Fund and/or the Sub-REIT (as is determined by the General Partner in its sole discretion).
WITHDRAWAL	Limited Partners may submit a written request to withdraw all or a portion of their Limited Partnership Interest (the "***Withdrawal Request***") at any time. The General Partner will review and respond to each Withdrawal Request within Five (5) Business Days of receipt. Upon Approval, the Fund will initiate the first withdrawal payment within Sixty (60) days of such approval. Subsequent payments will be made at or before the end of each successive Ninety (90)-day period, in accordance with the applicable withdrawal schedule set forth below. All Withdrawal Requests must be made in writing and include the intended date of withdrawal (the "***Withdrawal Date***") and the specific balance of Limited Partnership Interests the Limited Partner seeks to withdraw and redeem (the "***Withdrawal Balance***"). The Withdrawal Date shall be effective upon the date of receipt of the Limited Partners' Withdrawal Request (the "***Effective Withdrawal Date***"). No transfer of Limited Partnership Interest to third parties (excluding transfers to Affiliates or estate planning vehicles) shall be permitted within Twelve (12) months of the original purchase of such Limited Partnership Interests. Notwithstanding the foregoing, Class D Partners may not withdraw or redeem their Limited Partnership Interests until Thirty-Six (36) months from the purchase of said Limited Partnership Interests, except in the event the General Partner is removed for cause, in which case such Class D Partners shall have the option to immediately redeem their Limited Partnership Interests. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, permit the early withdrawal of Class D Partners in circumstances it deems appropriate, including but not limited to cases of the termination of a Class D Partner's employment or consulting relationship with the General Partner or its Affiliates. For the avoidance of doubt, this discretion is in addition to the General Partner's authority to redeem any Limited Partner's Interest for any reason or no reason as set forth under the Fund's Limited Partnership Agreement. Class E Partner(s) may only withdraw or redeem their Limited Partnership Interests in the event the General Partner ceases to be the general partner of the Fund,

	including removal for cause. For purposes of determining the applicable lock-up period and any Early Withdrawal penalties (as defined below), any distributions that are reinvested by a Limited Partner shall be treated as having been contributed on the date of the Limited Partner's initial capital contribution to the Fund, and not on the date of reinvestment. Limited Partners shall receive any and all distributions or distributable proceeds as set forth herein for all Limited Partnership Interests until those Limited Partnership Interests are fully redeemed and the associated contributions withdrawn. The Fund will use its best efforts to honor Withdrawal Requests subject to, among other things, the Fund's then current cash flow, financial condition, and prospective transactions in assets. The Fund and the General Partner are not under any circumstances, obligated to (1) liquidate any assets in any efforts to accommodate or facilitate any Limited Partner's request for withdrawal from the Fund; or (2) cease business operations of the Fund, including but not limited to funding, making or acquiring new loans or real property, provided the General Partner, in its sole and absolute discretion, determines that such activity is in the best interest of the Fund. Withdrawal Requests will be processed by the Fund on a first-come, first-served basis. Each Limited Partner may only submit One (1) Withdrawal Request per calendar year, and only One (1) Withdrawal Request may be active at any given time per Limited Partner. The Fund shall deliver the Withdrawal Balance on a limited basis, depending on the amount of the Withdrawal Balance requested, as follows: for Withdrawal Balances of Five Hundred Thousand Dollars ($500,000) or less, the Limited Partner shall receive Fifty Percent (50%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Two (2) quarters for the Limited Partner to receive the total Withdrawal Balance; for Withdrawal Balances greater than Five Hundred Thousand Dollars ($500,000) and up to Two Million Five Hundred Thousand Dollars ($2,500,000), the Limited Partner shall receive Twenty-Five Percent (25%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Four (4) quarters for the Limited Partner to receive the total Withdrawal Balance; and for Withdrawal Balances greater than Two Million Five Hundred Thousand Dollars ($2,500,000), the Limited Partner shall receive Twelve and One-Half Percent (12.5%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Eight (8) quarters for the Limited Partner to receive the total Withdrawal Balance. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, distribute all or a portion of the Withdrawal Balance earlier than the scheduled distribution timeline, to the extent sufficient cash is available, provided that such early withdrawal does not adversely affect the Fund's ongoing operations and is reasonably

	determined by the General Partner to be in the best interests of the Fund. Multiple Withdrawal Requests submitted by a Limited Partner within a short time frame, or requests that appear to have been structured or staggered for the purpose of accelerating the withdrawal schedule applicable to smaller amounts, may be aggregated by the General Partner in its sole and absolute discretion for purposes of applying the appropriate withdrawal schedule, in order to prevent circumvention of the withdrawal limitations set forth herein. Any remittance of a Limited Partner's Withdrawal Balance shall be made on the first business day of the month. The maximum aggregate amount of Withdrawal Requests that the Fund will process each Fiscal Year is limited to Twenty Percent (20%) of the total outstanding contributions to the Fund. All Limited Partners' Withdrawal Balances shall continue to earn a Preferred Return up to but not include the date of payment. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, waive or modify such withdrawal requirements. Any Limited Partners seeking to withdraw prior to being a Limited Partner for Thirty-Six (36) months shall be considered an early withdrawal ("***Early Withdrawal***"). Early Withdrawals will only be permitted if the General Partner permits Early Withdrawal, in its sole and absolute discretion. Limited Partners who are approved for Early Withdrawal will be subject to an Early Withdrawal penalty calculated based on the date of the Withdrawal Request as follows: (i) Fifteen Percent (15%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs within the first Twelve (12) months from the purchase of said Limited Partnership Interests; (ii) Ten Percent (10%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs after Twelve (12) months but before Twenty-Four (24) months from the purchase of said Limited Partnership Interests; and (iii) Five Percent (5%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs after Twenty-Four (24) months but before Thirty-Six (36) months from the purchase of said Limited Partnership Interests. After Thirty-Six (36) months, no Early Withdrawal fee shall apply. The General Partner may, in its sole and absolute discretion, waive the Early Withdrawal fee in the event of the death, permanent disability, or legal incapacity of the Limited Partner. The General Partner may also, at its sole discretion, waive an Early Withdrawal penalty under other circumstances as well. The General Partner may at any time suspend the withdrawal of Limited Partnership Interests from the Fund, upon the occurrence of any of the following circumstances: (i) whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the General Partner or the Fund, disposal of the assets of the Fund is not reasonably practicable without being detrimental to the interests of the Fund or its Limited Partners, determined in the sole and absolute discretion of the General Partner;

	(ii) it is not reasonably practicable to determine the net asset value of the Fund on an accurate and timely basis; (iii) the Fund does not have available liquidity; (iv) in order to remain in compliance with REIT qualifications; or (v) if the General Partner has determined to dissolve the Fund. Additionally, unless the Fund has been impaired and suffered losses in excess of the Fund's valuation allowance and First Loss Protection, a redeemed Limited Partner will receive back the full balance of their capital account. Notice of any suspension will be given within Ten (10) business days from the time the decision was made to suspend withdrawals to any Limited Partner who has submitted a Withdrawal Request and to whom full payment of the Withdrawal Balance has not yet been remitted. If a Withdrawal Request is not rescinded by a Limited Partner following notification of a suspension, the withdrawal shall be processed upon lifting of such suspension. The Fund will initiate the first withdrawal payment within Sixty (60) days of the General Partner's re-approval of the Withdrawal Request, and subsequent payments will be made at or before the end of each successive Ninety (90)-day period, in accordance with the applicable withdrawal schedule then in effect (e.g., over Two (2), Four (4), or Eight (8) quarters depending on the size of the Withdrawal Balance). All such withdrawals will be based on the net asset value of the Fund at the time the suspension is lifted and processed in the order determined by the General Partner in its sole and absolute discretion.
FUND AUDITOR	The General Partner shall retain the services of a third-party certified public accounting firm to conduct periodic financial audits of the Fund's books and records. Any fees payable to such third party shall be considered an expense to the Fund.
FUND ADMINISTRATION	The Fund may retain the services of a thirty-party fund administrator ("***Fund Administrator***") to perform back-office accounting and administrative services for the Fund. The General Partner will oversee the activities and performance of the Fund Administrator, including deployment of funds into loans and/or properties. Notwithstanding the foregoing, the General Partner reserves the right to serve as the Fund Administrator or appoint an Affiliate to serve as Fund Administrator, at its sole and absolute discretion. Any fees payable to the Fund Administrator shall be considered an expense to the Fund.
REPORTING	The Fund shall report the following information to Limited Partners at the indicated frequency: Quarterly, the Fund shall provide, within Forty-Five (45) days of the end of each calendar quarter (March 31, June 30, September 30, December 31), copies of internally prepared financial statements, including the balance sheet and profit and loss statement. The Fund

	shall also provide a list of current outstanding loans. The Fund will also certify to Limited Partners within Forty-Five (45) days of the end of each calendar quarter (March 31, June 30, September 30, December 31) when it is not in compliance with all covenants, including financial covenants, contained in its loan documents. Annually, in addition to the quarterly reporting, the Fund shall provide audited financial statements prepared by a certified public accountant. The Fund shall provide Limited Partners with its annual financial statements, at least on a review basis, no later than One Hundred Twenty (120) days after the Fund's fiscal year-end, together with any accompanying letter from the Fund's accountants. Fund's financial statements will include at least a balance sheet, profit and loss statement, and statement of cash flow. Fund financial statements shall be prepared by Generally Accepted Accounting Principles ("**GAAP**") standards. Notwithstanding the foregoing, the Fund may experience delays in delivering its annual financial statements due to events beyond its reasonable control, including but not limited to acts of god, war, natural disasters such as floods or mudslides, or delays caused by third-party service providers. In the event of such a delay, the Fund shall use commercially reasonable efforts to provide the annual financial statements as soon as practicable following resolution of the applicable event or disruption. The Fund is not obligated to report investor lists to Limited Partners.

TERMS OF THE OFFERING

This Offering is made to qualified Investors to purchase Limited Partnership Interests in the Fund. The minimum investment amount per Investor for Class A Limited Partnership Interests is Fifty Thousand Dollars ($50,000). The minimum investment amount per Investor for Class B Limited Partnership Interests is Five Hundred Thousand Dollars ($500,000). The minimum investment amount per Investor for Class C Limited Partnership Interests is One Million Dollars ($1,000,000). (See "Investor Suitability" below).

While the Offering is still open, Limited Partners that have subscribed for at least the Minimum Investment Amount may purchase additional Limited Partnership Interests in increments of One Thousand Dollars ($1,000). The General Partner reserves the sole right, but has no obligation, to adjust the additional purchase amount of Limited Partnership Interests at any time and for any reason (or no reason) and thereby require either a higher or lesser amount.

The Offering will continue until (1) it is terminated by the Fund or (2) the Fund has raised the Maximum Offering Amount. At such time, the Offering will be deemed closed. The Fund may, at its sole and absolute discretion, at any time during the period of the Offering, increase or decrease the Minimum Investment Amount or the Maximum Offering Amount.

For purposes of determining eligibility for a particular class of Limited Partnership Interests, a group of related parties constituting a "Family Investment Group" (as defined under Section 267(c)(4) of the Internal Revenue Code of 1986, as amended (the "***Code***")) may aggregate their individual investments to

collectively meet the minimum investment threshold of a higher class and thereby qualify for the applicable return tier.

Notwithstanding the foregoing in "Terms of the Offering," the Fund reserves the right, in its sole and absolute discretion, at any time, and for any reason or no reason, to accept subscriptions in a lesser amount, require a higher amount, or reject any subscription in whole or in part.

Subscription Agreements; Admission to the Fund

To subscribe to the Fund and purchase any Limited Partnership Interests, an Investor must meet certain eligibility and suitability standards, some of which are set forth below. (See "Investor Suitability" below). Additionally, an Investor who wishes to become a Limited Partner of the Fund must sign and execute a Subscription Agreement in the form attached hereto as Exhibit B (together with payment in the amount of the capital contribution payable to the Fund), which shall be accepted or rejected by the General Partner in its sole and absolute discretion. By executing the Subscription Agreement, an Investor makes certain representations and warranties upon which the General Partner will rely on when accepting the Investor's subscription funds. INVESTORS SHOULD CAREFULLY READ AND COMPLETE THE SUBSCRIPTION AGREEMENT (WITH POWER OF ATTORNEY) AND INVESTOR QUESTIONNAIRE.

The General Partner may reject an Investor's Subscription Agreement for any reason or no reason at all. If accepted by the General Partner, the Investor's capital contribution will be temporarily deposited into a call account ("***Subscription Account***"). While an Investor's contribution is held in the Subscription Account, the Investor will not be considered a Limited Partner of the Fund, and the Investor's contribution will not accrue any interest from the Fund. An Investor shall become a Limited Partner of the Fund when the Investor's contribution is deposited into the Fund's operating account ("***Operating Account***") from the Subscription Account. In the event interest accrues on an Investor's capital contribution while being held in the Subscription Account, such interest shall be payable to the Investor. The General Partner will transfer the Investor's contribution from the Subscription Account into the Fund's Operating Account on a first-in, first-out basis when capital is needed by the Fund (in the General Partner's sole and absolute discretion) to make or purchase loans.

Notwithstanding the previous paragraph, should the process of depositing an Investor's funds into the Subscription Account and admitting a Limited Partner take longer than Ninety (90) days, the Investor may request in writing to recover its investment funds. If, upon receipt of such request in writing, the General Partner has not yet admitted the Investor as a Limited Partner, then General Partner may, in its sole and absolute discretion, return the Investor's funds to the Investor and revoke the Subscription Agreement within Ten (10) business days of receipt of such request from the Investor.

Subscription Agreements are non-cancelable and irrevocable by the Investor, and subscription funds are non-refundable for any reason, except with the express written consent of the General Partner, or as expressly set forth herein or in the Subscription Agreement.

AN INVESTOR SHALL OWN LIMITED PARTNERSHIP INTERESTS IN THE FUND IF AND ONLY IF THE INVESTOR'S SUBSCRIPTION FUNDS ARE TRANSFERRED INTO THE FUND'S OPERATING ACCOUNT.

Establishment of Real Estate Investment Trust

The Fund intends to maintain a Sub-REIT, provided that the Sub-REIT qualifies and maintains its status as a REIT under the *Code*. Establishing a REIT allows the Fund and certain Limited Partners to benefit from

the Tax Cuts and Jobs Act of 2017 (the "***Tax Act***"). The General Partner and the Fund have been advised that the Limited Partners will benefit from the provisions of the Tax Act that allow for the deduction of up to Twenty Percent (20%) of qualifying business taxable income from federal income tax. The General Partner and the Fund have also been advised that the REIT structure to be utilized by the Sub-REIT may eliminate potential unrelated business taxable income ("***UBTI***") to the Limited Partners and provide certain state and/or local tax advantages. (See "Income Tax Considerations" below).

To continue the Sub-REIT operations and achieve the intended benefits associated with the creation, the Fund has transferred or assigned substantially all of the Fund's assets and liabilities to the Sub-REIT as of the commencement of its operations. The commencement date of Sub-REIT occurred on January 1, 2024. In addition, in the taxable year immediately following commencement of operations, the Sub-REIT intends to be owned by One Hundred (100) or more investors. The Fund expects to be the sole initial owner of the Sub-REIT until such a time as One Hundred (100) or more investors become equity owners of the Sub-REIT. The Fund intends that the One Hundred (100) shareholder requirement will be satisfied by selling a nominal interest in the form of preferred limited partnership interests or units to investors who will become equity owners of the Sub-REIT. These One Hundred (100) shareholders must be admitted to the Sub-REIT during its second taxable year and must be present for at least Three Hundred and Thirty- Five (335) days of a taxable year of Twelve (12) months (or during a proportionate part of a taxable year of less than Twelve (12) months). The proceeds of Sub-REIT sale may be distributed to the Fund and its Limited Partners as a return of capital or used by the Fund and/or Sub-REIT for their business purposes. A copy of the private placement memorandum in connection with the offering for sale of the securities to the One Hundred (100) shareholders is available for review upon the Limited Partner's request.

Upon commencement of operations of the Sub-REIT, it is intended that substantially all of the lending activity conducted by the Fund shall be conducted by the Sub-REIT. The Sub-REIT shall adhere to the lending policies and procedures of the Fund and shall be governed by the same internal compliance procedures as applicable to the Fund (See "Lending Standards and Policies" below). Provisions described herein that restrict or govern the Fund's business operations shall apply jointly to the Fund and the Sub-REIT.

Like the Fund, the Sub-REIT will rely upon the General Partner and its Affiliates, and their principals, officers, directors, managers, and other staff members and consultants, to carry out the Sub-REIT's business activities. Compensation to the General Partner or an Affiliate shall be identical to compensation payable to the Fund for similar services, subject to requirements under the Code, including specifically, Sections 856 through 860. Expenses related to the establishment of the Sub-REIT will be paid by the Fund.

Although the risks associated with Sub-REIT are generally similar to those of the Fund, there are unique and additional risks in establishing and maintaining a REIT that are detailed later in this Memorandum. (See "Risk Factors – Risk Factors related to Real Estate Investment Trust" and "Income Tax Considerations" below). Distributions payable to Limited Partners are not expected to be adversely affected because the Sub-REIT expects to comply with REIT tax rules that require distribution of substantially all of its net income to its equity holders. After tax returns to taxable Limited Partners who are individuals, entities, trusts or estates, and subject to US federal income tax, are expected to be greater following commencement of operations by the Sub-REIT than would be the case if the Sub-REIT did not exist.

Preferred Return; Cash Distributions; Election to Reinvest

Preferred Return

Limited Partners who acquire Limited Partnership Interests will generally be entitled to receive a cumulative annualized Preferred Return on their unreturned capital contributions (plus all amounts

previously earned but unpaid), calculated and payable monthly (and prorated as applicable for the amount of time that a Limited Partner was a limited partner of the Fund during such accounting period). The Preferred Return shall be payable prior to any profit participation by the General Partner. However, all fees and costs other than profit participation will be paid to the General Partner prior to the Preferred Return.

The Preferred Return, which will generally be calculated on the unreturned capital contributions of the Limited Partner and payable on a monthly basis, shall be equal to a cumulative annualized rate as listed below for each class of Limited Partnership Interests:

Class of Limited Partnership Interests	Preferred Return
Class A	8.0%
Class B	8.5%
Class C	9.0%
Class D	10.0%

The monthly distributions of the Preferred Return shall be equal to the Limited Partner's unreturned capital contributions multiplied by the rate corresponding to such Limited Partner's Class, divided by Twelve (12). Preferred Return is calculated using the Thirty/Three Hundred Sixty (30/360) day-count convention, which assumes each month has Thirty (30) days and each year has Three Hundred Sixty (360) days. This method is commonly used in financial calculations to standardize accrual periods for interest or return calculations, particularly in private investment offerings.

For purposes of illustration, the following are examples of how the Preferred Return is calculated using the Thirty/Three Hundred Sixty (30/360) method:

If a Class A Limited Partner has an unreturned capital contribution of Two Hundred Thousand Dollars ($200,000), that Limited Partner would be entitled to a monthly Preferred Return of One Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($1,333.33), calculated as follows: Two Hundred Thousand Dollars ($200,000) multiplied by Eight Percent (8.0%) and divided by Twelve (12) months. If the Limited Partner is admitted on the Sixteenth (16th) day of a Thirty (30)-day month, then using the Thirty/Three Hundred Sixty (30/360) method the Preferred Return for that initial partial month would be prorated as One Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($1,333.33) multiplied by Fifteen (15) and divided by Thirty (30), resulting in a Preferred Return of Six Hundred Sixty-Six Dollars and Sixty-Seven Cents ($666.67).

If a Class B Limited Partner has an unreturned capital contribution of Six Hundred Thousand Dollars ($600,000), that Limited Partner would be entitled to a monthly Preferred Return of Four Thousand Two Hundred Fifty Dollars ($4,250), calculated as follows: Six Hundred Thousand Dollars ($600,000) multiplied by Eight and One-Half Percent (8.5%) and divided by Twelve (12) months. If the Limited Partner is admitted on the Eleventh (11th) of a Thirty (30)-day month, then using the Thirty/Three Hundred Sixty (30/360) method, the Preferred Return for that initial partial month would be prorated as Four Thousand Two Hundred Fifty Dollars ($4,250) multiplied by Twenty (20) and divided by Thirty (30), resulting in a Preferred Return of Two Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents ($2,833.33).

If a Class C Limited Partner has an unreturned capital contribution of One Million Five Hundred Thousand Dollars ($1,500,000), the monthly Preferred Return would be Eleven Thousand Two Hundred Fifty Dollars ($11,250), calculated as follows: One Million Five Hundred Thousand Dollars ($1,500,000) multiplied by Nine Percent (9.0%) and divided by Twelve (12) months. If the Limited Partner is admitted on the Fifth (5th) day of a Thirty (30)-day month, then using the Thirty/Three Hundred Sixty (30/360) method, the

Preferred Return for that initial partial month would be prorated as Eleven Thousand Two Hundred Fifty Dollars ($11,250) multiplied by Twenty-Six (26) and divided by Thirty (30) resulting in a Preferred Return of Nine Thousand Seven Hundred Fifty Dollars ($9,750).

If a Class D Limited Partner has an unreturned capital contribution of Four Million Dollars ($4,000,000), the monthly Preferred Return would be Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($33,333.33), calculated as follows: Four Million Dollars ($4,000,000) multiplied by Ten Percent (10.0%) and divided by Twelve (12) months. If the Limited Partner is admitted on the Twenty-First (21st) day of a Thirty (30)-day month, then using the Thirty/Three Hundred Sixty (30/360) method, the Preferred Return for that initial partial month would be prorated as Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($33,333.33) multiplied by Ten (10) and divided by Thirty (30) resulting in a Preferred Return of Eleven Thousand One Hundred Eleven Dollars and Eleven Cents ($11,111.11).

All Preferred Returns shall be distributed after payment of Fund expenses and fees, and to the extent that cash is available, and provided that such distribution will not impact the continuing operations of the Fund, as determined by the General Partner in its sole and absolute discretion. If the Fund is unable to pay to Limited Partners the full Preferred Return in any accounting period, the shortfall shall accumulate into the following accounting periods and the Fund shall pay the accrued but unpaid Preferred Return in any succeeding accounting periods until the Limited Partners have received at least the full annualized amount of the Preferred Return for such year (and such prior years, if prior years are unpaid).

Prospective Investors should understand that earnings, cash flow, and distributions of the Fund may necessarily fluctuate in accordance with the business and operations of the Fund. At the end of the fiscal year, the Fund may review all distributions paid during the year just ended and make ratable adjustments to the income distributions and Preferred Return distributions paid or payable to Limited Partners, in order to ensure that Limited Partners receive accurate Preferred Return distributions for the annual year, in accordance with the intent and provisions of the Limited Partnership Agreement and the Memorandum.

All Investors should understand that due to differences in timing and amounts of distributions, actual income/losses, and profits of the Fund, there may be a significant disparity between amounts distributed to Limited Partners and their distributable share of income and losses; such amounts and disparities may fluctuate and change from year to year.

DISTRIBUTIONS OF THE PREFERRED RETURN ARE NOT A GUARANTEED DISTRIBUTION AND ARE SUBJECT TO THE CASH AVAILABILITY OF THE FUND. THE GENERAL PARTNER AND THE FUND MAKE NO GUARANTEES, ASSURANCES, OR COMMITMENTS TO THE DISTRIBUTION OF ANY RETURNS. THE GENERAL PARTNER WILL ONLY MAKE DISTRIBUTIONS TO THE EXTENT CASH IS AVAILABLE, IN THE SOLE AND ABSOLUTE DISCRETION OF THE GENERAL PARTNER, AND TO THE EXTENT THAT ANY DISTRIBUTIONS WILL NOT IMPACT THE CONTINUING OPERATIONS OF THE FUND. DISTRIBUTIONS OF THE PREFERRED RETURN SHALL NOT, UNDER ANY CIRCUMSTANCES, BE MADE FROM OFFERING PROCEEDS.

Cash Distributions

After the Preferred Return has been fully distributed to Class A Partners, Class B Partners, Class C Partners, and Class D Partners, One Hundred Percent (100%) of the Net Profits shall be distributed to the Class E Partner(s).

"***Net Profits***" means the Fund's monthly gross income less (1) the Fund's monthly expenses including payment of outstanding debt (if any), administrative costs, cost of goods, depreciation, amortization, legal expenses, operating expenses, accounting fees, loan servicing costs, taxes, and any other expenses; (2) to pay an allocation of income for valuation allowance (as applicable), and (3) payment of the Preferred Return to the Class A Partners, Class B Partners, and Class C Partners; and (4) payment of the Preferred Return to the Class D Partners.

Specifically, the Fund's gross income shall be distributed as follows:

1. First, to pay for Fund's expenses, including, without limitation, payment of outstanding debt (if any), administrative costs, cost of goods, depreciation, amortization, legal expenses, operating expenses, accounting fees, loan servicing costs, taxes, and any other expenses;

2. Second, to pay an allocation of income for valuation allowance (as applicable);

3. Third, payment of the Preferred Return to the Class A Partners, Class B Partners, and Class C Partners;

4. Fourth, payment of the Preferred Return to the Class D Partners; and

5. Thereafter, to distribute One Hundred Percent (100%) of the Net Profits to the Class E Partner(s).

DISTRIBUTIONS OF NET PROFITS SHALL NOT, UNDER ANY CIRCUMSTANCES, BE MADE FROM OFFERING PROCEEDS.

Reinvestment Election

Each Limited Partner must elect to (a) receive cash distributions for its share of distributions of the Fund that is payable to the Limited Partner, or (b) have such amount(s) credited to its capital accounts and reinvested in the Fund to purchase additional Limited Partnership Interests, or (c) a combination thereof as may be allowed by the General Partner in its sole discretion. Notwithstanding the foregoing, the General Partner reserves the right to commence making cash distributions at any time to any Limited Partner(s), in order for the Fund to remain exempt from the ERISA plan asset regulations and/or to remain in compliance with REIT qualifications. Limited Partners must elect to receive cash distributions or reinvest all or some of their monthly income distributions. (See "ERISA Considerations," "Tax Considerations Related to Real Estate Investment Trust," and "Summary of the Limited Partnership Agreement" below).

An election to reinvest the monthly distributions of Preferred Return is revocable at any time, upon a written request to revoke such election. If no election is made, then the monthly distributions will be a cash disbursement. Limited Partners may change their election at any time, upon Thirty (30) days written notice to the Fund. Upon receipt and after the Thirty (30) day notice has occurred, the Limited Partner's election shall be changed and reflected on the following first day of the month in which the Limited Partner is entitled to receive a distribution. Notwithstanding the preceding sentences, the General Partner may, at any time, immediately commence with income distributions in cash only (hence, suspending the reinvestment option for such Limited Partner(s)) to any Limited Partner(s), in order for the Fund to remain exempt from the ERISA plan asset regulations. (See "ERISA Considerations" and "Summary of the Limited Partnership Agreement" below). Partial reinvestment is permitted. For purposes of calculating the lock-up period applicable to withdrawals or any Early Withdrawal penalties, amounts reinvested by a Limited Partner shall be treated as part of the Limited Partner's original capital contribution and shall be deemed contributed as of the date of the Limited Partner's initial capital contribution to the Fund.

Illustration: Reinvestment of Distributions and Impact on Capital Account and Preferred Return

The following examples are provided to illustrate how reinvested distributions affect a Limited Partner's capital account balance and the amount of future distributions over time. Each example assumes the Limited Partner has made the required minimum capital contribution applicable to the relevant Class of Limited Partnership Interests, has elected to reinvest all distributions, and that distributions are made monthly at the applicable Preferred Return rate.

Class A Partner Example

Assume a Class A Limited Partner initially makes a capital contribution of Fifty Thousand Dollars ($50,000) and elects to reinvest all monthly distributions. The Class A Partner is entitled to a Preferred Return of Eight Percent (8.0%) per annum. In the first month, the Partner would earn a distribution of approximately Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($333.33), calculated as Fifty Thousand Dollars ($50,000) multiplied by Eight Percent (8.0%) and divided by Twelve (12) months. Because the Partner elected to reinvest, the Partner's capital account would increase to Fifty Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($50,333.33). In the second month, the Partner's distribution would be based on this increased balance and would equal approximately Three Hundred Thirty-Five Dollars and Fifty-Six Cents ($335.56). This compounding process would continue, with each month's distribution amount slightly increasing as reinvested distributions are credited to the Partner's capital account.

Class B Partner Example

Assume a Class B Limited Partner initially makes a capital contribution of Five Hundred Thousand Dollars ($500,000) and elects to reinvest all monthly distributions. The Class B Partner is entitled to a Preferred Return of Eight and One-Half Percent (8.5%) per annum. In the first month, the Partner would earn a distribution of approximately Three Thousand Five Hundred Forty-One Dollars and Sixty-Seven Cents ($3,541.67) calculated as Five Hundred Thousand Dollars ($500,000) multiplied by Eight and One-Half Percent (8.5%) divided by Twelve (12) months. Because the Partner elected to reinvest, the Partner's capital account would increase to Five Hundred Three Thousand Five Hundred Forty-One Dollars and Sixty-Seven Cents ($503,541.67). In the second month, the Partner's distribution would be based on the increased balance and would equal approximately Three Thousand Five Hundred Sixty-Six Dollars and Seventy-Five Cents ($3,566.75). This compounding process would continue, with each month's distribution amount slightly increasing as reinvested distributions are credited to the Partner's capital account.

Class C Partner Example

Assume a Class C Limited Partner initially makes a capital contribution of One Million Dollars ($1,000,000) and elects to reinvest all monthly distributions. The Class C Partner is entitled to a Preferred Return of Nine Percent (9.0%) per annum. In the first month, the Partner would earn a distribution of approximately Seven Thousand Five Hundred Dollars ($7,500) calculated as One Million Dollars ($1,000,000) multiplied by Nine Percent (9.0%) and divided by Twelve (12) months. Because the Partner elected to reinvest, the Partner's capital account would increase to One Million Seven Thousand Five Hundred Dollars ($1,007,500). In the second month, the Partner's distribution would be based on the increased balance and would equal approximately Seven Thousand Five Hundred Fifty-Six Dollars and Twenty-Five Cents ($7,556.25). This compounding process would continue, with each month's distribution amount slightly increasing as reinvested distributions are credited to the Partner's capital account.

General Partner and Affiliate Contributions; First Loss Protection

The General Partner, its Affiliates, subsidiaries, employees, consultants, and advisory board members ("***GP Affiliates***") shall invest in the Fund by purchasing Class D Interests, and the General Partner by purchasing Class E investments. The General Partner and the GP Affiliates shall collectively maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests, with the intent to maintain at least Ten Percent (10%) of the Fund's aggregate Limited Partnership Interests outstanding.

Notwithstanding the foregoing, if Lukrom Capital LLC, the original General Partner of the Fund, is removed for cause (as outlined below), and the successor general partner is not an Affiliate of Lukrom Capital LLC, appointed by Lukrom Capital LLC, nor the GP Affiliates, the successor GP and the GP Affiliates are not required to maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests. To mitigate the risk of loss to the Fund (in particular the risk of loss to the Class A Partners, Class B Partners, and Class C Partners), the Class E Partner(s) shall bear the first loss incurred (up to but not to exceed their capital account in the Fund), and the Class D Partners shall cover any first loss not covered by the Class E Partner(s) thereafter (up to but not to exceed their capital account in the Fund). This includes all loans held by the Fund, the Sub REIT, and any subsidiaries of the Fund.

In addition, the First Loss Protection shall be applied to satisfy, if necessary for withdrawals at dissolution, redemptions, and distributions.

Maximum Offering

The Maximum Offering Amount of this Memorandum is Two Hundred and Fifty Million Dollars ($250,000,000). The General Partner may, at its sole and absolute discretion, at any time during the period of the Offering, increase or decrease the Maximum Offering Amount or the Minimum Investment Amount.

The maximum gross proceeds will be the Maximum Offering Amount, which will comprise, subject to adjustments as described elsewhere in this Memorandum, the total equity capitalization of the Fund. This Offering may, however, be terminated at the sole option of the General Partner at any time and for any reason (or no reason), before the Maximum Offering Amount is received.

Restrictions on Transfer

As a condition for this Offering, restrictions have been placed upon the ability of Limited Partners to resell or otherwise transfer any Limited Partnership Interests purchased hereunder. Specifically, no Limited Partner may resell or otherwise transfer any Limited Partnership Interests without the satisfaction of certain conditions designed to ensure compliance with applicable tax and securities laws, including, without limitation, the requirement that certain legal opinions be provided to the Fund with respect to such matters, and the requirement that any transfer of Limited Partnership Interests to a transferee does not violate any state or federal securities laws. Notwithstanding the foregoing, no Limited Partner may resell or otherwise transfer any Limited Partnership Interests without the prior written consent of the General Partner, whose consent may be withheld in its sole and absolute discretion. (See "Summary of the Limited Partnership Agreement — Transfer Restrictions" below).

To the extent required by applicable law or in the sole and absolute discretion of the General Partner, legends shall be placed on all instruments or certificates evidencing ownership of Limited Partnership Interests in the Fund, stating that the Limited Partnership Interests have not been registered under the federal securities laws and setting forth limitations on resale. Notations regarding these limitations shall be made

in the appropriate records of the Fund, with respect to all Limited Partnership Interests offered through this Offering.

Any Limited Partner who transfers, upon the General Partner's consent, any Limited Partnership Interests to another person shall pay the General Partner, subject to the sole and absolute discretion of the General Partner, a transfer fee of at least Two Thousand Five Hundred Dollars ($2,500) to cover administrative costs related thereto.

INVESTOR SUITABILITY

This investment is appropriate only for Investors who have no need for immediate liquidity in their investments and who have adequate means of providing for their current financial needs, obligations, and contingencies, even if such investments result in a total loss. Investment in the Limited Partnership Interests involves a high degree of risk and is suitable only for an Investor whose business and investment experience, either alone or together with a purchaser representative, renders the Investor capable of evaluating each and every risk of the proposed investment. CAREFULLY READ THE ENTIRE "RISK FACTORS" SECTION OF THIS MEMORANDUM.

Each Investor seeking to acquire Limited Partnership Interests will be required to represent that it is purchasing for its own account for investment purposes and not with a view to resell or distribute. The Fund will sell the Limited Partnership Interests to an unlimited number of "***Accredited Investors***" only.

To qualify as an Accredited Investor, an Investor must meet ONE of the following conditions:

1. Any natural person who had an individual income in excess of Two Hundred Thousand Dollars ($200,000) in each of the two most recent years, or joint income with that person's spouse or spousal equivalent in excess of Three Hundred Thousand Dollars ($300,000) in each of those years, and who has a reasonable expectation of reaching the same income level in the current year;

2. Any natural person whose individual net worth or joint net worth, with that person's spouse or spousal equivalent, at the time of their purchase, exceeds One Million Dollars ($1,000,000) (excluding the value of such person's primary residence);

3. A natural person holding one or more professional certifications or designations administered by the Financial Regulatory Authority, Inc., and in good standing: the Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), and Licensed Private Securities Offering Representative (Series 82);

4. A natural person holding, and in good standing, of one or more professional certifications or designations or other credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status;

5. A natural person who is considered a "knowledgeable employee" of a private fund as defined by Rule 3c-5(a)(4) under the Investment Company Act of 1940, including trustees and advisory board members, or person serving in a similar capacity of a fund relying on an exemption under Investment Company Act of 1940 Section 3(c)(1) or 3(c)(7), or an affiliated person of the fund that oversees the fund's investments, and employees of the private fund (other than employees performing solely clerical, secretarial, or administrative functions);

6. Any family office, as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940: with assets under management in excess of Five Million Dollars ($5,000,000), that is not formed

for the specific purpose of acquiring the securities offered, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risk of the prospective investment;

7. Any family client, as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements in paragraph (a)(12) of this section and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (a)(12)(iii);

8. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;

9. any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 ("***Exchange Act***");

10. any investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state;

11. any investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940; any insurance company as defined in Section 2(13) of the Exchange Act;

12. any investment company registered under the Investment Fund Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

13. any Small Business Investment Fund licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

14. any Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;

15. any plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of Five Million Dollars ($5,000,000);

16. any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of Five Million Dollars ($5,000,000) or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;

17. Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

18. Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Five Million Dollars ($5,000,000);

19. Any director or executive officer, or Fund of the issuer of the securities being sold, or any director, executive officer of a Fund of that issuer;

20. Any trust, with total assets in excess of Five Million Dollars ($5,000,000), not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(B)(b)(2)(ii) of the Code;

21. Any entity not listed above which was not formed for the specific purpose of acquiring the securities offered, owning investments in excess of Five Million Dollars ($5,000,000); or

22. Any entity in which all the equity owners are accredited investors, as defined above.

Verification

The Fund will require that the Investor verify the Investor's status as an Accredited Investor through any reasonable means and steps deemed necessary or suitable by the Fund. A non-exhaustive list of verification steps that the Fund may use for, or require from, an Investor is noted in the Subscription Agreement. Every Investor is required to cooperate in the Fund's verification steps and methods before being permitted to invest in the Offering. The Fund may use differing or varied verification steps or methods for each Investor, as the facts and circumstances surrounding any particular Investor's financial situation would likely be different from any other Investor.

USE OF PROCEEDS

	Maximum Offering Amount	Percentage of Gross Offering Proceeds
Gross Offering Proceeds [(1)]	$250,000,000	100%
Commissions Payable by the Fund [(2)]	$20,000,000	8%
Deployable Proceeds	$230,000,000	92%

[(1)] Gross Offering proceeds to the Fund are calculated before deducting organization and offering expenses. The expenses relating to this Offering include, without limitation, legal, organizational, printing, binding, and miscellaneous expenses. The remaining Offering proceeds will be available for investment in assets pursuant to the business plan of the Fund. The General Partner will receive its compensation from a variety of sources, including, without limitation, a portion of the Net Profits. (See "General Partner's Compensation" below). The General Partner may, in its sole and absolute discretion, elect to be responsible for some or all of the foregoing expenses related to the Offering, whether through direct payment or reimbursement of such expenses incurred by the Fund.

[(2)] Offers and sales of Limited Partnership Interests will be made on a "best efforts" basis by the Selling Group who are members of FINRA. American Alternative Capital, LLC, a Delaware limited liability company, and a member of FINRA, will act as the Managing Broker-Dealer for the Offering.

The following commissions and expenses will be paid from the Offering proceeds to the Managing Broker-Dealer, a portion or all of which may be re-allowed to Selling Group Members or other associated persons eligible to receive such compensation:

i. A selling commission equal to Five Percent (5%) of Offering proceeds attributable to the sale of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Selling Commissions to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Selling Commissions may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and Selling Group Member.

ii. A Managing Broker-Dealer Fee of up to Three Percent (3%) of the Offering proceeds attributable to sales of Limited Partnership Interest, which includes and is made up of the following fees: (a) a Due Diligence Allowance equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests. The Managing Broker-Dealer may re-allow all or a portion of the Due Diligence Allowances applicable to sales of Limited Partnership Interests to a Selling Group Member involving a registered representative compensated on a commission basis for the sale. The Due Diligence Allowances may be reduced or waived for any particular sale upon agreement of the Managing Broker-Dealer and the Selling Group Member; (b) a Wholesaler Fee equal to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests; and (c) the MBD Fee up to One Percent (1%) of the Offering proceeds attributable to sales of Limited Partnership Interests.

iii. Collectively, (i) and (ii) represent the Selling Commissions.

LENDING STANDARDS AND POLICIES

General Standards for Loans

The Fund will originate, acquire, make, fund, purchase, and/or otherwise sell loans secured by interests in real or personal property. The Fund may also manage, remodel, repair, lease, and/or sell real properties acquired through the Fund's lending activities, including but not limited to, properties acquired through foreclosure and REOs. The Fund's loans will not be guaranteed by any governmental agency or private entity, but may be guaranteed by Limited Partners, shareholders, Affiliates, and/or associates of the underlying borrowers. The Fund will select loans according to the standards provided below.

1. Lien Priority. Loans will primarily be secured by senior deeds of trust or mortgages that are first lien positions. The Fund may also fund loans secured by (a) second, junior, deeds of trust or mortgages, (b) a pledge of the ownership interest in the borrowing entity ("***Mezzanine Loans***"), or (c) a preferred equity interest in the borrowing entity ("***Preferred Equity***"), provided that the aggregate loan-to-value ratios in Section 3 below are met.

2. Loan-to-Value Ratio. A loan from the Fund and/or the Sub-REIT will generally not exceed the Loan-to-Value percentage ratios set forth below. The Loan-to-Value ratio is calculated by taking the amount of the Fund's loan combined with the amount of any senior outstanding debt secured by other liens on the property loan, dividing that by the value of the real property securing the deed of trust or mortgage and multiplying that figure by One Hundred (100) to come to a percentage. "***Value***" shall be determined by an independent certified appraiser or a non-certified appraiser doing an appraisal on the real property or the General Partner or commercial or residential real estate broker giving its opinion of the as-is value or after-repair value of the real property. Notwithstanding the foregoing, the Fund and/or the Sub-REIT may exceed the below stated Loan-to-Value ratios if the General Partner determines in its sole business judgment that a higher loan amount is warranted by the circumstances of that particular loan, such as being able to secure multiple properties, called "cross-collateralization," personal guaranties, prior loan history with the borrower, market conditions, if mortgage insurance is obtained, or other compensating factors that would support the General partner in making its decision in the best interests of the Fund and/or the Sub-REIT. Additionally, the Fund and/or Sub-REIT will generally not exceed a loan-to-cost ("***Loan-to-Cost***" or "***LTC***") percentage ratio on any loan, regardless of real property/loan type, of Eighty Percent (80%). The LTC ratio is calculated by taking the amount of the Fund's loan combined with the amount of any senior outstanding debt secured by other liens on the property, and dividing that total amount by the value of the borrower's Cost Basis in the real property securing the deed of trust or mortgage, and multiplying that figure by One Hundred (100) to come to a percentage. "***Cost***" or "***Cost Basis***" shall refer to the borrower's aggregate total of all expenditures relating to the secured property that have been approved by the General Partner. For purposes of illustration, this may include purchase price, commissions, cost of improvements, financing costs, design and permit fees, and other similar expenditures.

Type of Real Property Securing Loan/ Loan Type	Target and Maximum LTV Ratios
Non-Owner-Occupied Single Family Residential	Target: <70%; Maximum: 80%
Multi-Family Properties[1]	Target: <70%; Maximum: 80%
Commercial[2]	Target: <60%; Maximum: 75%
Construction loans[3]	Target: <60%; Maximum: 70%
Unimproved Land	Target: 50%; Maximum: 70%

1. Multi-family includes apartments, manufactured housing, student housing, short-term multifamily housing, and senior apartments.
2. Commercial includes retail, office, industrial, self-storage, and specialized commercial properties (e.g., churches, synagogues, etc., if alternative use is viable).
3. Determined on "as completed" or "after repair" value ("***ARV***").

Upon analysis in approximately Twenty-Four (24) months, the General Partner (as the general partner of the Sub-REIT) may re-evaluate the portfolio and Loan-to-Value ratio maximums set by the Fund and/or the Sub-REIT and revise the Loan-to-Value ratio maximums at that time if it considers it to be in the best interests of the Sub-REIT (and the Fund). The General Partner will inform Limited Partners of the new Loan-to-Value ratios when and if the General Partner re-evaluates them.

In general, the Fund and/or the Sub-REIT will seek to maintain a weighted Loan-to-Value ratio for the Fund of approximately Sixty Five Percent (65%), provided that the maximum Loan-to-Value ratio for the Fund and/or the Sub-REIT shall not exceed Eighty Percent (80%), unless the General Partner determines in its sole discretion that it is in the best interests of the Fund and/or the Sub-REIT to exceed such ratio in any single or multiple instances.

The foregoing Loan-to-Value ratios do not apply to purchase-money financing offered by the Sub-REIT. An example of these types of loans is real estate owned by the Sub-REIT whereby the Sub-REIT decides to sell the property and carry back a loan on the property to make it cash flow positive.

3. Terms of Fund Loans. The terms of the Fund loans will vary. Loans can generally have terms as short as Six (6) months to as long as Twenty-Four (24) months. A loan may, however, be shorter in term or exceed the foregoing terms, if the General Partner believes, in its sole and absolute discretion, that the loan is in the best interests of the Fund and/or the Sub-REIT. Many loans that the Fund and/or the Sub-REIT will originate or acquire may provide for interest-only payments followed by a balloon payment at the end of the term. For risk-hedging purposes, borrowers may be required to make principal and interest payments. At the end of the term, the Fund will require the borrower to pay the loan in full, to refinance the loan, or to sell the real property to pay back the loan. The Fund and/or the Sub-REIT may allow Six (6) to Twenty-Four (24) months extension for a fee paid by Fund borrowers. Finally, the Fund and/or the Sub-REIT may also charge exit fees on Loans, based on the existing Loan balance at maturity. These exit fees may range from Zero Percent (0%) to Ten Percent (10%) of the remaining loan balance at maturity.

4. Title Insurance. Satisfactory title insurance coverage will generally be obtained for all loans and will usually be paid by the borrower. The title insurance policy will name the Fund and/or the Sub-REIT as the insured and provide title insurance in an amount not less than the principal amount of the loan unless there are multiple forms of security for the loan, in which case the General Partner shall use its sole business judgment in determining whether, and to what extent, title insurance shall be required. Title insurance insures only the validity and priority of the Fund's deed of trust or mortgage, and does not insure the Fund and/or the Sub-REIT against loss from other causes, such as diminution in the value of the secured property, loan defaults, and other such losses.

5. Fire and Casualty Insurance. Satisfactory fire and casualty insurance will generally be obtained for all improved real property loans, which insurance will name the Fund and/or the Sub-REIT as its loss payee in the amount equal to the improvements on the real property. (See "Business Risks – Uninsured Losses" below).

6. Mortgage Insurance. The General Partner does not intend to, but may, if the property otherwise qualifies, arrange for mortgage insurance, which would afford some protection against loss, if the Fund and/or the Sub-REIT foreclosed on a loan and there existed insufficient equity in the security property to repay all sums owed.

7. Acquiring Loans from Other Lenders. In the event the Fund acquires loans from other lenders, the Fund and/or the Sub-REIT will receive assignments of all beneficial interest in any loans purchased.

8. Purchase of Loans from Affiliates. The Fund and/or the Sub-REIT may purchase loans from the General Partner or Affiliates, so long as it meets the lending requirements set forth above.

9. Fractionalized Interests. The Fund and/or the Sub-REIT may also invest in fractionalized interests in promissory notes secured by real property with other lenders (including other entities organized by the General Partner), by providing funds for, or by purchasing a fractional undivided interest in, a first position loan that meets the requirements set forth above.

10. Non-Performing Loans. The Fund and/or the Sub-REIT may, when commercially reasonable, purchase, take back, receive, or otherwise acquire non-performing loans secured by real property located throughout the United States ("***Nonperforming Notes***" or "***NPNs***"). Nonperforming Notes are typically loans that are in default, behind in payments, or secured by properties that have little-to-no equity remaining due to devaluation or excessive leverage. The Fund's primary intent, as it pertains to Nonperforming Notes, is to acquire the Nonperforming Notes at a discount, and subsequently refinance, modify, or otherwise reform the Nonperforming Notes to become performing Notes. Alternatively, the Fund and/or the Sub-REIT may also foreclose and/or acquire the properties securing the Nonperforming Notes, using the general standards and criteria set forth below. The Fund and/or the Sub-REIT will use an opportunistic investment strategy to identify and invest in Nonperforming Notes, unless the General Partner, in its sole and absolute discretion, determines it is no longer in the best interests of the Fund and/or the Sub-REIT.

11. Equity Participation and Mezzanine Positions. The Fund and/or the Sub-REIT may fund Mezzanine loans as an alternative to loans secured by real property. Generally, a Mezzanine loan is a type of subordinate real estate financing that is secured by a pledge of One Hundred Percent (100%) of the equity ownership interests in the entity that owns the real property. The Fund may also make loans where it agrees to participate in the equity of the property securing the loan made by the Fund. Such equity participation may include, but is not limited to, sharing in the proceeds from the sale price of the property or properties securing the loan, or including additional exit fees upon loan repayment.

12. Sale of Loans. The Fund may invest in loans for the purpose of reselling such loans in the course of business. The Fund may sell loans, or fractional interests in such loans, when the General Partner determines (in its sole and absolute discretion) that it appears to be advantageous for the Fund and/or the Sub-REIT to do so, based upon the current interest rates, the length of time that the loan has been held by the Fund and/or the Sub-REIT and the overall investment objectives of the Fund and/or the Sub-REIT. (See "Risk Factors – Investment Risks" below).

13. Diversification of the Fund's Capital in Loans. After the Fund has Twenty Million Dollars ($20,000,000) in capital, no loan originated or acquired by the Fund shall exceed Twenty Percent (20%) of the total Fund capital at the time of the loan. A loan may exceed the foregoing percentage if the General Partner believes, in its sole and absolute discretion, that the loan is in the best interest of the Fund.

14. Property Acquisition. Properties acquired by the Fund and/or the Sub-REIT will be acquired through the Fund's and/or the Sub-REIT's lending activities, including, but not limited to, properties acquired as a result of a borrower defaulting on a loan. The Fund and/or the Sub-REIT may establish limited liability companies that are wholly-owned subsidiaries of the Fund and/or the Sub-REIT to own and hold title of a property that the Fund and/or the Sub-REIT has acquired and intends to improve, rent, and/or sell. These wholly-owned subsidiaries will be single-purpose entities ("***SPE***") created solely for the purpose of owning, improving, renting, and/or selling the properties the Fund and/or the Sub-REIT acquires. The General Partner (or an Affiliate) shall serve as the sole manager of these SPEs.

Credit Evaluations

The General Partner will consider the income level and general creditworthiness of a borrower to determine its ability to repay the loan according to its terms, in addition to considering the loan-to-value ratios described above, and secondary sources of security for repayment. The Fund and/or the Sub-REIT may acquire loans made to borrowers who are in default under other obligations (e.g., to consolidate their debts), or who do not have sources of income that would be sufficient to qualify for loans from other lenders, such as banks or savings and loan associations.

Loan Servicing

It is presently anticipated that all Fund and/or the Sub-REIT loans will be serviced (i.e., loan payments collected and other services relating to the loan) by Lukrom Mortgage. Notwithstanding the foregoing, at its sole election, the General Partner may choose to service the Fund and/or the Sub-REIT loans itself, appoint another Affiliate, or retain the services of a third-party loan servicer at any time for any reason (or no reason). The Servicer may be compensated by the borrowers and/or Fund for such loan servicing activities, as agreed upon by the General Partner and Servicer, prior to the payment of the Preferred Return. To the extent applicable, the General Partner will oversee the activities and performance of the Servicer. (See "The General Partner" below).

Borrowers will make loan payments in arrears (i.e., with respect to the preceding month) and will be instructed to send their loan payments either to the General Partner or to the Servicer (as applicable) for deposit in the respective party's trust account.

Leveraging the Fund or the Sub-REIT / Borrowing / Note Hypothecation

The Fund and/or the Sub-REIT may borrow funds, for the purpose of making and purchasing loans, funding the Fund's operations, redemptions, and distributions, amongst other purposes. Borrowed funds may be secured or unsecured. If borrowed funds are secured, the Fund may assign all or a portion of its loans as security for such borrowed funds. In furtherance, the Fund and/or the Sub-REIT anticipates engaging in this type of transaction when the interest rate at which the Fund and/or the Sub-REIT can borrow funds is significantly less than the rate that can be earned by the Fund and/or the Sub-REIT when using those funds to make or acquire loans, giving the Fund the opportunity to earn a profit as a "spread." For purposes of illustration, these transactions may be loans secured by one or a series of loans belonging to the Fund. Such a transaction involves certain elements of risk and entails possible adverse tax consequences. (See herein "Risk Factors," "Income Tax Considerations," and "ERISA Considerations" below).

The Fund and/or the Sub-REIT may also, in its sole discretion, elect, employ leverage, and borrow funds from third-party lenders, investors, and/or financial institutions to finance the Fund's investments in loans. Leverage usually involves a third-party loan in which the Fund's and/or the Sub-REIT's entire asset portfolio may be provided as security to the lender for such loan(s). Leveraging involves additional risks that are detailed later in this Memorandum. (See "Risk Factors – Business Risks – Risks of Leveraging the Fund" below).

THE GENERAL PARTNER

The General Partner of the Fund is Lukrom Capital LLC, a Delaware limited liability company. The General Partner was formed under the laws of Delaware on January 17, 2023. The General Partner will manage and direct the affairs of the Fund. The principals, officers, and directors of the General Partner, and their biographies, are as follows:

Thomas McPherson, Principal & CEO, Lukrom Capital LLC

A real estate entrepreneur and U.S. Navy veteran, Thomas enjoys engaging in visionary work with diverse teams to solve challenging problems. While serving in the Navy, Thomas earned his Surface Warfare and Fleet Marine Force Warfare designations and completed extensive combat medical training as an FMF Corpsman. He learned how to heal the human body, and now, through leadership, he seeks to heal our communities and the planet. Mr. McPherson began his real estate career as a broker with Sperry Van Ness, winning their National Rookie of the Year Award in 2010. He then moved to Hendricks & Partners (now Berkadia), the premier multifamily brokerage firm in the US.

In 2012, Thomas founded Fenix Private Capital Group LLC to focus on improving underperforming real estate assets throughout Arizona. At Fenix, Thomas participated in purchasing and repositioning value-add multifamily, office, retail, and industrial properties across Arizona. This was accomplished by purchasing properties via short-sale, auction, REO, or conventional sales using personal capital, private lenders, banks, and raising equity. In addition to purchasing real property, Thomas began buying distressed debt in 2011, buying nonperforming loans (NPLs) from national, regional, and community banks along with private parties.

Recognizing a need for leadership in sustainable development, Thomas positioned Fenix PCG to be a pioneer development company of highly sustainable mixed-use real estate in urban cores. Partnering with Habitat Metro, Thomas has since developed the 70-unit mixed-use property Eco PHX in downtown Phoenix and Eco Mesa, the 102-unit mixed-use property in downtown Mesa. Fenix and Habitat Metro continue to develop their Eco-branded and highly sustainable multifamily projects in the Phoenix area.

In 2019, Thomas noted real estate prices were eclipsing pricing records set before the Great Recession. Sensing an opportunity to help borrowers, lenders, and investors if (and when) the market corrected, he co-founded DO Income Fund, a distressed debt fund that purchases underperforming and nonperforming loans originated by private lenders across the country. Since then, Thomas and his team have transacted on hundreds of loans from Washington to Florida across a broad spectrum of property types.

Thomas has numerous passions outside of work, primarily spending time with his wife and two children. When not working or with his family, you can find Thomas going for a run, reading a book, planting trees or veggies in the garden, hiking, SCUBA diving, or practicing yoga. Thomas is also a licensed pilot and

enjoys taking people for a flight across the Grand Canyon or up the New England coast, where Thomas and his family spend parts of the summer.

Thomas and his wife founded the Madre Tierra Foundation to help fund educational programs and reforestation projects. To date, MTF has helped seed two schools (one in Sedona, AZ, and another in Costa Rica) along with reforesting approximately 200 acres of land previously used for cattle farming.

Matt Campbell, COO, Lukrom Capital LLC

Matt Campbell joined Lukrom in January 2023 as Chief Operating Officer and a founding team member to drive operational excellence and the company's efficiency, leveraging his expertise to turn strategic vision into executable plans.

Matt is a serial entrepreneur, starting successful companies in both the clean energy sector and commercial product space. Matt first discovered his entrepreneurial spirit and talent for problem solving through innovation while attending the University of Arizona, where he received an undergraduate degree in Molecular and Cellular Biology and later an MBA. Recognizing the need for clean emission vehicles, Matt started Campbell-Parnell, a company that specializes in EPA-Certified alternative fuel conversion systems for gasoline vehicles, with his father, Tom Campbell. Over the last 20 years of operations, that company is responsible for displacing millions of gallons of gasoline and diesel with cleaner-burning alternative fuel and is living up to its motto of "Embracing a Cleaner America."

Matt is also listed on numerous patents, including the intellectual property behind the company and product called BottleKeeper. As the Co-Founder and President of BottleKeeper, he grew the company from an idea to an eight-figure business, was featured on Shark Tank, made the Inc 5000 list as one of the fastest growing companies in 2019, and ultimately oversaw the successful sale of the company in 2021.

Matt is an active member and board member of Executive Council 70, a charitable group of professionals that volunteer and fundraise for local charities that impact at-risk Arizona youth. He currently resides in Scottsdale, Arizona. When he is not spending time with family and friends, he enjoys watching and playing sports, solving puzzles, and traveling.

Merriah Harkins, Chief Sales Officer, Lukrom Capital LLC

Merriah Harkins joined Lukrom in January 2025 as Chief Sales Officer to lead and expand the company's sales team and efforts, focusing on Registered Investment Advisors, Broker-Dealers, Family Offices, and their investors.

For the past eight years, Merriah acted as the Head of Retail Capital Markets and Chief Services Officer for Beneficient and its related companies, primarily responsible for the sales and national accounts teams and product development. Merriah also led strategy and execution related to technological and product-related solutions in business-to-business relationships with Family Offices, Registered Investment Advisors, Broker-Dealers, and General and Limited Partners seeking investments in and early exits from mid-to-long-term alternative investments, including venture capital, private equity, and debt funds.

Since 2002, Merriah has been leading sales and national accounts teams selling alternative investments and raising money within the Independent Broker-Dealer and Registered Investment Advisor channels at

several leading alternative investment firms, gaining a deep understanding of the real estate, venture equity and debt, private equity, equipment leasing, oil and gas, and life insurance industries.

Merriah started her career at Aetna, Vanguard, and Charles Schwab. She received her BSBA degree in finance from Shippensburg University in Pennsylvania after studying marketing at the University of Georgia. Merriah holds FINRA licenses: Series 7, 24, and 63.

In her free time, Merriah enjoys time with family and friends, practicing yoga, and traveling.

Mike Susi, Director of Lending, Lukrom Capital LLC

Mike Susi has been with Lukrom since its inception in January 2023, when he joined as the Director of Lending. During his time with Lukrom, Mike has been responsible for standing up the lending operation to include the growth and oversight of the lending team, along with the implementation of the appropriate processes and procedures to ensure the team is diligent and effective.

Mike was born and raised in Portland, Maine. He attended Lasell College in Newton, Massachusetts, graduating in 2019 with a bachelor's degree in Fitness Management. While attending Lasell, his interest in real estate grew, and he began networking with professionals in the industry. Immediately after graduation, Mike found his way into private lending. Mike quickly began building and managing a portfolio of performing, short-term private lender loans secured by real estate in Maine, New Hampshire, and Massachusetts.

Mike was responsible for the portfolio management for the small private lending firm he worked for, managing approximately $10 million at any given time. Mike's experience managing a portfolio of private loans provided him with knowledge of numerous aspects of the private lending business. Mike has originated loans for the purpose of new construction, hospitality repositioning, condo conversions, residential fix & flips, along with commercial and multifamily value-add projects. The wide array of different loan types and purposes Mike has worked on has given him invaluable experience underwriting potential new investments across a variety of product types.

Through his time in private lending, Mike has been diligent in his underwriting, understanding of the characteristics of a good borrower and good collateral, and importantly, his presence and communication with borrowers throughout the loan term. This has resulted in the fortunate result of not having to foreclose on a borrower or take a property back as an REO. Mike hopes to continue this experience into the future as long as possible.

In addition to his private lending experience, Mike has purchased and sold investment property of his own and is a principal in two apartment complex deals located in Georgia, totaling 63 residential apartments. These two projects are similar in nature, and were purchased in poor condition, in need of repair and repositioning. Mike's role in these deals has consisted of organization of financing, financial modeling, deal structure (investor and debt), and creation of the value-add business plan and implementation of the business plan in conjunction with his property manager. He has also consulted on the acquisition of one other similar residential apartment complex purchase. This "hands-on" experience and management of such deals allows him to look at deals from a perspective different than many lenders and loan brokers, offering additional value to our clients.

In his free time, Mike enjoys playing golf, mountain biking, boxing, and checking out new hiking spots.

GENERAL PARTNER'S COMPENSATION

The following discussion summarizes some important areas of compensation to be received by the General Partner and its Affiliates, and in certain instances, the Servicer. If the General Partner and its Affiliates or Servicer waives, defers, or assigns to the Fund any of their respective compensation, the General Partner and its Affiliates and/or Servicer will be entitled to recover the same at a later time, within the same calendar year or at any time thereafter. Notwithstanding the foregoing, the General Partner and its Affiliates and/or Servicer have no obligation to waive, defer, or assign to the Fund any portion of such compensation, at any time.

Form of Compensation	Estimated Amount or Method of Compensation
PROFIT PARTICIPATION	The General Partner shall participate in the distribution of Net Profits as follows: the General Partner shall receive One Hundred Percent (100%) of the Net Profits.
LOAN ORIGINATION FEES, EXIT FEES AND LENDER DISCOUNT POINTS	Loan origination fees, exit fees, and lender discount points are generally collected from borrowers by the General Partner, on behalf of the Fund. Such fees and points average (in the aggregate) between One Percent (1%) and Ten Percent (10%) but could be as low as Zero Percent (0%) or as high as Fifteen Percent (15%) depending on market conditions. One Hundred Percent (100%) of the loan origination fees, exit fees, and lender discount points shall be payable to the Fund and/or Sub-REIT. Loan origination fees consist of loan processing fees, underwriting fees, document preparation fees, escrow fees, disbursement fees, warehousing fees, administration fees, and other similar charges.
PURCHASE OF EXISTING LOANS	When the Fund purchases an existing loan (or pool of loans) from a third party, the General Partner and/or Lukrom Mortgage may be paid a fee comparable to a loan origination fee.
LOAN EXTENSION AND MODIFICATION FEES	Loan extension and modification fees are collected from borrowers by the General Partner. Such fees are typically between One Percent (1%) and Three Percent (3%) of the original loan amount, but could be higher or lower depending on market rates and conditions. Such fees are collected by the General Partner on the Fund's behalf and shall be payable to the Fund and/or Sub-REIT.
LOAN PROCESSING, LOAN DOCUMENTATION, AND OTHER SIMILAR FEES	Loan processing, documentation, and other similar fees are collected from the borrower and payable to the Fund and/or Sub-REIT, at prevailing industry rates.

OTHER LOAN FEES	All other fees paid by borrowers on account of the Fund and/or Sub-REIT loans will be payable to the Fund and/or Sub-REIT. All other fees include, but are not limited to, all forbearance fees, late fees, late charges, collection fees, prepayment penalties, default interest, and all other similarly related fees incurred by borrowers (including, but not limited to, other fees authorized by loan documents for work performed regarding the subject loan).
LOAN SERVICING FEE	The General Partner may appoint a third-party Servicer or Lukrom Mortgage to service the loans. In either event, any loan servicing fee payable to the Servicer shall be calculated as an expense to the Fund. This fee may be expensed on a monthly basis from payments received by the General Partner (on behalf of the Fund) from borrowers. The loan servicing fee may vary from loan to loan.
FEES RELATED TO REOs	To the extent applicable, the General Partner or an Affiliate shall be entitled to any fees derived from REOs, which includes, without limitation, any real estate commissions, property management fees, and/or fees accrued in connection with REOs. REOs acquired through the Fund's lending activities will be managed, remodeled, repaired, leased, and/or sold by the Fund, the General Partner, and/or its Affiliates, as determined by the General Partner in its sole and absolute discretion. The General Partner or its Affiliates will receive fees at rates customarily charged for similar services by companies engaged in the same or substantially similar activities in the relevant geographical area.
OPERATING EXPENSES	The General Partner shall be entitled to reimbursement by the Fund and/or Sub-REIT (but only to the extent that Fund assets are sufficient thereof) for reasonable and necessary out-of-pocket expenses incurred by the General Partner on behalf of the Fund. Notwithstanding the foregoing, the General Partner shall not seek reimbursement from the Fund and/or Sub-REIT for any organizational or formation costs incurred on or before the date of this Memorandum. However, the General Partner reserves the right to seek reimbursement from the Fund and/or Sub-REIT for any reasonable formation, accounting, analyst, banking, transactional fees, and legal costs incurred after the date of this Memorandum in connection with the ongoing formation, governance, or capital raising activities of the Fund and/or Sub-REIT.

FIDUCIARY RESPONSIBILITY OF THE GENERAL PARTNER

Under applicable law, the General Partner is generally accountable to the Fund as a fiduciary, which means that the General Partner is required to exercise good faith and integrity with respect to Fund affairs, and sound business judgment. This is a rapidly developing and changing area of the law, and Limited Partners should consult with their own legal counsel in this regard. The fiduciary duty of the General Partner is in addition to the other duties and obligations of, and limitations on, the General Partner, set forth in the Limited Partnership Agreement of the Fund. Investors should consult with their own independent counsel in this regard.

The Fund has not been separately represented by independent legal counsel in its formation or in the dealings with the General Partner, and Limited Partners must rely on the good faith and integrity of the General Partner to act in accordance with the terms and conditions of this Offering.

The Limited Partnership Agreement provides that the General Partner will not have any liability to the Fund for losses resulting from errors in judgment or other acts or omissions, unless the General Partner is guilty of fraud, bad faith or willful misconduct. The Limited Partnership Agreement also provides that the Fund will indemnify the General Partner against liability and related expenses (including, without limitation, legal fees and costs) incurred in dealing with the Fund, Limited Partners, or third parties, as long as no fraud, bad faith, or willful misconduct on the part of the General Partner is involved. Therefore, Limited Partners may have a more limited right of action than they would have, absent these provisions in the Limited Partnership Agreement. A successful indemnification of the General Partner, or any litigation that may arise in connection with the General Partner's indemnification, could deplete the assets of the Fund. Limited Partners who believe that a breach of the General Partner's fiduciary duty has occurred should consult with their own legal counsel in the event of fraud, willful misconduct, or bad faith.

It is the position of the U.S. Securities and Exchange Commission that indemnification for liabilities arising from, or out of, a violation of federal securities law is void as contrary to public policy. However, indemnification will be available for settlements and related expenses of lawsuits alleging securities law violations if a court approves the settlement and indemnification, and also for expenses incurred in successfully defending such lawsuits if a court approves such indemnification.

RISK FACTORS

Although the Fund will attempt to comply with requests for the early withdrawal of the Limited Partnership Interests if the financial position of the Fund can accommodate it (see "Summary of the Limited Partnership Agreement – Withdrawal" below), any investment in the Limited Partnership Interests involves a significant degree of risk and is suitable only for Investors who have NO NEED FOR LIQUIDITY in their investments. When analyzing this Offering, prospective Investors should carefully consider each of the following risks and the matters discussed herein under the captions "General Partner's Compensation," "Conflicts of Interest," "Income Tax Considerations," and "ERISA Considerations."

INVESTMENT RISKS

No Registration: Limited Governmental Review

This Offering has not been registered with, nor reviewed by, the U.S. Securities and Exchange Commission or any state agency or regulatory body, nor is registration contemplated.

Dilution

The Limited Partnership Interests offered in the Offering consist of units of limited partnership interests of the Fund. Limited Partners may experience dilution of their respective Limited Partnership Interests in the Fund as more Investors are admitted as Limited Partners of the Fund. Further, under the Limited Partnership Agreement, the General Partner has the right to cause the Fund to sell additional Limited Partnership Interests. Any such sale of additional Limited Partnership Interests would further dilute the percentage interests of the existing Limited Partners.

Limited Transferability of Limited Partnership Interests

Although the Fund will attempt to redeem Limited Partnership Interests, when possible (see "Summary of the Limited Partnership Agreement - Withdrawal" below), there is no public market for the Limited Partnership Interests, and none is expected to develop in the future. Even if a potential buyer could be found, the transferability of these Limited Partnership Interests is also restricted by the provisions of the Securities Act of 1933 and Rule 144 promulgated thereunder, and by the provisions of the Limited Partnership Agreement. Unless an exemption is available, these Limited Partnership Interests may not be sold or transferred without registration under the Securities Act of 1933 and the prior written consent of applicable state securities regulators and agencies. Any sale or transfer of these Limited Partnership Interests also requires the prior written consent of the Fund. See herein "Summary of the Limited Partnership Agreement" below. Limited Partners possess very limited rights to withdraw from the Fund or to otherwise recover any of their Withdrawal Balance. (See "Summary of the Limited Partnership Agreement – Withdrawal" below). Investors must be capable of bearing the economic risks of this investment with the understanding that these Limited Partnership Interests may not be liquidated by resale or redemption and should expect to hold their Limited Partnership Interests as a long-term investment.

Size of the Offering

There is no assurance that the Fund will obtain capital investments equal to the amount required to close the Offering. In addition, receipt of capital investments of less than the Maximum Offering Amount will reduce the ability of the Fund to spread investment risks through diversification of its investment portfolio.

Speculative Nature of Investment

Investment in these Limited Partnership Interests is speculative and, by investing, each Investor assumes the risk of losing the entire investment. The Fund has limited operations as of the date of this Memorandum and will be solely dependent upon the Fund and the Fund's loan portfolio, both of which are subject to the risks described herein. Accordingly, only Investors who are able to bear the loss of their entire investment, and who otherwise meet the Investor suitability standards, should consider purchasing these Limited Partnership Interests. (See "Investor Suitability" above).

Conflicts of Interest

There are several areas in which the interests of the General Partner may conflict with those of the Fund. (See "Conflicts of Interest" below).

Investors and Fund Not Independently Represented

The Fund has not been represented by independent legal counsel for its organization and dealings with the General Partner. In addition, the attorneys who have performed services for the Fund have also represented

the General Partner but have not represented the interests of the Investors or Limited Partners of the Fund. (See "Conflicts of Interest" below).

Investment Delays

There may be a delay between the time the Investor submits the Subscription Agreement to the General Partner and is admitted as a Limited Partner, and the time the proceeds of this Offering are invested in loans and as investments by the Fund. During these periods, the Fund may invest these proceeds in short-term certificates of deposit, money-market funds, or other liquid assets with FDIC-insured and/or NCUA-insured banking institutions, which will not yield a return as high as the anticipated return to be earned on Fund loans and property investments.

Adverse Impact due to Economic Conditions

Generally, economic recessions or downturns may result in a prolonged period of market illiquidity, which could have an adverse effect on the Fund's business, financial condition, and results of operations. Periods of economic slowdown or recession, significantly rising interest rates, declining employment levels, decreasing demand for real estate, or the public perception that any of these events may occur, have resulted in and could continue to result in, a general decline in acquisition, disposition, and leasing activity, as well as a general decline in the value of real estate and rents. These events could adversely affect the fund's demand among investors, which will impact the results of operations.

During an economic downturn, it may also take longer for us to dispose of real estate investments, or the disposition prices may be lower than originally anticipated. As a result, the carrying value of such real estate investments may become impaired, and the fund could record losses as a result of such impairment or experience reduced profitability related to declines in real estate values. These events could adversely affect the fund's performance, and, in turn, the fund's business, and negatively impact the results of operations. Negative general economic conditions could continue to reduce the overall amount of sale and leasing activity in the commercial real estate industry, and hence the demand for the fund's securities, which may in turn adversely affect the fund's revenues. The fund is unable to predict the likely duration and severity of the current disruption in financial markets and adverse economic conditions in the United States and other countries.

Lack of Regulation

The General Partner and the Fund are not supervised or regulated by any federal or state authority, except to the extent that the General Partner's lending and brokerage activities are regulated and supervised by applicable authorities.

Reliance on General Partner

The General Partner (and/or its Affiliates) will participate in all decisions concerning the management of the Fund and/or Sub-REIT, including (without limitation) determining which loans to purchase and originate. The Fund and/or Sub-REIT is dependent to a significant degree on its continued services. In the event of the dissolution, death, retirement, or other incapacities of the General Partner or its principals, the business and operations of the Fund and/or Sub-REIT may be adversely affected. The Limited Partners will then elect a new General Partner, or the General Partner shall appoint a new General Partner, pursuant to the Limited Partnership Agreement.

Side Letters

General Partner may from time to time enter into Side Letters with one or more Limited Partners which provide such Limited Partner(s) with additional and/or different rights (including, without limitation, with respect to access to information, incentive allocations, minimum investment amounts, and liquidity terms) than such Limited Partners(s) have pursuant to this Memorandum. As a result of such Side Letters, certain Limited Partners may receive additional benefits (including, but not limited to, reduced fee or incentive allocation obligations, the ability to withdraw Limited Partnership Interests on shorter notice, and/or expanded informational rights) which other Limited Partners will not receive. For example, a Side Letter may permit a Limited Partner to withdraw Limited Partnership Interests on less notice and/or at different times than other Limited Partners. As a result, should the Fund experience a decline in performance over a period of time, a Limited Partner that is party to a Side Letter that permits less notice and/or different withdrawal times may be able to withdraw Limited Partnership Interests prior to other Limited Partners. The General Partner will not be required to notify any or all Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different rights and/or terms to any or all Limited Partners. The General Partner may enter into such Side Letters with any party as the General Partner may determine in its sole and absolute discretion at any time. Limited Partners will have no recourse against the Fund, the General Partner, and/or any of their Affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters.

Requirement of Additional Capital

Future capital requirements depend on many factors, including the Fund's ability to successfully locate investments, and whether further investment in these opportunities becomes necessary to protect the Fund's existing positions in the investments. If further capitalization becomes necessary to further stabilize, develop, or protect any of the Fund's assets, or if capitalization is needed for any other reason, any equity financing, if available at all, may not be on terms favorable to the Fund, and dilution to the Limited Partners could result. In any case, such securities may have rights, preferences, and privileges that are senior to those of the Limited Partnership Interests offered herein. If adequate capital cannot be obtained, the Fund's business, operating results, and financial condition could be adversely affected**.**

Tax and ERISA Risks

Investment in the Fund involves certain tax risks of general application to all Limited Partners in the Fund, and certain other risks specifically applicable to Keogh accounts, Individual Retirement Accounts, and other tax-exempt investors. (See "Income Taxation Considerations" and "ERISA Considerations" below).

Tax Liability May Exceed Cash from Operations

As a result of decisions of the General Partner in operating the Fund, which may require the suspension of cash distributions due to a need to maintain a higher level of cash reserves, along with other events, there is a risk that the tax liability owed by a Limited Partner in any tax year will exceed any cash distribution from the Fund in that year. As a result, some or all of the payment of taxes may be an out-of-pocket expense of the Limited Partners.

Unidentified Assets

Specific future assets in which the Fund will invest have not been identified at this time. Therefore, a potential Investor will be unable to evaluate the Fund's future loan portfolio to determine whether to invest

in the Fund. However, the general business goals of the Fund are to make and acquire loans as further described herein, and the current loan portfolio can be evaluated.

Price of Limited Partnership Interests

The purchase price of the Limited Partnership Interests offered through this Memorandum has been set at One Dollar ($1) per Limited Partnership Interest with a minimum subscription from each class as follows: (1) Class A Partners of Fifty Thousand Dollars ($50,000), or Fifty Thousand (50,000) Class A Interests; (2) a minimum subscription from each Class B Partners of Five Hundred Thousand Dollars ($500,000), or Five Hundred Thousand (500,000) Class B Interests; (3) a minimum subscription from each Class C Partners of One Million Dollars ($1,000,000), or One Million (1,000,000) Class C Interests. For Class D Partners and Class E Partner(s), please refer to the "Summary of the Offering - General Partner and Affiliate Contributions; First Loss Protection" above. Each dollar of investment represents a Limited Partnership Interest in the Fund. Notwithstanding the foregoing, the One Dollar ($1) per Limited Partnership Interest may be subject to change due to net-asset-value fluctuations.

Anti-Money Laundering

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 requires that financial institutions establish and maintain compliance programs to guard against money laundering activities and requires the Secretary of the U.S. Treasury ("***Treasury***") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("***FinCEN***"), an agency of the Treasury, has announced that it is likely that such regulations would subject certain pooled-investment vehicles to enact anti-money laundering policies. There could be promulgated legislation or regulations that would require the Fund or its service providers to share information with governmental authorities with respect to prospective investors in connection with the establishment of anti-money laundering procedures. Such legislation and/or regulations could require the Fund to implement additional restrictions on the transfer of the Limited Partnership Interests. The Fund reserves the right to request such information as necessary, to verify the identity of prospective Investors and the source of the payment of subscription monies, or as necessary to comply with any customer identification programs required by FinCEN and/or the U.S. Securities and Exchange Commission. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, an application for, or transfer of, the Interests may be refused.

Investment Company Act Risks

The Fund intends to avoid becoming subject to the Investment Company Act of 1940, as amended ("***1940 Act***"); however, the Fund cannot assure prospective Investors that under certain conditions, changing circumstances, or changes in the law, the Fund may not become subject to the 1940 Act in the future, as a result of the determination that the Fund is an "investment company" within the meaning of the 1940 Act, that does not qualify for an exemption as set forth below. Becoming subject to the 1940 Act could have a material, adverse effect on the Fund. Additionally, the Fund could be terminated and liquidated due to the cost of registration, under the 1940 Act. In general, the 1940 Act provides that if there are One Hundred (100) or more investors in a securities offering, then the 1940 Act could apply, unless there is an exemption; however, the 1940 Act generally is intended to regulate entities that raise monies where the entity itself "holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities" (Section 3(a)(1)(A) of the 1940 Act).

The second key definition of an "investment company" under the 1940 Act considers the nature of an entity's assets. Section 3(a)(1)(C) of the 1940 Act defines "investment company" as any issuer that "is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in

securities, and owns or proposes to acquire investment securities having a value exceeding Forty Percent (40%) of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis." Section 3(b)(1) of the 1940 Act provides that a company is not an "investment company" within the meaning of the 1940 Act, if it is "[an] issuer primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities . . ."

Section 3(c) of the 1940 Act provides for the following relevant exemptions: "Notwithstanding subsection (a), none of the following persons is an investment company within the meaning of this title: (1) Any issuer whose outstanding securities (other than short-term paper) are beneficially owned by ***not more than one hundred persons*** [emphasis added] and which is not making and does not presently propose to make a public offering of its securities. Such issuer shall be deemed to be an investment company for purposes of the limitations set forth in subparagraphs (A)(i) and (B)(i) of section 12(d)(1) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end investment company to any such issuer. For purposes of this paragraph: (A) Beneficial ownership by a company shall be deemed to be beneficial ownership by one person, except that, if the company owns Ten (10) per centum or more of the outstanding voting securities of the issuer, and is or, but for the exception provided for in this paragraph or paragraph (7), would be an investment company, the beneficial ownership shall be deemed to be that of the holders of such company's outstanding securities (other than short-term paper). (B) Beneficial ownership by any person who acquires securities or interests in securities of an issuer described in the first sentence of this paragraph shall be deemed to be beneficial ownership by the person from whom such transfer was made, pursuant to such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title, where the transfer was caused by legal separation, divorce, death, or other involuntary event . . . or (5) Any person who is not engaged in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates, and who is primarily engaged in one or more of the following businesses: (A) Purchasing or otherwise acquiring notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services; (B) making loans to manufacturers, wholesalers, and retailers of, and to prospective purchasers of, specified merchandise, insurance, and services; and (C) ***purchasing or otherwise acquiring mortgages and other liens on and interests in real estate*** [emphasis added]."

Based upon the above, the Fund has been advised that the Offering is exempt under the 1940 Act and that the 3(c)(1) and/or 3(c)(5) exemptions will apply. However, there are no assurances that this will ultimately be the case.

BUSINESS RISKS

Limited Operating History of Operations

The Fund has a limited history of operations. The Fund's projections are based upon the limited operating history and limited publicly available information and industry knowledge. The Fund's projections may not be indicative of prospects or future performance, and ultimate operations expenses and potential losses cannot be projected with certainty. There can be no assurance that expenses and losses exceeding the Fund's total resources will not occur.

Risks Associated with Expansion

The Fund plans on expanding its business through aggressive marketing and networking with realtors, wholesalers, title companies, banks, real estate investment clubs, and real estate investors. Any expansion

of operations the Fund may undertake will entail risks. Such actions may involve specific operational activities, which may negatively impact the profitability of the Fund. Consequently, investors must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Fund at that time, and (ii) management of such expanded operations may divert the General Partner's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Fund's present and prospective business activities.

Competition

The Fund and/or Sub-REIT will be competing for loans, investment opportunities, and property acquisitions with other mortgage funds, private investors, institutional lenders, and investors and others engaged in the mortgage lending and property acquisition business. These other lenders and investors may have greater financial resources and experience than the Fund and the General Partner. Other lenders and investors may also generally be able to accept more risk than the Fund can manage. Competition may reduce the number of suitable prospective loans offered to the Fund and/or Sub-REIT.

Trends in Consumer Preferences and Spending

The Fund's operating results may fluctuate significantly from period to period as a result of a variety of factors, including competitive investment structures, foreclosures, regional unemployment, increases in interest rates, decreases in conventional lending, and general economic conditions. There is no assurance that the Fund will be successful in marketing any of its services, or that the revenues will be significant. Consequently, the Fund's revenues may vary by quarter, and the Fund's operating results may experience fluctuations.

Performance Projections

The General Partner and its principals have experience in real estate investments, loans, and related loan syndications. The General Partner, through its management of other funds and investment vehicles, has made other real estate investments and loans under other formats, but the performance of previous investments may not be indicative of the future performance of the investments relating to the Fund. The Fund does not yet know what its long-term loan loss experience will be.

Risks Associated with Non-Performing Notes

The Fund and/or Sub-REIT intends to invest in Non-Performing Notes secured by real estate. Accordingly, Non-Performing Notes carry substantial risk, including the possibility that the Non-Performing Note may not generate any cash flow or profit for the Fund and/or Sub-REIT. The Fund and/or Sub-REIT intends to acquire the Non-Performing Notes with the expectation that they will be reformed to become performing notes. However, there is no assurance or guarantee that such Non-Performing Notes will perform, or even if reformed, will generate cash flow for the Fund and/or Sub-REIT. For example, the borrower may re-enter into default after the reformation of the Non-Performing Note or the possibility that any collateral securing the Non-Performing Note cannot be sold for profit. In those circumstances, the Fund and/or Sub-REIT (and its Limited Partners) may be adversely affected and unable to make distributions to the Limited Partners.

Fluctuations in Interest Rates

Mortgage interest rates are subject to abrupt and substantial fluctuations, and the purchase of Limited Partnership Interests is a relatively illiquid investment. If prevailing interest rates rise above the average interest rate being earned by the Fund's and/or Sub-REIT's portfolio, Limited Partners may wish to

liquidate their investment to take advantage of higher available returns, but may be unable to do so due to restrictions on transfer and withdrawal.

Litigation Risks

The General Partner will act in good faith and use reasonable judgment in selecting borrowers and making, purchasing, and managing the mortgage loans and investing in, purchasing, and managing properties. However, as a lender, the General Partner and the Fund and/or Sub-REIT are exposed to the risk of litigation by a borrower for any warranted or unwarranted allegations regarding the terms of the loans or the actions or representations of the General Partner in making, managing, or foreclosing on subject properties. It is impossible to foresee the allegations borrowers will bring against the General Partner or the Fund and/or Sub-REIT, but the General Partner will use its best efforts to avoid litigation if, in the General Partner's sole discretion, it is in the best interests of the Fund and/or Sub-REIT. If the Fund is required to incur legal fees and costs to respond to the lawsuit, the costs and fees could have an adverse impact on the Fund's profitability and distributions to Limited Partners.

Failure of Borrower to Pay First Mortgage

If the Fund's and/or Sub-REIT's equity or profit margin on a particular Note is thin, so that little to no equity exists between all of the encumbrances on the underlying property and the Note, it may not make sense for us to continue to hold and/or service the Note. Therefore, the fund will most likely not make a profit on that particular Note and may be at risk for losing almost all of the fund's investment in such a Note under these or similar circumstances.

Bankruptcy of Borrowers

Where a borrower files a Chapter 13 bankruptcy, if the market value of the property is demonstrated to be less than the payoff amount of a senior mortgage which is ahead of the Fund's and/or Sub-REIT's junior mortgage, the lien securing the Fund's and/or Sub-REIT's note can be "stripped" from the property, subject to the successful completion of the debtor's bankruptcy plan and obtaining a discharge. Although the Fund and/or Sub-REIT would still likely receive some debt repayment as an unsecured creditor, a substantial portion of the total debt owed would most likely be wiped out upon discharge of the bankruptcy.

Upon discharge of Chapter 7 bankruptcy, a borrower will no longer be held personally liable for the obligations of a note held by the Fund and/or Sub-REIT, unless the borrower reaffirms the debt while in bankruptcy. However, in any case, the Fund and/or Sub-REIT will retain the right to foreclose on the collateral, as granted in the mortgage or deed of trust, in the event a mutually acceptable alternative cannot be worked out between the Fund and/or Sub-REIT and the borrower.

Foreclosure by Senior Lienholder

In the event a senior lienholder forecloses on the subject real estate before the Fund and/or Sub-REIT, the Fund's and/or Sub-REIT's interest in the subject real estate may be eliminated. If a borrower's performance on a first lien fails, the Fund and/or Sub-REIT can begin foreclosure ahead of the first lien, which may result in taking the property subject to the first lien. If the first lien starts foreclosure ahead of the Fund and/or Sub-REIT, the Fund and/or Sub-REIT, as junior lienholder, has the right to protect its secured interest in the property by bringing the payments current on the first lien, and then may elect to foreclose ahead of the first lien. In some instances, it may not be profitable for the Fund and/or Sub-REIT to expend additional funds to enforce such protections, in which case the Fund's and/or Sub-REIT's lien would be removed from the property, leaving the Fund and/or Sub-REIT with an unsecured debt worth significantly less than when it was secured.

Failure of Servicer to Comply with Regulations

The Fund's and/or Sub-REIT's business is subject to multiple laws including regulations applicable to note servicers. The lending industry is heavily regulated by laws governing lending practices at the federal, state, and local levels. In addition, proposals for further regulation of the financial services industry are continually being introduced. Failure of the Fund or its Servicer to comply with these laws could lead to loss of the property, legal fees, and other unexpected costs that could adversely affect investments. These laws and regulations to which the Fund and its Servicer are subject include those pertaining to:

- real estate settlement procedures;
- fair lending;
- compliance with federal and state disclosure requirements;
- debt collection;
- the establishment of maximum interest rates, finance charges, and other charges;
- secured transactions and foreclosure proceedings; and
- private regulations providing for the use and safeguarding of non-public personal financial information of borrowers.

Loan Defaults and Foreclosures

The Fund and/or Sub-REIT will participate in loans and take the risk that borrowers will default on those loans and other risks that lenders typically face, many of which are detailed in this Offering. Fund loans may be made to borrowers who do not qualify for loans from more traditional sources of financing, such as banks and savings and loans associations. Fund loans may generally provide for a monthly payment from the borrower followed by a "balloon" payment at the loan's maturity. Many borrowers may be unable to pay such a balloon payment and are compelled to refinance the balloon amount into a new loan. Fluctuations in the interest rates, unavailability of mortgage funds, and a decrease in the value of the real property securing the loan could adversely affect the borrower's ability to refinance their loans at maturity.

The Fund and/or Sub-REIT will generally look to the underlying property securing the loan to determine whether to make the loan to the borrower and, to a lesser extent, the credit rating a borrower has. Nonetheless, borrowers will need to demonstrate adequate ability to meet their financial obligations under the terms of any loan which the Fund originates or purchases.

To determine the fair market value of the property securing the loan, the Fund and/or Sub-REIT will primarily rely on an appraisal, General Partner's opinion of value of the property, or other similar opinion. Appraisals are a judgment of an individual appraiser's interpretation of a property's value. Due to the differences in individual opinions, values may vary from one appraiser to another. Furthermore, the appraisal is merely the value of the real property at the time the loan is originated. Market fluctuations and other conditions could cause the value of real property to decline over time.

If the borrower defaults on the loan, the Fund may be forced to purchase the property at a foreclosure sale. If the Fund cannot quickly sell the real property and the property does not produce significant income, the Fund's profitability will be adversely affected.

Due to certain provisions of state law that may apply to all real estate loans, if real property security proves insufficient to repay amounts owed to the Fund, it is unlikely that the Fund and/or Sub-REIT will be able to recover any deficiency from the borrower.

Finally, the recovery of sums advanced by the Fund and/or Sub-REIT in making or investing in mortgage loans and protecting its security may also be delayed or impaired by the operation of the federal bankruptcy laws or by irregularities in the manner in which the loan was made. Any borrower may delay a foreclosure sale for a period ranging from several months to several years by filing a petition in bankruptcy which automatically stays any actions to enforce the terms of the loan. It can be assumed that such delays and the costs associated therewith will reduce the Fund's and/or Sub-REIT's profitability.

Speculative Value of Property and Notes

Some properties and/or notes may not sell for the anticipated value. This result may cause a loss of principal, and/or a reduction in or loss of profits and/or returns on investment for the Fund and its Limited Partners.

Risks Related to Rehabilitation Loans

Rehabilitation loans involve particular risks, involving, among other things, the timeliness of the project's completion, the integrity of appraisal values, whether or not the completed property can be sold for the amount anticipated, and the length of the ultimate sale process.

If rehabilitation work is not completed (due to contractor abandonment, unsatisfactory work performance, or various other factors) and all the loan funds have already been expended, then, in the event of a default, the Fund may have to invest significant additional funds to complete rehabilitation work. Any such investment would be recuperated by the Fund prior to the Limited Partner being paid back. If the value of an uncompleted property is materially less than the amount of the loan, even if the work were completed, then, upon a default, the Fund and/or Sub-REIT might need to invest additional funds in order to recoup all or a portion of the investment. Default risks also exist when it takes a borrower longer than anticipated either to construct or resell the property, or if the borrower does not receive sufficient proceeds from the sale to repay the corresponding loan in full.

Participation in Other Loans

The Fund and/or Sub-REIT may be participating in loans with other lenders. When participating in loans with other lenders, the Fund and/or Sub-REIT or its General Partner may not have control over the determination of when and how to enforce a default. Depending on the terms of any participation agreement with the other lenders, other lenders may have varying amounts of input into such a decision-making process, including the ultimate decision-making power on if and when to enforce a default. If the Fund and/or Sub-REIT participates with a lender affiliated with the General Partner or its principals, it is possible that the Fund and/or Sub-REIT would not be the lead lender, although the principal of the General Partner who is affiliated with the other lender may be the decision-making party. There is no certainty who will be a lead lender in a situation where the Fund and/or Sub-REIT participates in ownership of a loan with another entity.

Increase in Loss Rates

Loss rates on loans may be significantly affected by economic downturns or general economic conditions beyond the Fund's control, and beyond the control of individual borrowers. In particular, loss rates on corresponding loans may increase due to factors such as (among other things) local real estate market conditions, prevailing interest rates, the rate of unemployment, the level of consumer confidence, the value of the U.S. dollar, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets, and other factors.

Risks of Government Action

While the General Partner will use its best efforts to comply with all laws, including federal, state, and local laws and regulations, there is a possibility of governmental action to enforce any alleged violations of mortgage lending laws, which may result in legal fees and damage awards that would adversely affect the Fund and/or Sub-REIT.

Risks of Leveraging the Fund and/or Sub-REIT

The Fund and/or Sub-REIT may borrow funds from a third-party lender, investors, and/or financial institutions to make or acquire loans and properties. These loans may be unsecured or secured by the loans held by the Fund and/or Sub-REIT. In order to obtain such a loan, the Fund and/or Sub-REIT may also assign none, part or its entire asset portfolio to the lender. Such borrowed money may bear interest at a variable rate, whereas the Fund and/or Sub-REIT may be making fixed-rate loans. Therefore, if prevailing interest rates rise, the Fund's cost of money could exceed the income earned from that money, thus reducing the Fund's and/or Sub-REIT's profitability or causing losses. Furthermore, leveraging the Fund and/or Sub-REIT may also result in the receipt of some taxable income by investors (such as ERISA plans) that are otherwise tax-exempt. (See "Income Taxation Considerations" below).

Risks Associated with Fund Performance

If the Fund's investments in assets do not perform and generate income, the Fund may not be able to make the expected distributions to its Limited Partners. Several factors may adversely affect the economic performance and value of the Fund's investments. These factors include but are not limited to, decrease in value of the loans, borrower non-performance, decrease in real estate or other asset values, increase in investor competition, lengthy legal proceedings, adverse legal judgments, changes in the national, regional, and local economic climate, and local conditions that may cause borrowers to not be able to make their interest payments, which may devalue the Fund's collateral and other assets to the extent that exit strategies and liquidation of assets become unavailable. The Fund's performance would also depend on the Fund's ability to collect rent from tenants and to pay for adequate maintenance, insurance, and other operating costs (including real estate taxes), which could increase over time. In addition, the expenses of owning and operating real property and other assets are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. In addition, interest rate levels, the availability of financing, changes in laws and governmental regulations (including those governing usage, zoning, and taxes), and the possibility of bankruptcies of tenants or borrowers may adversely affect the Fund's financial condition and results of operations.

Diversification Risks

The Fund may participate in a limited number of loans, and the Fund lending activities may not be widely diversified. Consequently, the Fund's aggregate return may be substantially adversely affected by the unfavorable performance of even a single investment. The ability of the Fund to diversify the risks of making investments will depend upon a variety of factors, including the size, characteristics, type, and class of the investments being made, and with regard to short-term loans, the number and quality of borrowers in need of financing. The Fund may not be able to make investments that would provide a desired level of diversification.

General Risks of Commercial Real Estate Market

The Fund may invest in the commercial real estate market. Concentration in commercial real property entails risks that are specific to the industry. For example, the Fund may experience fluctuations in

occupancy rates, rent schedules, and operating expenses, among other factors, which can adversely affect operating results of the commercial real property and the borrower's ability to make payments on the loans. Operating performance will also depend on adverse changes in local population trends, market conditions, neighborhood values, national, regional or local economic and social conditions, federal, state or local regulations, controls or fiscal policies, including those affecting rents, prices of goods, fuel and energy consumption, environmental restrictions, real estate taxes, zoning and other factors affecting real property. Additionally, there may be a need for capital improvements and repairs, accounting for inflation, financial condition and profitability of tenants, uninsured losses, acts of nature such as floods and earthquakes, and other risks. Some or all of these factors may also affect the financial condition of borrowers on loans secured by commercial real property and thus their ability to make payments on these loans.

In addition, in the event a borrower defaults on a loan and lacks sufficient assets to satisfy the loan, the fund may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, the Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. If a borrower defaults on the loan or on debt senior to the loan, or in the event of a borrower bankruptcy, the loan will be satisfied only after the senior debt is paid in full. Where debt senior to the loan exists, the presence of intercreditor arrangements may limit the fund's ability to amend the loan documents, assign loans, accept prepayments, exercise remedies (through "standstill periods"), and control decisions made in bankruptcy proceedings relating to borrowers.

Risks Related to Sale of Loans

The Fund may participate in the sale of loans with Affiliates or third-parties, including institutions. In certain sales contracts, there may be a buy-back clause which may be enforced by the purchaser of the loans, in the event that the Fund has breached a representation or warranty contained in such sale agreement. In that instance, the Fund may be forced to repurchase one or more loans sold to the purchaser. The breach of a representation or warranty by the General Partner may impact the Fund's ability to originate new loans, collect fees, and strip interest income which the Fund and General Partner use to fund its operations and distribute returns to the Limited Partners.

U.S. State Licensing Requirements

The General Partner believes that the Fund or its Affiliates have obtained, are in the process of obtaining, or will obtain as required, the licenses necessary for (or are exempt from) participating lawfully in the business of business-purpose lending in each state in which it plans to make loans prior to commencing operations, based on current assessment of the regulatory requirements of each such state. This means that while the Fund and General Partner may believe that that the Fund's practices in a particular state are compliant with that state's current regime, it is possible that that regime might come under question from state or other regulatory authorities, and/or be changed in such a way as to adversely affect the Fund's ability to continue lending or conducting business in that state or may prohibit continuation of the Fund's loans in that state. The Fund intends to monitor such regulatory activity closely but may fail to correctly or adequately anticipate regulatory action in this developing arena.

Uninsured Losses

The General Partner will arrange for title, fire, and casualty insurance on the real properties securing the Fund's investments. However, there are certain types of losses, including catastrophic, war, floods, mudslides, and other acts of God, which are either uninsurable or economically uninsurable. Should any such disaster occur, or if the insurance policies lapse through oversight, the Fund and/or Sub-REIT could suffer a loss of principal and interest on the loan secured by the uninsured property.

Possible Repeal of Usury Exemption

Depending on the state, loans arranged by or through a mortgage lending licensee are generally exempt from the otherwise applicable state's usury limitation. Should this exemption be repealed, the Fund and/or Sub-REIT may no longer be able to originate loans in excess of the usury limit, potentially reducing its return on investment or forcing it to limit its lending or investing activities. In addition, some states have maximum interest rates that may be charged on a loan by a lender. If the Fund and/or Sub-REIT were to exceed the maximum interest rate allowed by law in any of those states, it could become subject to penalties and fees, thus potentially reducing the Fund's return on its investment on a loan or forcing the Fund to limit its lending or investing activities.

Risks of Real Estate Ownership

There is no assurance that the Fund's and/or Sub-REIT's owned properties will be profitable or that cash from operations will be available for distribution to Limited Partners. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of property interests. The marketability and value of the Fund's properties will depend upon many factors beyond the control of the General Partner and the Fund and/or Sub-REIT, including, without limitation:

- changes in general or local economic conditions;
- changes in supply or demand for competing properties in a geographical area (e.g., as a result of over-building); changes in interest rates;
- the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection, and occupational safety;
- condemnation and other taking of property by the government;
- unavailability of mortgage funds that may increase borrowing costs and/or render the sale of a property difficult;
- unexpected environmental conditions;
- the financial condition of tenants, ground lessees, ground lessors, buyers, and sellers of properties;
- changes in real estate taxes and any other operating expenses;
- energy and supply shortages and resulting increases in operating costs or the costs of materials and construction;
- various uninsured, underinsured, or uninsurable risks (such as losses from terrorist acts), including risks for which insurance is unavailable at reasonable rates or with reasonable deductibles; and
- imposition of rent controls.

Risks of Development, Renovation, and Undeveloped Property

The General Partner anticipates that the Fund and/or Sub-REIT may invest primarily in existing properties that require varying degrees of development. In addition, some properties may be under construction or under contract to be developed or redeveloped. Properties that involve development or redevelopment will be subject to the general real estate risks described above, and will also be subject to additional risks, such as unanticipated delays or excess costs due to factors beyond the control of the General Partner and the Fund and/or Sub-REIT. These factors may include (without limitation):

- Strikes;
- Adverse weather;
- Pandemics;
- Earthquakes and other "force majeure" events;

- Changes in building plans and specifications;
- Zoning, entitlement, and regulatory concerns, including changes in laws, regulations, elected officials, and government staff;
- Material and labor shortages;
- Increases in the costs of labor and materials;
- Changes in construction plans and specifications;
- Rising energy costs;
- Delays caused by the foregoing (which could result in unanticipated inflation, the expiration of permits, unforeseen changes in laws, regulations, elected officials, and government staff, and losses due to market timing of any sale that is delayed); and
- Delays in completing any development or renovation project will cause corresponding delays in the receipt of operating income and, consequently, the distribution of any cash flow by the Fund with respect to such property.

Risks Associated with Buying Contaminated Properties

The Fund and/or Sub-REIT presently does not intend to originate and/or otherwise invest in loans secured by properties with known environmental conditions. Notwithstanding the foregoing, in the event a property is found to have environmental conditions and/or is contaminated after the Fund and/or Sub-REIT has acquired such loan, the Fund and/or Sub-REIT may be required to take steps to complete the remediation of such property (or properties), in order to be able to sell the property to a third-party. The General Partner would plan to use contractors, service providers, and/or Affiliates to help the General Partner in evaluating, servicing, and managing issues associated with contaminated properties, who will be covered under their own insurance policies. However, costs related to remediating such properties will likely negatively impact the Fund's business operations, as unanticipated costs may arise.

In addition, if toxic environmental contamination is discovered to exist on a property underlying a corresponding loan, it might affect the borrower's ability to repay the corresponding loan, and the Fund could suffer from a devaluation of the loan security. To the extent that the Fund is forced to foreclose and/or operate such a property, potential additional liabilities include reporting requirements, remediation costs, fines, penalties, and damages, all of which would adversely affect the likelihood that Limited Partners would receive a return of capital on their Limited Partnership Interests.

Of particular concern may be those properties that are, or have been, the site of manufacturing, industrial, or disposal activity. These environmental risks may give rise to a diminution in value of the security property or liability for clean-up costs or other remedial actions. This liability could exceed the value of the real property or the principal balance of the related mortgage loan. For this reason, the Fund may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

Under the laws of certain states, an owner's failure to perform remedial actions required under environmental laws may give rise to a lien on mortgaged property to ensure the reimbursement of remedial costs. In some states, this lien has priority over the lien of an existing mortgage against the real property. Because the costs of remedial action could be substantial, the value of a mortgaged property as collateral for a mortgage loan could be adversely affected by the existence of an environmental condition giving rise to a lien.

The state of the law is currently unclear as to whether, and under what circumstances, clean-up costs, or the obligation to take remedial action(s), can be imposed on a secured lender. If a lender does become liable for cleanup costs, it may bring an action for contribution against the current owners or operators, the owners or operators at the time of on-site disposal activity, or any other party who contributed to the environmental

hazard, but these persons or entities may be bankrupt or otherwise judgment-proof. Furthermore, an action against the borrower may be adversely affected by the limitations on recourse in the loan documents, pursuant to state law.

Pandemic Risks

In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, surfaced in Wuhan, China. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. The short-term and long-term impact of COVID-19 or other diseases on the operations of the Fund and its performance is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Fund's lending activities.

Rise in Insurance Costs

Real estate properties are typically insured against risk of fire, damage, and other typically-insured property casualties, but are sometimes not covered by severe weather or natural disaster events, such as landslides, earthquakes, or floods. Changes in the conditions affecting the economic environment in which insurance companies do business could affect the borrower's ability to continue insuring the property at a reasonable cost or could result in insurance being unavailable altogether. Moreover, any hazard losses not then covered by the borrower's insurance policy would result in the corresponding Loan becoming significantly under secured or in the property being at risk, and a Limited Partner could sustain a significant reduction, or complete elimination, of the return on investment.

Compliance with the Americans with Disabilities Act and Other Changes in Governmental Rules and Regulations

Under the Americans with Disabilities Act of 1990 ("***ADA***"), all public properties are required to meet certain federal requirements related to access and use by disabled persons. Properties acquired by the Fund, or in which the Fund and/or Sub-REIT makes a property investment, may not be in compliance with the ADA. If a property is not in compliance with the ADA, then the Fund and/or Sub-REIT may be required to make modifications to such property to bring it into compliance, or face the possibility of imposition, or an award, of damages to private litigants. In addition, changes in governmental rules and regulations or enforcement policies affecting the use or operation of the properties, including changes to building, fire, and life-safety codes, may occur, which could have adverse consequences to the Fund and/or Sub-REIT.

Dodd-Frank Wall Street Reform and Consumer Protection Act (amending the Federal Truth in Lending, Real Estate Settlement Procedures, and Equal Credit Opportunity Acts)

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("***Dodd-Frank***") created the Consumer Financial Protection Bureau ("***CFPB***") and transferred regulatory and rulemaking authority for the federal laws regulating consumer mortgage lending to the CFPB. Title XIV of Dodd-Frank, the Mortgage Reform and Anti-Predatory Lending Act, provides for substantial amendments to the statutes and regulations which govern consumer-purpose loans secured by one to four residential properties.

Many of the final rules implementing the Dodd-Frank amendments took effect in January 2014. In part, the new rules require creditors to document and verify a consumer's ability to repay the mortgage loan; require appraisals for all higher-cost and high cost loan transactions; restrict prepayment penalties on higher-cost loans and prohibit them on high-cost loans; require creditors to establish escrow accounts for all higher-cost and high-cost loan transactions; and require creditors to obtain written certification that a consumer has received homeownership counseling prior to closing a high-cost mortgage loan. Failure to comply with the new rules implemented in Regulation Z may subject the Fund to, among other things, rescission of the loan and a loss of all finance charges and fees paid by the consumer.

Risks Related to Tenancy and Leaseholds

The Fund does not intend to engage in any direct commercial real property acquisition. However, there may be instances in which the Fund may own and hold commercial real properties as a result of the Fund's lending activities, including REOs. Although the Fund intends to divest these properties as soon as practicable, that may not always be the case, and the General Partner (or an Affiliate or third party) may have to manage the property and lease it to tenants until sold. In such instances, there are risks associated with certain aspects of leases, including, without limitation:

- Tenancy bankruptcy;
- Cost of unlawful detainer and lessor remedies, including, breach of lease agreement covenants;
- Risks of noncompliant eviction;
- Contest of leases related to businesses and/or franchisees;
- Unintended consequences of remedies provided under the lease agreements, including, borrower defaults; and
- Occupancy risks, such that the real property may fail to stabilize and/or generate income.

All of the above risks may diminish the overall financial return to the Limited Partners.

Economic Conditions

Changes in national or local economic conditions (including economic recessions, as noted above) could result in unanticipated declines in real estate values. Any decline in real estate values could have an adverse effect upon the Fund and could result in losses to Limited Partners. No assurance exists that the Fund would be able to avoid losses if real estate assets decline materially.

Borrower Fraud

Borrowers and property developers supply a variety of information regarding the current rental income, property valuations, market data, and other information. The Fund attempts to verify much of the information provided, but as a practical matter, cannot verify all of it, which may result in the information being incomplete, inaccurate, or intentionally false. Borrowers and developers may also misrepresent their intentions for the use of investment proceeds. The Fund may not verify any statements by applicants as to how proceeds are to be used. If a borrower or developer supplies false, misleading, or inaccurate information, Limited Partners may lose all or a portion of the investment in the loans.

When the Fund finances a loan, its primary assurances that the financing proceeds will be properly spent by the borrower or developer are the contractual covenants agreed to by the borrower or developer, along with their business history and reputation. Should the proceeds of a financing be diverted improperly, the borrower or developer might become insolvent, which could cause the Limited Partners to lose their entire investment.

Unforeseen Changes

While the Fund and/or Sub-REIT has enumerated certain material risk factors herein, it is impossible to know all the risks which may arise in the future. In particular, Limited Partners may be negatively affected by changes in any of the following: (i) laws, rules and regulations; (ii) regional, national and/or global economic or health factors and/or real estate trends; (iii) the capacity, circumstances and relationships of partners of Affiliates, the Fund, and/or Sub-REIT or the General Partner; (iv) general changes in financial or capital markets, including (without limitations) changes in interest rates, investment demand, valuations or prevailing equity or bond market conditions; or (v) the presence, availability, or discontinuation of real estate and/or housing incentives.

The Fund and/or Sub-REIT continuously encounters changes in its operating environment, and the Fund and/or Sub-REIT may have fewer resources than many of its competitors to continue to adjust to those changes. The operating environment of the Fund and/or Sub-REIT is undergoing rapid changes, with frequent introductions of laws, regulations, competitors, market approaches, and economic impacts. Future success will depend, in part, upon the ability of the Fund and/or Sub-REIT to address the needs of its borrowers, sponsors, and clients by adapting to those changes and providing products and services that will satisfy the demands of their respective businesses and projects. Many of the competitors have substantially greater resources to adapt to those changes. The Fund and/or Sub-REIT may not be able to effectively react to all of the changes in its operating environment or be successful in adapting its products, services, and approach.

RISKS RELATED TO REAL ESTATE INVESTMENT TRUST

No Operating History of Sub-REIT

The Sub-REIT will be in the early stages of its development and has a limited operating history. Although the Fund and its Affiliates have experience in real estate investments and loans stated herein, the performance of previous investments may not be indicative of the future performance of investments related to the Sub-REIT (as well as the Fund and its Affiliates). The Sub-REIT does not yet know what its long-term loan loss experience will be.

Failure in Maintaining its Status as a REIT

In establishing the Sub-REIT, the Fund will operate the Sub-REIT so as to maintain its qualification as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Even a technical or inadvertent mistake could jeopardize the Sub-REIT's REIT status. Furthermore, new tax legislation, administrative guidance, or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for the Sub-REIT to qualify as a REIT. If the Sub-REIT fails to qualify as a REIT in any tax year, then:

- the Sub-REIT would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to its shareholders (including the Fund) in computing taxable income and being subject to federal income tax, and potentially state income tax, on its taxable income at regular corporate rates;

- unless the Sub-REIT was entitled to relief under applicable statutory provisions, it would be required to pay taxes, and thus, its cash available for distribution to the Fund and, consequently, the Limited Partners would be substantially reduced for each of the years during which the Sub-REIT did not qualify as a REIT; and

- the Sub-REIT may also be disqualified from re-electing REIT status for the four taxable years following the year during which it became disqualified. (See "Failure to Qualify" below for further explanation).

Loss of Investment Opportunities as a REIT

In order to qualify a Sub-REIT as a REIT for federal income tax purposes, the Sub-REIT would be required to continuously satisfy tests concerning, among other things, its sources of income, the nature and diversification of its investments in commercial real estate and related assets, the amounts it distributes to its shareholders and the ownership of its stock. The Sub-REIT could also be required to make distributions to its shareholders at disadvantageous times or when it does not have funds readily available for distribution. The REIT provisions of the Code could limit the Fund's ability to hedge the Sub-REIT's financial assets and related borrowings. Thus, compliance with REIT requirements could hinder the Fund's ability to operate solely with the objective of maximizing profits.

REIT Compliance Risks

In order to qualify a Sub-REIT as a REIT, the Fund would need to ensure that at the end of each calendar quarter, at least Seventy-Five Percent (75%) of the value of the Sub-REIT's assets consists of cash, cash items, government securities, and qualified real estate assets. The remainder of the Sub-REIT's investment in securities could not include more than Ten Percent (10%) of the outstanding voting securities of any one issuer or Ten Percent (10%) of the total value of the outstanding securities of any one issuer. In addition, no more than Five Percent (5%) of the value of the Sub-REIT's assets may consist of the securities of any one issuer. If the Sub-REIT were to fail to comply with these requirements, it would be required to dispose of a portion of its assets within Thirty (30) days after the end of the calendar quarter in order to come back into compliance and avoid losing its REIT status and suffering adverse tax consequences.

Investing in Taxable TRS

To qualify as a REIT, a Sub-REIT must continually satisfy various tests regarding the sources of its income, the nature and diversification of its assets, the amounts it distributes to its shareholders, and the ownership of its shares of beneficial interest. To meet these tests, a Sub-REIT may be required to forego investments it might otherwise make or may be required to hold certain investments through a taxable REIT subsidiary ("***TRS***"). Any TRS will be fully subject to U.S. federal corporate income tax (and any applicable state and local tax). Thus, compliance with the REIT requirements may hinder the investment performance of the Sub-REIT, and in turn, the Fund. However, the Fund would not be prohibited from executing such transactions at the Fund level rather than the subsidiary level. The Fund does not currently anticipate executing any such transactions that would cause the Sub-REIT to be unable to satisfy the applicable tests regarding its sources of income, the nature and diversification of its assets, or the amounts to be distributed to the Limited Partners.

CONFLICTS OF INTEREST

The following is a list of some of the important areas in which the interests of the General Partner and its Affiliates may conflict with those of the Fund and/or Sub-REIT. The Limited Partners must rely on the general fiduciary standards and other duties that may apply to a General Partner of a Limited Partnership to prevent unfairness by any of the aforementioned in a transaction with the Fund. (See "Fiduciary Responsibility of the General Partner" above).

Loan Origination and Renewal Commissions and Forbearance Fees

The General Partner and/or its Affiliates will have the sole and absolute discretion to determine whether or not to make, acquire, or sell a particular loan or property. None of the General Partner's compensation set forth under "General Partner's Compensation" was determined through arm's-length negotiations. Any increase in such charges may have a direct, adverse effect upon the interest rates that borrowers will be willing to pay the Fund, thus reducing the overall rate of return to Limited Partners. Conversely, if the Fund reduces the loan fees charged, a higher rate of return might be obtained for the Fund and the Limited Partners. This conflict of interest will exist in connection with every transaction the Fund participates in.

Fund and/or Sub-REIT Management Not Required to Devote Full-Time

The General Partner is not required to devote its capacities full-time to the Fund's and/or Sub-REIT's affairs, but only such time as the affairs of the Fund and/or Sub-REIT may reasonably require.

Competition with Affiliates of the Fund and/or Sub-REIT

Though they currently have no intention to do so, there is no restriction preventing the Affiliates of the Fund and/or Sub-REIT or any of its affiliates, principals, or management from competing with the Fund and/or Sub-REIT by investing in collateral liens or sponsoring the formation of other investment groups like the Fund and/or Sub-REIT to invest in similar areas. If any Affiliate of the Fund and/or Sub-REIT or any of its principals were to do so, then when considering each new investment opportunity, the Fund and/or Sub-REIT or such affiliate, principal, or manager would need to decide whether to originate or hold the resulting transaction in the Fund and/or Sub-REIT, as an individual or in a competing entity. This situation would compel the General Partner to make decisions that may, at times, favor persons other than the Fund and/or Sub-REIT. The Limited Partnership Agreement exonerates the Fund and its Affiliates, principals, and management from any liability for investment opportunities given to other persons.

Notwithstanding the foregoing, if a potential investment opportunity arises that aligns with the Fund's business objectives described above, the Fund shall have the first right to pursue such opportunity. No fiduciary of the Fund may appropriate a business opportunity that could benefit the Fund unless the Fund has expressly declined to pursue it.

Loan Transactions by General Partner

The General Partner and/or its principals and Affiliates may contribute loans to the Fund and/or Sub-REIT that otherwise meet the lending and underwriting criteria discussed herein. Such transactions would generally increase the Limited Partnership Interests or percentage ownership or interest of the General Partner as a Limited Partner of the Fund, and correspondingly would dilute the ownership and percentage interests of other Limited Partners.

Loan Servicing by the Fund or General Partner

The General Partner has reserved the right to retain other firms in addition to, or in lieu of, the General Partner acting as the loan servicer, to perform the various brokerage services, loan servicing, and other activities in connection with the Fund's investment portfolio that are described in this Memorandum. Such other firms may or may not be affiliated with the Fund and/or Sub-REIT or General Partner. Loan servicing firms not affiliated with the Fund and/or Sub-REIT or General Partner may provide comparable services on terms more favorable to the Fund and/or Sub-REIT. The General Partner has very wide discretion in determining which entity (including, but not limited to, the General Partner itself, an Affiliate of the General Partner, or an unaffiliated third party) will service the loans.

Other Companies, Partnerships, or Businesses

The General Partner and its managers, principals, directors, officers, or affiliates may engage, for their own account or for the account of others, in other business ventures similar to that of the Fund and/or Sub-REIT or otherwise, and neither the Fund nor any Limited Partner shall be entitled to any interest therein. As such, there exists a conflict of interest on the part of the General Partner because there may be a financial incentive for the General Partner to arrange or originate transactions for private investors and other mortgage funds. Further, the General Partner may be involved in creating other mortgage or real estate funds that may compete with the Fund and/or Sub-REIT.

The Fund and/or Sub-REIT will not have independent management, and it will rely on the General Partner and its managers, principals, directors, officers, and/or affiliates for the operation of the Fund and/or Sub-REIT. The General Partner and these individuals/entities will devote only so much time to the business of the Fund and/or Sub-REIT as is reasonably required. The General Partner may have conflicts of interest in allocating management time, services, and functions between various existing companies, the General Partner r and any future companies, which it may organize as well as other business ventures in which it or its managers, principals, directors, officers, and/or affiliates may be or become involved. The General Partner believes it has sufficient staff to be fully capable of discharging its responsibilities.

Purchase, Sale, and/or Hypothecation of Loans

The Fund and/or Sub-REIT and its managers, principals, directors, officers and/or affiliates may sell, buy or hypothecate loans (use loans as collateral for another loan) to the Fund and/or Sub-REIT, provided that such loans meet the then-existing underwriting criteria of the Fund and/or Sub-REIT. The Fund and/or Sub-REIT may pay a price greater or less than the remaining balance on such loans. The price at which existing loans are bought and sold is normally a function of prevailing interest rates and the term of the loan. Therefore, the Fund and/or Sub-REIT or its managers, principals, directors, officers, and/or affiliates, may make a profit on the sale of an existing loan from or to the Fund and/or Sub-REIT. There will be no independent review of the value of such loans or compliance with the conditions set forth above.

Lack of Independent Legal Representation

Investors and the Fund and/or Sub-REIT have not been represented by independent legal counsel to date. The use of the General Partner's counsel in the preparation of this Memorandum and the organization of the Fund and/or Sub-REIT may result in a lack of independent review. Investors are encouraged to consult with their own attorney for legal advice, in connection with this Offering. Also, since legal counsel for the General Partner prepared this Offering, legal counsel will not represent the interests of the Limited Partners at any time.

Conflict with Related Programs

The General Partner and its managers, principals, directors, officers, and/or Affiliates may cause the Fund to join with other entities organized by the General Partner for similar purposes as partners, joint venturers, or co-owners under some form of ownership in certain loans or in the ownership of repossessed real property. The interests of the Fund and those of such other entities may conflict, and the Fund controlling or influencing all such entities may not be able to resolve such conflicts in a manner that serves the best interests of the Fund.

Other Services Provided by the General Partner or its Affiliates

The General Partner or its Affiliates may provide other services to persons dealing with the Fund or the loans. The General Partner or its Affiliates are not prohibited from providing services to, and otherwise doing business with, the persons that deal with the Fund, the Limited Partnership Interests, or the Limited Partners.

Sale of Real Estate to Affiliates

In the event the Fund and/or Sub-REIT becomes the owner of any real property by reason of foreclosure on a Fund loan or otherwise, the General Partner's first priority will be to arrange for the sale of the property for a price that will permit the Fund and/or Sub-REIT to recover the full amount of its invested capital, plus accrued, but unpaid, interest and other charges, or so much thereof as can reasonably be obtained in light of current market conditions. In order to facilitate such a sale, the General Partner may, but is not required to, arrange a sale to persons or entities controlled by it, (e.g., to another limited partnership formed by the General Partner for the express purpose of acquiring foreclosure properties from lenders, such as the Fund and/or Sub-REIT). The General Partner will be subject to conflicts of interest in arranging such sales, since it will represent both parties to the transaction. For example, the Fund and/or Sub-REIT and the potential buyer will have conflicting interests in determining the purchase price and other terms and conditions of sale. The General Partner's decision will not be subject to review by any outside parties. The Fund and/or Sub-REIT may sell a foreclosed property to the General Partner or an Affiliate at a price that is fair and reasonable for all parties, but no assurance can be given that the Fund could not obtain a better price from an independent third party.

CERTAIN LEGAL ASPECTS OF FUND LOANS

Each of the Fund's and/or Sub-REIT's loans will be secured by, among other things, a deed of trust, mortgage, leasehold deed of trust or leasehold mortgage, or security agreement. The deed of trust and the mortgage are the most commonly used real property security devices. A deed of trust has three parties: a debtor, referred to as the "trustor;" a third party, referred to as the "trustee;" and the lender, referred to as the "beneficiary." The trustor irrevocably grants the property until the debt is paid, "in trust, with power of sale" to the trustee to secure payment of the obligation. The trustee's authority is governed by law, the express provisions of the deed of trust, and the directions of the beneficiary. The Fund will be the beneficiary under all deeds of trust securing the Fund's loans. In a mortgage loan, there are only two parties: the mortgagor (borrower) and the mortgagee (lender).

In the United States, each state's laws determine how a mortgage is foreclosed. The route usually requires a judicial process, but varies from state to state. For properties located in the United States, some states have a statute known as the "one form of action" rule, which requires the beneficiary of a collateral lien to exhaust the security under the security lien (i.e., foreclose on the property) before any personal action may be brought against the borrower. Foreclosure statutes vary from state to state. Loans by the Fund secured

by mortgages will be foreclosed in compliance with the laws of the state where the real property collateral is located.

Special Considerations in Connection with Junior Encumbrances

In addition to the general considerations concerning trust deeds discussed above, there are certain additional considerations applicable to second and more junior deeds of trust ("junior encumbrances"). By its very nature, a junior encumbrance is less secure than a more senior lien. If a senior lienholder forecloses on its loan, unless the amount of the bid exceeds the senior encumbrances, the junior lienholder will receive nothing. Because of the limited notice and attention given to foreclosure sales, it is possible for a junior lienholder to be sold out, receiving nothing from the foreclosure sale, although all legal methods of recouping the Fund's investment will be exhausted. By virtue of anti-deficiency legislation, discussed above, a junior lienholder may be totally precluded from any further remedies.

Accordingly, a junior lienholder (such as the Fund in certain cases) may find that the only method of protecting its security interest in the property is to take over all obligations of the trustor with respect to senior encumbrances while the junior lienholder commences its own foreclosure, making adequate arrangements either to (1) find a purchaser for the property at a price which will recoup the junior lienholder's interest, or (2) to pay off the senior encumbrances so that the junior lienholder's encumbrance achieves first priority. Either alternative may require the Fund to make substantial cash expenditures to protect its interest. (See "Business Risks" above).

The Fund may also make wrap-around mortgage loans (sometimes called "all-inclusive loans"), which are junior encumbrances to which all the considerations discussed above will apply. A wrap-around loan is made when the borrower desires to refinance his, her, or its property but does not wish to retire the existing indebtedness for any reason, e.g., a favorable interest rate or a large prepayment penalty. A wrap-around loan will have a principal amount equal to the outstanding principal balance of the existing secured loans plus the amount actually to be advanced by the Fund. The borrower will then make all payments directly to the Fund, and the Fund, in turn, will pay the holder of the senior encumbrance. The actual ultimate yield to the Fund under a wrap-around mortgage loan will likely exceed the stated interest rate on the underlying senior loan, since the full principal amount of the wrap-around loan will not actually be advanced by the Fund. State laws generally require that the Fund be notified when any senior lienholder initiates foreclosure.

If the borrower defaults solely upon his, her, or its debt to the Fund while continuing to perform with regard to the senior lien, the Fund (as junior lienholder) will foreclose upon its security interest in the manner discussed above in connection with deeds of trust generally. Upon foreclosure by a junior lien, the property remains subject to all liens senior to the foreclosed lien. Thus, if the Fund were to purchase the security property at its own foreclosure sale, it would acquire the property subject to all senior encumbrances.

The standard form of deed of trust used by most institutional lenders, like the one that will be used by the Fund or its Affiliates, confers on the beneficiary the right both to receive all proceeds collected under any hazard insurance policy and all awards made in connection with any condemnation proceedings, and to apply such proceeds and awards to any indebtedness secured by the deed of trust in such order as the beneficiary may determine. Thus, in the event improvements on the property are damaged or destroyed by fire or other casualty, or in the event the property is taken by condemnation, the beneficiary under the underlying first deed of trust will have the prior right to collect any insurance proceeds payable under a hazards insurance policy and any award of damages in connection with the condemnation, and to apply the same to the indebtedness secured by the first deed of trust before any such proceeds are applied to repay the loan in respect of the Fund. The amount of such proceeds may be insufficient to pay the balance due to the Fund, while the debtor may fail or refuse to make further payments on the damaged or condemned property, leaving the Fund with no feasible means to obtain payment of the balance due under its junior

deed of trust. In addition, the borrower may have a right to require the lender to allow the borrower to use the proceeds of such insurance for the restoration of the insured property.

Bankruptcy Laws

If a borrower or property owner on which a lien is imposed files for protection under the federal bankruptcy statutes, the Fund and/or Sub-REIT will be initially barred from taking any foreclosure action on its real property security by an "automatic stay order" that goes into effect upon the borrower's filing of a bankruptcy petition. Thereafter, the Fund would be required to incur the time, delay, and expense of filing a motion with the bankruptcy court for permission to foreclose on the real property security ("relief from the automatic stay order"). Such permission is granted only in limited circumstances. If permission is denied, the Fund and/or Sub-REIT will likely be unable to foreclose on its security for the duration of the bankruptcy, which could be years. During such delay, a borrower may or may not be required to pay current interest on the Fund loan. Also, a property owner may or may not be able to pay down the lien. The Fund would therefore lack the cash flow it anticipated from the loan, and the total indebtedness secured by the security property would increase by the amount of the defaulted payments, perhaps reaching a total that would exceed the market value of the property.

In addition, bankruptcy courts have broad powers to permit a sale of the real property free of the Fund's and/or Sub-REIT's lien, to compel the Fund to accept an amount less than the balance due under the loan, and to permit the borrower to repay the loan over a term which may be substantially longer than the original term of the loan.

"Due-on-Sale" Clauses

The Fund's forms of promissory notes and deeds of trust, like those of many lenders, contain "due-on-sale" clauses, which permit the Fund and/or Sub-REIT to accelerate the maturity of a loan if the borrower sells, conveys, or transfers all or any portion of the property, but may or may not contain "due-on-encumbrance" clauses, which would permit the same action if the borrower further encumbers the property (i.e., executes further deeds of trust). The enforceability of these types of clauses has been the subject of several major court decisions and legislation in recent years.

(1) Due-on-Sale. Federal law now provides that, notwithstanding any contrary pre-existing state law, due-on-sale clauses contained in mortgage loan documents are enforceable in accordance with their terms by any lender, after October 15, 1985. On the other hand, acquisition of a property by the Fund, by foreclosure on one of its loans, may also constitute a "sale" of the property, and would entitle a senior lienholder to accelerate its loan against the Fund and/or Sub-REIT. This would be likely to occur if the then-prevailing interest rates were substantially higher than the rate provided for under the accelerated loan. In that event, the Fund may be compelled to sell or refinance the property within a short period of time, notwithstanding that it may not be an opportune time to do so.

(2) Due-on-Encumbrance. With respect to mortgage loans on residential property containing four or fewer units, federal law prohibits acceleration of the loan merely by reason of the further encumbering of the property (e.g., execution of a junior deed of trust). This prohibition does not apply to mortgage loans on other types of property. Although many of the Fund's junior lien mortgages will be on properties that qualify for the protections afforded by federal law, some loans will be secured by properties that do not qualify for the protection, including (without limitation) small apartment buildings or commercial properties. Junior lien mortgage loans made by the Fund and/or Sub-REIT may trigger acceleration of senior loans on properties if the senior loans contain valid due-on-encumbrance clauses, although both the number of such instances and the actual likelihood of acceleration are anticipated to be minor. Failure of a borrower to pay off the senior loan would be an event of default and subject the Fund and/or Sub-REIT (as

junior lienholder) to the risks attendant thereto. It will not be customary practice of the Fund and/or Sub-REIT to make loans on non-residential property, where the senior encumbrance contains a due-on-encumbrance clause. (See "Special Considerations in Connection with Junior Encumbrances.")

Prepayment Charges

Loans may provide for certain prepayment charges to be imposed on the borrowers, in the event of certain early payments on the loan. The General Partner reserves the right, but has no obligation, at its business judgment, to waive collection of prepayment penalties. Applicable federal and state laws may limit the prepayment charge on residential loans. For commercial or multi-family loans, there is no federal law that limits the prepayment amount charged, but applicable state laws may vary.

LEGAL PROCEEDINGS

Neither the Fund and/or Sub-REIT, General Partner, nor any of its managers, principals, directors, or officers of the Fund and/or Sub-REIT are now, or within the past Five (5) years, have been involved in any material litigation or arbitration.

INCOME TAX CONSIDERATIONS

Federal Income Tax Aspects

The following discussion generally summarizes the material federal income tax consequences of an investment in the Fund, based upon the existing provisions of the Code, and applicable Treasury regulations thereunder, current administrative rulings and procedures, and applicable judicial decisions. However, it is not intended to be a complete description of all tax consequences to prospective Investors with respect to their investment in the Fund. No assurance can be given that the IRS will agree with the interpretation of the current federal income tax laws and regulations summarized below. In addition, the Fund or the Investors may be subject to state and local taxes in jurisdictions in which the Fund may be deemed to be doing business.

ACCORDINGLY, ALL PROSPECTIVE INVESTORS SHOULD INDEPENDENTLY SATISFY THEMSELVES REGARDING THE POTENTIAL FEDERAL AND STATE TAX CONSEQUENCES OF PARTICIPATION IN THE FUND AND ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS, ATTORNEYS, OR ACCOUNTANTS IN CONNECTION WITH ANY INTEREST IN THE FUND. EACH PROSPECTIVE INVESTOR SHOULD SEEK AND RELY UPON THE ADVICE OF THEIR OWN TAX ADVISORS IN EVALUATING THE SUITABILITY OF AN INVESTMENT IN THE FUND, IN LIGHT OF THEIR PARTICULAR INVESTMENT AND TAX SITUATION.

Tax Law Subject to Change

Frequent and substantial changes have been made, and will likely continue to be made, to the federal and state income tax laws. The changes made to the tax laws by legislation are pervasive, and in many cases, have yet to be interpreted by the IRS or the courts.

State and Local Taxes

A description or analysis of the state and local tax consequences of an investment in the Fund is beyond the scope of this discussion. Prospective Limited Partners are advised to consult their own tax counsel and advisors regarding these consequences, and the preparation of any state or local tax returns that an Investor may be required to file.

In addition to the United States Federal Income tax considerations described herein, Limited Partners should consider the potential state and local tax consequences of a purchase of Limited Partnership Interests. In addition to being taxed and subject to tax-filing obligations in its own state or locality of residence or domicile, a Limited Partner may be subject to the tax filing obligations and income, franchise, and other taxes in jurisdictions in which the Fund conducts its activities. Although no assurances can be provided, the Fund intends to conduct its activities in such a manner that will not cause Limited Partners who are not otherwise subject to taxation in states other than their state of residence, to be taxed and subject to tax filing obligations in other states, solely as a result of owning Limited Partnership Interests. The Fund itself may also become subject to tax in certain jurisdictions. This discussion does not purport to discuss the state and local tax consequences of an investment in the Limited Partnership Interests.

Federal Partnership Treatment

The Fund is likely to be treated as a partnership under the Code. Assuming that the Fund has been properly formed under Delaware law, is and operated in accordance with applicable Delaware corporate and business law and the terms of the Operating Agreement, it is the Fund's opinion that, if the matter were litigated, it is more likely than not that the Fund would prevail as to its classification, and would be taxed as a partnership for federal income tax purposes. If the IRS determined that the Fund was an association taxable as a corporation for federal income tax purposes, there would be significant adverse tax consequences to the Fund, and possibly to its investors, including (without limitation) that the Fund would have to pay tax on its net income, and then the investor would have to pay tax on any distributions as dividends, as opposed to interest income.

IRS Audits

Informational returns filed by the Fund are subject to audit by the IRS. The IRS devotes considerable attention to the proper application of tax laws to partnerships. An audit of the Fund's return may lead to adjustments which adversely affect the federal income tax treatment of Limited Partnership Interests and cause Limited Partners to be liable for tax deficiencies, interest thereon, and penalties for underpayment. An audit of the Fund's tax return could also lead to an audit of their individual tax return that may not otherwise have occurred, and to the adjustment of items unrelated to the Fund. Prospective Investors should make their determination to invest based on the economic considerations of the Fund, rather than any anticipated tax benefits. Furthermore, the IRS has taken the position in Temp. Reg. 1.163-9T that any interest on income taxes owed by an individual is a personal interest, subject to limitations on deduction, regardless of the nature of the activity that produced the income that was the source of the tax.

If the IRS makes audit adjustments to the Fund's income tax returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment, directly from the Fund. Generally, the Fund may elect to have the Limited Partners take such audit adjustment into account, in accordance with their interest in the Fund during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances, and the manner in which the election is made and implemented has yet to be determined. If the Fund is unable to have the Limited Partners take such audit adjustment into account, in accordance with their interests in the Fund during the tax year under audit, current Limited Partners may bear some or all of the tax liability resulting from such audit adjustment, even if such Limited Partner did not own Limited Partnership Interests in the Fund during the tax year under audit. If, as a result of any such audit adjustment, the Fund is required to make payments of taxes, penalties, and interest, cash available for distribution to Limited Partners might be substantially reduced. The Fund may, at any time during the existence of the Fund or any predecessor of the Fund, directly seek reimbursement of underpaid taxes, penalties, and interest from the Limited Partners who held Limited Partnership Interests during the year, which is under IRS, state, or local audit examination, even if such Limited Partner has since redeemed its Limited Partnership Interest and is no longer a Limited Partner of

the Fund. The Fund will designate the General Partner to act as the partnership representative who shall have the sole authority to act on behalf of the Fund, with respect to dealings with the IRS under these audit procedures. The acts of the General Partner in its capacity as the partnership representative, including the extension of statutes of limitation, will bind the Fund and all Limited Partners. The Limited Partners will not have the right to participate in the audit proceedings.

Profit Objective of the Fund

Deductions will be disallowed if they result from activities not entered into for profit, to the extent that such deductions exceed an amount equal to the greater of: (a) the gross income derived from the activity; or (b) deductions (such as interest and taxes) that are allowable in any event. The applicable Treasury Department regulations indicate a transaction will be considered as entered into for profit, where there is an expectation of profit in the future, either of a recurring type or from the disposition of property. In addition, the Code provides, among other things, an activity is presumed to be engaged for profit, if the gross income from such activity for Three (3) of the Five (5) taxable years ending with the taxable year in question exceeds the deductions attributable to such activity. It is anticipated that the Fund will satisfy this test.

Property Held Primarily for Sale: Potential Dealer Status

The Fund and/or Sub-REIT has been organized to invest in loans and notes primarily secured by deeds of trust or mortgages on real property, and to acquire real estate properties. However, if the Fund and/or Sub-REIT were at any time deemed for federal tax purposes, to be holding one or more Fund loans, notes, or properties, primarily for sale to customers in the ordinary course of business (a "dealer"), any gain or loss, realized upon the disposition of such loans, notes, or properties would be taxable as ordinary gain or loss rather than as capital gain or loss. The federal income tax rates for ordinary income are currently higher than those for capital gains. In addition, income from sales of loans, notes, and properties to customers in the ordinary course of business would also constitute unrelated business taxable income to any Limited Partners which are tax-exempt entities. Under existing law, whether or not real property is held primarily for sale to customers in the ordinary course of business must be determined from all the relevant facts and circumstances. The Fund and/or Sub-REIT intends to make and hold the Fund loans, notes, and properties for investment purposes only, and to dispose of Fund loans, notes, and properties, by sale or otherwise, at the discretion of the General Partner, and as consistent with the Fund's investment objectives. It is possible that, in so doing, the Fund and/or Sub-REIT will be treated as a "dealer" in mortgage loans, notes, and properties, and that profits realized from such sales will be considered unrelated business taxable income to otherwise tax-exempt Investors in the Fund and/or Sub-REIT. In addition, being a "dealer" can have adverse consequences pertaining to qualification of the Sub-REIT, including, specifically, in the event that the income generated by the Sub-REIT is derived from "dealer" property under § 1221(a)(1).

Taxable Mortgage Pool Rules

Notwithstanding the check-the-box provisions, the IRS may still reclassify certain partnerships as corporations for federal income tax purposes, if they meet the definition of a "taxable mortgage pool" under Internal Revenue Code Section 7701(i)(2)(A)(ii). A taxable mortgage pool is any entity whose assets consist substantially of debt instruments, who is the obligor under debt obligations with Two (2) or more maturities, and where there is a relationship between the debt instruments and the debt obligations of the entity. The issue of what constitutes debt obligations with Two (2) or more maturities is unclear. The regulations state that "[t]he purpose of section 7701(i) is to prevent income generated by a pool of real estate mortgages from escaping Federal income taxation, when the pool is used to issue multiple class mortgage-backed securities." The Fund has only one class of Limited Partnership Interests. A literal reading of this provision could lead to the conclusion that the Fund would not be reclassified as a taxable mortgage pool and taxed as a corporation. In order to further explain any such interpretation, the General Partner has committed that,

to the extent it leverages the Fund assets (i.e., borrows funds from another lender for purpose of making loans and pledges one or more loans of the Fund as collateral for such borrowing), the Fund intends to only have one line of credit at a time so that the IRS would find it difficult to make the argument that the Fund has debt obligations with Two (2) or more maturities. However, due to the lack of clarity with respect to this provision, there is no assurance (and no opinion of any kind can be given) that the IRS would not attempt to tax the Fund as a corporation and not a partnership. Any such taxation would have an adverse effect on the Fund, and the return an Investor would receive on their investment in the Fund.

Portfolio Income

A primary source of Fund income will be interest, which is ordinarily considered "portfolio income" under the Code. Similarly, Temporary Regulations issued by the Internal Revenue Service in 1988 (Temp. Reg. Section 1.469 2T[f][4][ii]) confirmed that net interest income from an equity-financed lending activity such as the Fund, will be treated as portfolio income, and not as passive income, to Limited Partners. Therefore, Limited Partners will not be entitled to treat their proportionate share of Fund income as passive income, against which passive losses (such as deductions from unrelated real estate investments) may be offset. Another source of Fund income will be capital gains from selling real property. Capital gains are also treated as portfolio income, and not as passive income to the Limited Partners. Additionally, income from the Sub-REIT would generally be an ordinary dividend (i.e., not eligible for preferential rates of a qualified dividend), and some portion thereof can be characterized as a capital gain, to the extent recognized by the REIT. Thus, Limited Partners will not be entitled to treat their proportionate share of Fund income as passive income, against which passive losses may be offset.

Understatement Penalties

The Fund will be subject to substantial understatement penalty in the event that it understates its income tax. The IRS imposes a penalty of Twenty Percent (20%) on any substantial understatement of income tax. Furthermore, the IRS can charge interest on underpayments of income tax exceeding One Hundred Thousand Dollars ($100,000) for any tax year owing by certain corporations at a rate that is higher than the normal interest rate. The General Partner strongly advises prospective investors to consult with their own tax advisor to be sure that they fully evaluate the proposed tax treatment of the LLC as described herein.

Unrelated Business Taxable Income

The Fund may generate unrelated business taxable income for Limited Partners that are qualified plans such as self-directed IRAs, or tax-exempt organizations, such as pension/benefit plan investors, colleges, universities, private foundations, and charitable remainder trusts. Particularly if the Fund pursues a credit facility or leverage, it is highly likely that the Fund may generate unrelated business taxable income for such Limited Partners. Investors should also be aware that the issue of how the unrelated business taxable income of a qualified plan or exempt organization should be taxed is regularly under discussion by one or more committees of Congress. The Fund advises that all Limited Partners, particularly Limited Partners with qualified plans or exempt organizations, consult with their own tax advisor to be sure they fully evaluate the impact of unrelated business taxable income for Limited Partners.

TAX CONSIDERATIONS RELATED TO REAL ESTATE INVESTMENT TRUST

Real Estate Investment Trusts

The Fund plans to hold all or substantially all of its assets through the Sub-REIT, an entity that intends to elect to be taxable as a REIT commencing with its taxable year beginning 2024. As a REIT, the Sub-REIT

generally will not be subject to U.S. federal taxes on income to the extent it currently distributes all of its income to its shareholders (including the Fund) and maintains its qualification as a REIT.

Qualification and taxation as a REIT depends on the Sub-REIT's ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of share ownership, various qualification requirements imposed upon REITs by the Code. The Sub-REIT's ability to qualify as a REIT also requires that it satisfy certain asset tests, some of which depend upon the fair market values of assets owned by the Sub-REIT. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that actual results of operations for any taxable year satisfy such requirements for qualification and taxation as a REIT.

Taxation of REITs in General

As indicated above, qualification and taxation as a REIT depends upon the Sub-REIT's ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "Real Estate Investment Trusts—Requirements for Qualification—General." While the Fund intends to operate the Sub-REIT so that it qualifies as a REIT, no assurance can be given that the IRS will not challenge its qualification, or that it will be able to operate in accordance with the REIT requirements in the future.

If the Sub-REIT qualifies as a REIT, it will generally be entitled to a deduction for dividends that it pays and therefore will not be subject to U.S. federal corporate income tax on taxable income that is currently distributed to its shareholders, including the Fund. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that generally results from investment in a corporation. Rather, income generated by a REIT generally is taxed only at the shareholder level upon a distribution of dividends by the REIT.

If the Sub-REIT qualifies as a REIT, it will nonetheless be subject to U.S. federal tax in the following circumstances:

- It will be taxed at regular corporate rates on any undistributed REIT taxable income, including undistributed net capital gains.

- If the Sub-REIT has net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a One Hundred Percent (100%) tax. (See "Prohibited Transactions" and "Foreclosure Property" below).

- If the Sub-REIT elects to treat property that it acquires in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," it may thereby avoid a One Hundred Percent (100%) tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently Twenty-One Percent (21%).

- If the Sub-REIT should fail to satisfy the Seventy-Five percent (75%) gross income test or the Ninety-Five Percent (95%) gross income test, as discussed below, but nonetheless maintain its qualification as a REIT because there is a reasonable cause for the failure and other applicable requirements are met, the Fund may be subject to a One Hundred Percent (100%) tax on an amount based on the magnitude of the failure adjusted to reflect the profit margin associated with its gross income.

- If the Subsidiary REIT should fail to satisfy the asset or other requirements applicable to REITs, as described below, yet nonetheless maintain its qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, it may be subject to an excise tax. In that case, the amount of the tax will be at least Fifty Thousand Dollars ($50,000) per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the assets in question multiplied by the highest corporate tax rate (currently Twenty-One Percent (21%) if that amount exceeds Fifty Thousand Dollars ($50,000) per failure.

- If the Fund should fail to distribute during each calendar year at least the sum of (a) Eighty-Five Percent (85%) of its REIT ordinary income for such year, (b) Ninety-Five Percent (95%) of its REIT capital gain net income for such year, and (c) any undistributed taxable income from prior periods, it would be subject to a non-deductible Four Percent (4%) excise tax on the excess of the required distribution over the sum of (i) the amounts actually distributed, plus (ii) certain retained amounts.

- A One Hundred Percent (100%) tax may be imposed on transactions between a REIT and a "taxable REIT subsidiary" (as defined in the Code), or TRS, that do not reflect arm's length terms.

- If the Sub-REIT acquires appreciated assets from a C corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Code) in a transaction in which the adjusted tax basis of the assets in its hands are determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, it may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if it subsequently recognizes gain on a disposition of any such assets during the Five (5) year period following their acquisition from the subchapter C corporation.

In addition, the Sub-REIT may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, and other taxes on assets and operations. The Sub-REIT could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification—General

The Code defines a REIT as a corporation, trust, or association:

(i) that is managed by one or more trustees or directors;

(ii) the beneficial ownership of which is evidenced by transferable shares of beneficial interest, or by transferable certificates of beneficial interest;

(iii) that would be taxable as a domestic corporation but for the special Code provisions applicable to REITs;

(iv) that is neither a financial institution nor an insurance company subject to specific provisions of the Code;

(v) the beneficial ownership of which is held by One Hundred (100) or more persons;

(vi) in which, during the last half of each taxable year, not more than Fifty Percent (50%) in value of the outstanding shares of beneficial interest is owned, directly or indirectly, by Five (5) or fewer "individuals" (as defined in the Code to include specified tax-exempt entities);

(vii) that makes an election to be treated as a REIT for the current taxable year or has made an election for a previous taxable year which has not been terminated or revoked; and

(viii) which meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (i) through (iv) must be met during the entire taxable year, and that condition (v) must be met during at least Three Hundred and Thirty-Five (335) days of a taxable year of Twelve (12) months, or during a proportionate part of a shorter taxable year. Conditions (v) and (vi) need not be met during an entity's initial tax year as a REIT. The Limited Partnership Agreement contains restrictions regarding the ownership and transfer of Limited Partnership Interests, which are intended to assist the Sub-REIT in satisfying the share ownership requirements described in conditions (v) and (vi) above.

An entity generally may not elect to become a REIT unless its taxable year is the calendar year. The Sub-REIT has adopted December 31 as its year end, and thereby satisfies this requirement.

Income Tests

To qualify as a REIT, the Sub-REIT annually must satisfy two gross income requirements. First, at least Seventy-Five Percent (75%) of gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions," and certain hedging transactions generally must be derived from investments relating to real property or mortgages on real property, including interest income derived from mortgage loans collateralized by real property, "rents from real property," dividends received from other REITs, and gains from the sale of real estate assets, as well as "qualified temporary investment income." Second, at least Ninety-Five Percent (95%) of gross income in each taxable year, excluding gross income from prohibited transactions and certain hedging transactions, must be derived from some combination of such income from investments in real property (i.e., income that qualifies under the Seventy-Five Percent (75%) income test described above), as well as other dividends, interest and gain from the sale or disposition of stock or securities, none of which need have any relation to real property.

The Fund believes that the Sub-REIT's investments in mortgage loans will generate income that complies with both the Seventy-Five Percent (75%) test and the Ninety-Five Percent (95%) test, and it intends to monitor compliance on an ongoing basis. If the Sub-REIT fails to satisfy one or both of the Seventy-Five Percent (75%) or Ninety-Five Percent (95%) gross income tests for any taxable year, it may still qualify as a REIT for the year if it is entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if the failure to meet the gross income tests was due to reasonable cause and not due to willful neglect and the Sub-REIT files a schedule of the source of its gross income in accordance with Treasury Regulations. It is not possible to state whether the Sub-REIT would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances involving the Sub-REIT, it would not qualify as a REIT. Even where these relief provisions apply, a tax would be imposed based upon the amount by which the Sub-REIT failed to satisfy the particular gross income test.

Asset Tests

At the close of each quarter of the taxable year, the Sub-REIT must satisfy seven tests relating to the nature of its assets.

(i) At least Seventy-Five Percent (75%) of the value of its total assets must be represented by "real estate assets," cash, cash items and government securities, as such terms are defined in the Code.

(ii) Not more than Twenty-Five Percent (25%) of the value of its total assets may be represented by securities, other than those in the Seventy-Five Percent (75%) asset class.

(iii) Except for certain investments in REITs, TRSs, and other securities in the Seventy-Five Percent (75%) asset class, the value of any one issuer's securities owned by the Sub-REIT may not exceed Five Percent (5%) of the value of its total assets.

(iv) Except for certain investments in REITs, TRSs, and other securities in the Seventy-Five Percent (75%) asset class, the Sub-REIT may not own more than Ten Percent (10%) of the total voting power of any one issuer's outstanding securities.

(v) Except for certain investments in REITs, TRSs and other securities in the Seventy-Five Percent (75%) asset class, the Subsidiary REIT may not own more than Ten Percent (10%) of the total value of the outstanding securities of any one issuer, other than securities that qualify for certain debt safe harbors.

(vi) The aggregate value of all securities of TRSs held by the Sub-REIT may not exceed Twenty Percent (20%) of the value of its gross assets.

(vii) No more than Twenty-Five Percent (25%) of the value of the Sub-REIT's total assets may consist of debt instruments issued by "publicly offered REITs" (as defined in the I Code) to the extent such debt instruments are not secured by real property or interests in real property.

Certain relief provisions are available to REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. One such provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (a) it provides the IRS with a description of each asset causing the failure, (b) the failure is due to reasonable cause and not willful neglect, (c) the REIT pays a tax equal to the greater of (i) Fifty Thousand Dollars ($50,000) per failure and (ii) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently Twenty-One Percent (21%)), and (d) the REIT either disposes of the assets causing the failure within Six (6) months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time period.

In the case of de minimis violations of the Ten Percent (10%) and Five Percent (5%) asset tests, a REIT may maintain its qualification despite a violation of such requirements if (a) the value of the assets causing the violation does not exceed the lesser of One Percent (1%) of the REIT's total assets and Ten Million Dollars ($10,000,000), and (b) the REIT either disposes of the assets causing the failure within Six (6) months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time period.

The Fund believes that the Sub-REIT's holdings of securities and other assets will comply with the foregoing REIT asset requirements, and it intends to monitor compliance on an ongoing basis. No independent appraisals will be obtained, however, to support the Fund's or the Sub-REIT's conclusions as to the value of total assets, or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Accordingly, there can be no assurance that the Service will not contend that the Subsidiary REIT's asset holdings do not meet one or more of the REIT asset tests.

Annual Distribution Requirements

To qualify as a REIT, the Sub-REIT is required to distribute dividends, other than capital gain dividends, to its shareholders (including the Fund) in an amount at least equal to:

- the sum of
    - Ninety Percent (90%) of the Sub-REIT's "REIT taxable income," computed without regard to net capital gains and the deduction for dividends paid, and
    - Ninety Percent (90%) of the Fund's net income, if any (after tax), from foreclosure property (as described below), minus
    - The sum of specified items of non-cash income.

These distributions generally must be paid in the taxable year to which they relate, or in the following taxable year if declared before the Sub-REIT timely files its tax return for the year and if paid with or before the first regular dividend payment after such declaration. For distributions to be counted for this purpose, and to give rise to a tax deduction by the Sub-REIT, they must not be "preferential dividends." A dividend is not a preferential dividend if it is pro rata among all outstanding shares of Sub-REIT within a particular class and is in accordance with the preferences among different classes of Sub-REIT shares as set forth in the Subsidiary REIT's organizational documents.

To the extent that the Sub-REIT distributes at least Ninety Percent (90%), but less than One Hundred Percent (100%), of its "REIT taxable income," as adjusted, the Sub-REIT will be subject to tax at ordinary corporate tax rates on the retained portion. The Sub-REIT may elect to retain, rather than distribute, its net long-term capital gains and pay tax on such gains. In this case, the Sub-REIT could elect to have its shareholders (including the Fund) include their proportionate share of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax paid by the Sub-REIT. The shareholders (including the Fund) would then increase the adjusted basis of their Sub-REIT shares by the difference between the designated amounts of capital gains from the Sub-REIT that they include in their taxable income, and the tax paid on their behalf by the Sub-REIT with respect to that income.

If the Sub-REIT should fail to distribute during each calendar year at least the sum of (a) Eighty-Five Percent (85%) of its REIT ordinary income for such year, (b) Ninety-Five Percent (95%) of its REIT capital gain net income for such year, and (c) any undistributed taxable income from prior periods, it would be subject to a non-deductible Four Percent (4%) excise tax on the excess of such required distribution over the sum of (x) the amounts actually distributed and (y) certain retained amounts.

It is possible that the Sub-REIT, from time to time, may not have sufficient cash to meet the distribution requirements due to timing differences between (a) the actual receipt of cash and (b) the inclusion of items in income by the Sub-REIT for U.S. federal income tax purposes. In the event that such timing differences occur, in order to meet the distribution requirements, it might be necessary to make distributions in the form of Sub-REIT shares or taxable in-kind distributions of property.

The Sub-REIT may be able to rectify a failure to meet the distribution requirements for a year by paying "deficiency dividends" to its shareholders (including the Fund) in a later year, which may be included in the Sub-REIT's deduction for dividends paid for the earlier year. In this case, the Sub-REIT may be able to avoid losing its REIT qualification or being taxed on amounts distributed as deficiency dividends. However, the Sub-REIT will be required to pay interest and a penalty based on the amount of any deduction taken for deficiency dividends.

Failure to Qualify

If the Sub-REIT failed to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, it could avoid disqualification if the failure is due to reasonable cause and not to willful neglect and the Sub-REIT pays a penalty of Fifty Thousand Dollars ($50,000) for each such failure. In addition, there are relief provisions for a failure of the gross income tests and asset tests, as described above under "Income Tests" and "Asset Tests."

If the Sub-REIT failed to qualify for taxation as a REIT in any taxable year, and the relief provisions described above did not apply, it would be subject to tax on its taxable income at regular corporate rates (currently Twenty-One Percent (21%)). Distributions to shareholders of the Sub-REIT (including the Fund) in any year in which the Sub-REIT was not a REIT would not be deductible by it, nor would they be required to be made. In this situation, to the extent of current and accumulated earnings and profits, distributions to domestic shareholders of the Sub-REIT that are individuals, trusts, and estates would generally be taxable at capital gains rates and subject to limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless the Sub-REIT was entitled to relief under specific statutory provisions, it would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the taxable year during which qualification was lost. It is not possible to state whether, in all circumstances, the Sub-REIT would be entitled to this statutory relief.

Prohibited Transactions

Net income derived by a REIT from a prohibited transaction is subject to a One Hundred Percent (100%) tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held primarily for sale to customers in the ordinary course of a trade or business. The Fund intends that the Sub-REIT will conduct its operations so that no asset owned by it will be held for sale to customers, and that a sale of any such asset will not be in the ordinary course of business. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the particular facts and circumstances. No assurance can be given that any property sold by the Sub-REIT will not be treated as property held for sale to customers, or that it can comply with certain safe harbor provisions of the Code that would prevent such treatment.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (i) that is acquired by a REIT as the result of the REIT having bid on the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and collateralized by the property, (ii) for which the related loan or lease was acquired by the REIT at a time when default was not imminent or anticipated, and (iii) for which such REIT makes a proper election to treat the property as foreclosure property. REITs generally are subject to tax at the maximum corporate rate (currently Twenty-One Percent (21%)) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the Seventy-Five Percent (75%) gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the One Hundred Percent (100%) tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property in the hands of the selling REIT. To the extent that the Sub-REIT receives any income from foreclosure property that is not qualifying income for purposes of the Seventy-Five Percent (75%) gross income test, it intends to make an election to treat the related property as foreclosure property.

Section 199A Deduction

In December 2017, as part of the Tax Act, Section 199A was added to the Code and became effective for tax years beginning after December 31, 2017, and before January 1, 2026. Under Section 199A of the Code, subject to certain limitations, an individual taxpayer and estates and trusts may deduct Twenty Percent (20%) of their aggregate "Qualified Business Income" ("***QBI***"). In general, QBI is the net amount of income, gain, loss, and deduction (other than any items of capital gain or loss and certain other enumerated investment-type items of income or deduction) that is effectively connected with the conduct of a trade or business within the United States (other than certain service businesses enumerated in Section 199A of the Code) and included or allowed in determining taxable income for the taxable year. QBI also includes the combined qualified REIT dividends, including REIT dividends earned through a pass-through entity. Qualified REIT dividends include any dividend from a REIT received during the tax year that is not (i) a capital gain dividend or (ii) qualified dividend income.

If a taxpayer is permitted to take the full QBI deduction, the maximum effective tax rate on such income will be Twenty-Nine and Six-Tenths Percent (29.6%) (as opposed to the maximum Thirty-Seven Percent (37%) tax rate generally applicable to ordinary income). Because the Fund plans to operate a significant part of its business through the Sub-REIT, the qualified REIT dividends from the Sub-REIT that are allocated to an Investor should generally be eligible for the Twenty Percent (20%) QBI deduction.

Net Investment Income Tax

In addition to all other taxes, there is imposed for each year beginning after December 31, 2012, a tax on the net investment income of every individual, other than nonresident aliens, estates, and trusts. For individuals, the tax equals Three and Eight Tenths Percent (3.8%) of the lesser of an individual's net investment income for such taxable year or the excess, if any, of the modified adjusted gross income for such taxable year over the threshold amount. In the case of an estate or trust, the tax equals Three and Eight Tenths Percent (3.8%) on the lesser of the undistributed net investment income for such taxable year or the excess, if any, of the adjusted gross income over the dollar amount at which the highest tax bracket for estates and trusts begins. Generally, net investment income means the excess, if any, of gross income from interest, dividends, annuities, royalties and rents as well as trade or business income if such trade or business is a "passive activity" to the taxpayer over the deductions which are properly allocable to such gross income or net gain. Modified adjusted income means adjusted gross income increased by certain foreign earned income, while the threshold amount means Two Hundred and Fifty Thousand Dollars ($250,000) for taxpayers making a joint return or surviving spouse and Two Hundred Thousand Dollars ($200,000) in any other case. Accordingly, each Investor should consult with his or her own personal tax advisor regarding the possible application of the net investment income tax.

ERISA CONSIDERATIONS

The following is a discussion of how certain requirements of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***") and the Code relating to Employee Benefit Plans and certain Other Benefit Arrangements (each as defined below) may affect an investment in the Limited Partnership Interests. It is not, however, a complete or comprehensive discussion of all employee benefits and aspects of such an investment. If the Investors are trustees or other fiduciaries of an Employee Benefit Plan or Other Benefit Arrangement, before purchasing Limited Partnership Interests, they should consult with their own independent legal counsel to assure that the investment does not violate any of the applicable requirements of ERISA or the Code, including, without limitation, the ERISA fiduciary rules and the prohibited transaction requirements of ERISA and the Code.

ERISA Fiduciary Duties

Under ERISA, persons who serve as trustees or other fiduciaries of an Employee Benefit Plan have certain duties, obligations, and responsibilities with respect to the participants and beneficiaries of such plans. Among the ERISA fiduciary duties are the duty to invest the assets of the plan prudently, and the duty to diversify the investment of plan assets so as to minimize the risk of large losses. An "Employee Benefit Plan" is a plan subject to ERISA that is an employee pension benefit plan (such as a defined benefit pension plan or a section 401[k] or 403[b] plan), or any employee welfare benefit plan (such as an employee group health plan).

Prohibited Transaction Requirements

Section 406 of ERISA and Section 4975 of the Code proscribe certain dealings between Employee Benefit Plans or Other Benefit Arrangements on the one hand, and "parties-in-interest" or "disqualified persons" with respect to those plans or arrangements on the other. An "Other Benefit Arrangement" is a benefit arrangement described in Section 4975(e)(1) of the Code [such as a self-directed IRA], other than an Employee Benefit Plan.

Prohibited transactions include, directly or indirectly, any of the following transactions between an Employee Benefit Plan or Other Benefit Arrangement, and a party-in-interest or disqualified person:

(a) sales or exchanges of property;

(b) lending of money or other extension of credit;

(c) furnishing of goods, services, or facilities; and

(d) transfers to, or use by or for the benefit of, a party-in-interest or disqualified person of any assets of the Employee Benefit Plan or Other Benefit Arrangement.

In addition, prohibited transactions include any transaction where a trustee or other fiduciary of an Employee Benefit Plan or Other Benefit Arrangement:

(a) deals with plan assets for his own account,

(b) acts on the behalf of parties whose interests are adverse to the interest of the plan, or

(c) receives consideration for his personal account from any party dealing with the plan, with respect to plan assets.

The terms "party-in-interest" under ERISA, and "disqualified person" under the Code, have similar definitions. The terms include persons who have particular relationships with respect to an Employee Benefit Plan or Other Benefit Arrangement, such as:

(a) fiduciaries;

(b) persons rendering services of any nature to the plan;

(c) employers, any of whose employees are participants in the plan, as well as owners of 50% or more of the equity interests of such employers;

(d) spouses, lineal ascendants, lineal descendants, and spouses of such ascendants or descendants of any of the above persons;

(e) employees, officers, directors, and Ten Percent (10%) or more owners of such fiduciaries, service providers, employers, or owners;

(f) entities in which any of the above-described parties hold interests of 50% or more; and

(g) Ten Percent (10%) or more joint venturers or partners of certain of the parties described above.

Certain transactions between Employee Benefit Plans or Other Benefit Arrangements and parties-in-interest or disqualified persons that would otherwise be prohibited transactions are exempt from the prohibited transaction rules, due to the application of certain statutory or regulatory exemptions. In addition, the United States Department of Labor ("***DOL***") has issued class exemptions and individual exemptions for certain types of transactions. Violations of the prohibited transaction rules may require the prohibited transactions to be rescinded and will cause the parties-in-interest or disqualified persons to be subject to excise taxes under Section 4975 of the Code.

Investments in the Fund

If any Investor is a fiduciary of an Employee Benefit Plan, the investor must act prudently and ensure that the plan's assets are adequately diversified to satisfy the ERISA fiduciary duty requirements. Whether an investment in the Fund is prudent and whether an Employee Benefit Plan's investments are adequately diversified must be determined by the plan's fiduciaries, in light of all of the relevant facts and circumstances. A fiduciary should consider, among other factors, the limited marketability of the Limited Partnership Interests.

Investors also should be aware that under certain circumstances, the DOL may view the underlying assets of the Fund as "plan assets," for purposes of the ERISA fiduciary rules and the ERISA and Internal Revenue Code prohibited transaction rules. DOL regulations indicate that Fund assets will not be considered plan assets, if less than Twenty-Five Percent (25%) of the value of the Limited Partnership Interests are held by Employee Benefit Plans and Other Benefit Arrangements.

The Fund anticipates that if any Investor is an Employee Benefit Plan subject to ERISA, the Fund will limit the investments by all Employee Benefit Plans and Other Benefit Arrangements to ensure that the Twenty-Five Percent (25%) limit is not exceeded. Because the Twenty-Five Percent (25%) limit is determined after every subscription or redemption, the Fund has the authority to require the redemption of all or some of the Limited Partnership Interests held by any Limited Partner that is an Employee Benefit Plan or Other Benefit Arrangement, if the continued holding of such Limited Partnership Interests, in the sole opinion of the Fund, could result in the Fund being subject to the ERISA fiduciary rules.

If there are no Employee Benefit Plan investors in the Fund, the Fund anticipates that investments by Other Benefit Arrangements (such as self-directed IRAs) may exceed the Twenty-Five Percent (25%) limit. This situation may cause the underlying assets of the Fund to be considered plan assets for purposes of the Code prohibited transaction rules. In such a case, the Other Benefit Arrangement investors must ensure that their investments do not constitute prohibited transactions, under Section 4975 of the Code. Such investors should consult with independent legal counsel on these issues.

Special Limitations

The discussion of the ERISA fiduciary aspects and the ERISA and Code prohibited transaction rules contained in this Memorandum is not intended as a substitute for careful planning. The applicability of ERISA fiduciary rules and the ERISA or Code prohibited transaction rules to Investors may vary from one Investor to another, depending upon that Investor's situation. Accordingly, Investors should consult with their own attorneys, accountants, and other personal advisors as to the effect of ERISA and the Code on their situation of a purchase and ownership of the Limited Partnership Interests, and as to potential changes in the applicable law.

SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT

The following is a summary of the Limited Partnership Agreement and is qualified in its entirety by the terms of the Limited Partnership Agreement itself. In the event of any conflict, misunderstanding, or ambivalence between, or resulting from, the summary below and the actual terms of the Limited Partnership Agreement, the latter shall govern. Potential Investors are urged to carefully read the entire Limited Partnership Agreement, which is set forth as Exhibit A-2 to this Memorandum.

Accounting and Reports

Annual reports concerning the Fund's business affairs, including the Fund's annual income tax return, will be provided to Limited Partners who request them in writing. Each Limited Partner will receive its respective K-1 Form as required by applicable law. The General Partner may, at its sole and absolute discretion, designate any Person to provide tax and accounting advice to the Fund, at any time and for any reason.

The General Partner presently intends to maintain the Fund's books and records on a GAAP basis for bookkeeping and accounting purposes, and also intends to use the GAAP basis method of reporting income and losses for federal income tax purposes. The General Partner reserves the right to change such methods of accounting upon written notice to Limited Partners. Any Limited Partner may inspect the books and records of the Fund at reasonable times.

The General Partner presently intends to have annual financial audits performed on the Fund's books and records by an independent third party.

The General Partner presently intends to retain the services of a third-party Fund Administrator to perform back-office accounting and administrative services for the Fund. The General Partner will oversee the activities and performance of the Fund Administrator, including deployment of funds into loans and/or properties. Notwithstanding the foregoing, the General Partner reserves the right to serve as the Fund Administrator or appoint an Affiliate to serve as Fund Administrator, at its sole and absolute discretion. Any fees payable to the Fund Administrator shall be considered an expense to the Fund.

Adjustment of Limited Partnership Interest Holdings

Allocations of profit, gain, and loss in the Fund are made, as required by law, in proportion to the Limited Partners' respective income distributions. Voting rights are based upon the number of Limited Partnership Interests each Limited Partner owns. Because some Limited Partners may choose to reinvest their share of profits, gains, and losses, it is likely that the value of their capital accounts will increase, relative to the capital accounts of Limited Partners who take quarterly income distributions of their share of profits, gains, and losses.

Capital Distributions

The Fund may, in the sole and absolute discretion of the General Partner, make distributions of capital to Limited Partners, in proportion to their capital account balances as of the date the distribution is declared.

Compensation to General Partner and Affiliates

The Fund will compensate the General Partner and Affiliates, as described in "General Partner's Compensation" herein.

General Partner's Interest

The General Partner may withdraw from the management of the Fund at any time upon Thirty (30) days' written notice to all Limited Partners. A successor General Partner of the Fund may only be elected by the Limited Partners. In any such event, a majority of the Limited Partners shall promptly elect a successor as General Partner; provided, however, if the then General Partner desires to appoint an Affiliate as the new General Partner, then such Affiliate may become the General Partner without Limited Partner approval

Cash Distributions

The Fund will make distributions to Limited Partners as described in the "Terms of the Offering" above.

Operating Expenses

The General Partner shall be entitled to reimbursement by the Fund and/or Sub-REIT (but only to the extent that Fund and/or Sub-REIT assets are sufficient therefor) for reasonable and necessary out-of-pocket expenses incurred by the General Partner, on behalf of the Fund and/or Sub-REIT. Further, the Fund and/or Sub-REIT shall reimburse the General Partner and its Affiliates for any reasonable formation, accounting, analyst, banking, transactional fees, and legal costs incurred in connection with the formation of the Fund and/or Sub-REIT and the capital raising activities undertaken by the Fund and/or Sub-REIT.

Profits and Losses

The Fund's profit or loss for any taxable year, including the taxable year in which the Fund is dissolved, shall be allocated as follows:

(a) First, to the Class A Partners, Class B Partners, and Class C Partners in amounts equal to their respective accrued but unpaid Preferred Returns, to the extent not previously allocated;

(b) Second, to the Class D Partners, in amounts equal to their respective accrued but unpaid Preferred Returns, to the extent not previously allocated; and

(c) Thereafter, any remaining profit or loss shall be allocated One Hundred Percent (100%) to the Class E Partner(s).

Restrictions on Transfer

The Limited Partnership Agreement places substantial limitations upon transferability of Limited Partnership Interests. Any transferee must be a person that would have been qualified to purchase a Limited Partnership Interest in this offering. No Limited Partnership Interest may be transferred if, in the sole judgment of the General Partner, a transfer would jeopardize the availability of exemptions from the

registration requirements of federal securities laws, jeopardize the tax status of the Fund as a limited partnership taxed as a partnership, or cause a termination of the Fund for federal income tax purposes.

A transferee may not become a substitute Limited Partner without the consent of the General Partner. Such consent may not be unreasonably withheld if the transferor and the transferee comply with all the provisions of the Limited Partnership Agreement and applicable law. A transferee who does not become a substitute Limited Partner, has no right to vote in matters brought to a vote of the Limited Partners, or to receive any information regarding the Fund, or to inspect the Fund books, but is entitled only to the share of income or return of capital to which the transferor would be entitled.

Rights and Liabilities of Limited Partners

The rights, duties, and powers of Limited Partners are governed by the Limited Partnership Agreement and applicable Delaware corporate and business law, and the discussion herein of such rights, duties, and powers are qualified in its entirety by reference to them.

Investors who become Limited Partners in the manner set forth herein will not be responsible for the obligations of the Fund. They may be liable to repay capital returned to them, plus interest, if necessary, to discharge liabilities existing at the time of such return. Any cash distributed to Limited Partners may constitute, wholly or in part, a return of capital.

Rights, Powers, and Duties of General Partner

Subject to the right of the Limited Partners to vote on specific matters, the General Partner will have complete charge of the business of the Fund. The General Partner is not required to devote itself full-time to Fund affairs, but only such time as is required for the conduct of Fund business. The General Partner has the power and authority to act for, and bind, the Fund. The General Partner is granted the special power of attorney of each Limited Partner, for the purpose of executing any document which the Limited Partners have agreed to execute and deliver.

Fund Brought to Close

The Fund will not cease to exist immediately upon the occurrence of an event of dissolution but will continue to exist until its affairs have been brought to a close. Upon dissolution of the Fund, the General Partner will bring a close to the Fund's affairs by liquidating the Fund's assets as promptly as is consistent with obtaining the fair market value thereof, either by sale to third parties or by collecting loan payments under the terms of the loan(s), until a suitable sale can be arranged. All such funds received by the Fund, including any First Loss Protection, shall be applied first to satisfy or provide for the Fund's debts and liabilities, and the balance, if any, shall be distributed to the Limited Partners in accordance with the order of cash distributions outlined above; provided, however, that prior to any distributions to the Class D Partners under cash distributions outlined above, the Limited Partners shall receive distributions in an amount sufficient to satisfy (i) the balance of their capital accounts and (ii) any accrued but unpaid Preferred Returns. (See "Terms of the Offering – Cash Distributions" above).

Withdrawal

The Fund will restrict Limited Partners' ability to redeem or withdraw their Limited Partnership Interests in the Fund as set forth in greater detail above in the "Summary of the Offering".

Redemption Policy and Other Events of Disassociation

The General Partner may, at its sole and absolute discretion, cause the Fund to repurchase Limited Partnership Interests from Limited Partners desiring to resign from limited partnership, or as a part of a plan to reduce the outstanding capital of the Fund. There is no guarantee that the Fund will have sufficient funds to cause the redemption of any Limited Partnership Interests. Therefore, any investment in the Fund should be considered illiquid.

The Fund may also expel a Limited Partner for cause, if the Limited Partner has materially breached or is unable to perform the Limited Partner's material obligations under the Limited Partnership Agreement or for no reason at all. A Limited Partner's expulsion from the Fund will be effective upon the Limited Partner's receipt of written notice of the expulsion by the Fund.

Upon any expulsion, transfer of all of Limited Partnership Interests, withdrawal, or resignation of any Limited Partner, an event of disassociation shall have occurred and (a) the Limited Partner's right to participate in the Fund's governance, receive information concerning the Fund's affairs, and inspect the Fund's books and records will terminate, and (b) unless such disassociation resulted from the transfer of the Limited Partner's Limited Partnership Interests, the Limited Partner will be entitled to receive the distributions to which the Limited Partner would have been entitled as of the effective date of the dissociation, had the dissociation not occurred. The Limited Partner will remain liable for any obligation to the Fund that existed prior to the effective date of the dissociation, including, without limitation, any costs or damages resulting from the Limited Partner's breach of the Limited Partnership Agreement. Under most circumstances, the Limited Partner will have no right to any return of his or her capital prior to the termination of the Fund, unless the General Partner elects, at its sole and absolute discretion, to return capital to a Limited Partner.

The effect of redemption or disassociation on Limited Partners who do not sell or return their Limited Partnership Interests will be an increase in each Limited Partner's respective percentage interest in the Fund, and therefore an increase in each Limited Partner's respective proportionate interest in the future earnings, losses, and distributions of the Fund, and an increase in the respective relative voting power of each remaining Limited Partner. Notwithstanding anything to the contrary herein, redemption shall be at the sole and absolute discretion of the General Partner, and the General Partner shall not be compelled to redeem or repurchase Limited Partnership Interests at any time or for any reason.

The redemption of Limited Partnership Interests shall be subject to the Fund's availability of sufficient cash to pay the expenses of the Fund, maintain any loan valuation allowance, and pay the redemption or withdrawal amounts to other Limited Partners who have requested withdrawal or redemption in the order of the request. No redemption or withdrawal may be made that would render the Fund unable to pay its obligations as they become due. The Fund shall not be required to sell its assets to raise cash to effectuate any redemption or withdrawal.

A redeeming Limited Partner shall have the rights of a transferee until such time as the Fund has actually redeemed those Limited Partnership Interests. That is, if a Limited Partner transfers less than all of its Limited Partnership Interest, the Limited Partner's rights with respect to the transferred portion of the Limited Partnership Interest, including the right to vote or otherwise participate in the Fund's governance and the right to receive distributions, will terminate as of the effective date of the transfer. Redeemed Limited Partnership Interests revert to authorized, but unissued, Limited Partnership Interests, and the former holder retains no interest of any kind in such Limited Partnership Interests.

LEGAL MATTERS

The Fund has retained Fortra Law of Irvine, California to advise it in connection with the preparation of this Offering, the Limited Partnership Agreement, the Subscription Agreement, and any other documents related thereto. Fortra Law has not been retained to represent the interests of any Investors or Limited Partners in connection with this Offering. Investors that are evaluating or purchasing Limited Partnership Interest should retain their own independent legal counsel to review this Offering, the Memorandum, the Limited Partnership Agreement, the Subscription Agreement, and any other documents related to this Offering, and to advise them accordingly.

ADDITIONAL INFORMATION AND UNDERTAKINGS

The Fund and General Partner undertake to make available to each Investor every opportunity to obtain any additional information from them necessary to verify the accuracy of the information contained in this Memorandum, to the extent that they possess such information or can acquire it without unreasonable effort or expense. This additional information includes all the organizational documents of the Fund, recent financial statements for the Fund, and all other documents or instruments relating to the operation and business of the Fund that are material to this Offering and the transactions described in this Memorandum.

EXHIBIT A-1
CERTIFICATE OF LIMITED PARTNERSHIP

Delaware

The First State

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP OF "LUKROM IFUND LP", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF JANUARY, A.D. 2023, AT 4:56 O`CLOCK P.M.

C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

7240325 8100
SR# 20251366440

Authentication: 203347294
Date: 04-03-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:56 PM 01/17/2023
FILED 04:56 PM 01/17/2023
SR 20230163062 - File Number 7240325

STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF LIMITED LIABILITY COMPANY

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is Lukrom iFund LP.

2. The Registered Office of the limited liability company in the State of Delaware is located at 108 W. 13 Street, Suite 100 (street), in the City of Wilmington, Zip Code 19801. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is Vcorp Services.

By: Javan
Authorized Person

Name: Nazanin Javanmardi, Authorized Signatory
Print or Type

EXHIBIT A-2

LIMITED PARTNERSHIP AGREEMENT

SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

of

LUKROM iFUND LP

a *Delaware limited partnership*

This Second Amended and Restated Limited Partnership Agreement ("***Agreement***") of Lukrom iFund LP, a Delaware limited partnership ("***Partnership***"), is entered into as of September 1, 2025, by and among Lukrom Capital LLC, a Delaware limited liability company ("***Initial Partner***" or "***General Partner***"), and each additional Person who becomes a limited partner in accordance with the provisions of this Agreement (each individually, a "***Limited Partner***," collectively the "***Limited Partners***, " and collectively with the General Partner, the "***Partners***"). Any capitalized terms used herein, but not defined, shall have the meaning ascribed to them in the Second Amended and Restated Private Placement Memorandum dated September 1, 2025, as amended ("***Memorandum***").

RECITALS

WHEREAS, the Partnership is a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act, Del. Code Ann. tit. 6, § 17-101, et seq., as amended. The other parties to this Agreement are the Partnership's Limited Partners and those additional Persons who are subsequently admitted as Limited Partners in accordance with the provisions of this Agreement;

WHEREAS, the parties intend by this Agreement and the terms of the Memorandum to define their rights and obligations with respect to the Partnership's governance and financial affairs and to adopt regulations and procedures for the conduct of the Partnership's activities;

WHEREAS, the General and Limited Partners now desire to amend and restate the Limited Partnership Agreement ("Original Agreement") in its entirety by entering into this Agreement, which shall supersede and replace the Original Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the parties agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Scope.** For purposes of this Agreement, unless the language or context clearly indicates that a different meaning is expressed or intended, all capitalized terms used herein have the meanings specified in this Article 1.

1.2 **Defined Terms.**

(a) "***Act***" means the Delaware Revised Uniform Limited Partnership Act, Del. Code Ann. tit. 6, § 17-101, et seq., as amended.

(b) "***Affiliate***," with respect to a Person, means (1) a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the General Partner (or the Partnership), (2) a Person who, directly or indirectly, owns or controls at least Ten Percent

(10%) of the outstanding voting interests of the General Partner (or the Partnership), (3) a Person who is an officer, director, manager, or member of the General Gartner (or the Partnership), or (4) a Person who is an officer, director, manager, member, general partner, trustee, or owner of at least Ten Percent (10%) of the outstanding voting interests of a Person described in clauses (1) through (3) of this sentence.

(c) "***Agreement***" means this Agreement, including any subsequent amendments thereto.

(d) "***Bankruptcy***" means the filing of a petition seeking liquidation, reorganization, arrangement, readjustment, protection, relief, or composition in any state or federal bankruptcy, insolvency, reorganization, or receivership proceeding.

(e) "***Capital Account***" of a Limited Partner means the capital account maintained for such Limited Partner. The balance of the Capital Account of a Limited Partner, determined as set forth in Section 4.6 below, shall herein be referred to as the "***Capital Account Balance***."

(f) "***Certificate***" means the Certificate of Limited Partnership filed with the Secretary of State to organize the Partnership as a limited liability company, including any subsequent amendments thereto.

(g) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time.

(h) "***Contribution***" means anything of value that a Limited Partner contributes to the Partnership as a prerequisite for, or in connection with, limited partnership, including (without limitation) any combination of cash, property, services rendered, a promissory note, or any other obligation to contribute cash or property or render services.

(i) "***Dissociation***" means a complete termination of a Limited Partner's interests in the Partnership due to an event described in Article 3 hereof.

(j) "***Distribution***" means the Partnership's direct or indirect transfer of money or other property to a Limited Partner with respect to a Limited Partnership Interest.

(k) "***Effective Date***" means the date on which the Partnership's existence as a limited partnership begins, as prescribed by the Act.

(l) "***Entity***" means an association, relationship, or artificial person through or by means of which an enterprise or activity may be lawfully conducted, including, without limitation, a partnership, trust, limited liability company, corporation, joint venture, cooperative, or association.

(m) "***Family***," with respect to a Limited Partner, means any individual(s) who is related to the Limited Partner by blood, marriage, or adoption. For the purposes of this definition, an individual is related to the Limited Partner by marriage if the person is related by blood or adoption to the Limited Partner's current spouse.

(n) "***General Partner***" means a Person who is vested with authority to manage the Partnership, in accordance with Article 5 hereof.

(o) "***Gross Income***" means all revenues and income earned by the Partnership from its operations, including loan interest payments, fees, and other income, before the deduction of expenses.

(p) "***Limited Partner***" is defined in the preamble.

(q) "***Limited Partnership Interest***" means a Limited Partner's ownership interest in the Company, which consists of the limited partner's right to share in profits, receive Distributions, participate in the Partnership's governance, participate in the designation and removal of the General Partner and receive information pertaining to the Partnership's affairs. Changes in Limited Partnership Interests after the Effective Date, including those necessitated by the admission and Dissociation of Limited Partners, will be reflected in the Partnership's records. The allocation of Limited Partnership Interests as reflected in the Partnership's records from time to time is presumed to be correct for purposes of this Agreement and the Act. Limited Partnership Interests represent a fixed whole number representing ownership in the Partnership.

(r) "***Lukrom Mortgage***" shall refer to Lukrom Mortgage LLC, a Delaware limited liability company and an Affiliate of the General Partner.

(s) "***Majority***" means more than Fifty Percent (50%) of the outstanding Limited Partnership Interests in the Partnership.

(t) "***Memorandum***" shall mean the Private Placement Memorandum of the Partnership, as amended from time to time.

(u) "***Minimum Gain***" means minimum gain as defined in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(v) "***Net Profits***" means the Partnership's monthly Gross Income less (1) the Partnership's monthly expenses including payment of outstanding debt (if any), administrative costs, cost of goods, depreciation, amortization, legal expenses, operating expenses, accounting fees, loan servicing costs, taxes, and any other expenses; (2) and to pay an allocation of income for Valuation Allowance (as applicable), and (3) payment of the Preferred Return to the Class A Partners, Class B Partners, and Class C Partners; and (4) payment of the Preferred Return to the Class D Partners.

(w) "***Net Losses***" means the amount by which the Partnership's monthly Gross Income is less than the sum of (1) the Partnership's monthly expenses including payment of outstanding debt (if any), administrative costs, cost of goods, depreciation, amortization, legal expenses, operating expenses, accounting fees, loan servicing costs, taxes, and any other expenses; (2) any allocations made to the Valuation Allowance; and (3) the Preferred Returns payable to the Class A Partners, Class B Partners, Class C Partners, and Class D Partners.

(x) "***Notice***" means notices contemplated by this Agreement which may be sent by any commercially reasonable means, including hand delivery, first class mail, facsimile, e-mail, phone call, text message, or private courier, in accordance with Section 8.4 below.

(y) "***Permitted Transferee***," with respect to a Limited Partner, means another Limited Partner, member of the Limited Partner's Family, or a trust for the benefit of the Limited Partner or a member of the Limited Partner's Family.

(z) "***Person***" means a natural person or an Entity.

(aa) "***Profit***," means Net Profits allocated for tax purposes pursuant to Section 4.2 below, and "***Loss***," means Net Losses allocated for tax purposes pursuant to Section 4.2 below.

(bb) "***Regulations***" means proposed, temporary, or final regulations promulgated under the Code by the U.S. Department of the Treasury, as amended from time to time.

(cc) "***Servicer***" refers to the servicer of the Partnership loans.

(dd) "***Subscription Agreement***" means the Subscription Agreement included as Exhibit B to the Memorandum.

(ee) "***Taxable Year***" means the Partnership's taxable year as determined in Article 6 hereof.

(ff) "***Transfer***," as a noun, means a transaction or event by which ownership of any Limited Partnership Interest is changed or encumbered, including, without limitation, a sale, exchange, abandonment, gift, pledge, or foreclosure. "Transfer," as a verb, means to affect a Transfer.

(gg) "***Transferee***" means a Person who acquires any Limited Partnership Interest by Transfer from a Limited Partner or another Transferee not admitted as a Limited Partner, in accordance with Article 3 hereof.

(hh) "***Valuation Allowance***" shall mean the allowance which may be maintained by the Partnership and/or the Sub-REIT. The loan valuation allowance will be evaluated and established on a case-by-case basis at the sole and absolute discretion of the General Partner. This valuation allowance is intended to temporarily protect Limited Partners from potential unrecoverable losses from the Partnership's and/or Sub-REIT's business and operating activities. Although the valuation allowance will help reduce the impact of defaults temporarily, ultimate repayment/resale of the loans will be jeopardized to the extent that any loans are in default and are not eventually repaid or resold, whether by the applicable borrower or by the Sub-REIT, to protect available collateral. Depending on reserve overages and the weighted risk levels of the portfolio, reserve amounts may be reduced, eliminated, or increased accordingly in the sole and absolute discretion of the General Partner. The valuation allowance may initially be funded from the proceeds of the offering, and thereafter may be funded from offering proceeds or cash flow and/or profits of the Partnership and/or the Sub-REIT (as is determined by the General Partner in its sole discretion).

ARTICLE 2: THE PARTNERSHIP

2.1 **Status.** The Partnership is a limited partnership organized in the State of Delaware under the Act.

2.2 **Name.** The name of the Partnership is Lukrom iFund LP.

2.3 **Term.** The Partnership's existence as a limited partnership will commence on the Effective Date and continue until dissolved herein pursuant to Article 7 below, unless sooner dissolved or terminated under the Act or as described herein.

2.4 **Purpose.** The purpose of the Partnership is to engage in any lawful act or activity for which a limited partnership may be organized under the Act; subject to the foregoing, the Partnership presently intends to raise money through its "***Offering***" of Limited Partnership Interests to make, purchase, originate, fund, acquire, and/or otherwise sell loans secured by interests in real or personal property throughout the United States. The Partnership may also manage, remodel, repair, lease, and/or sell real properties acquired through the Partnership's lending activities, including but not limited to properties acquired through foreclosure and real estate owned ("***REOs***"). In addition, the Partnership has formed a real estate investment trust ("***REIT***") in the form of a subsidiary ("***Sub-REIT***").

2.5 **Principal Place of Business.** The Partnership's principal place of business is located at: 4455 E Camelback Rd., Suite C-135, Phoenix, Arizona 85018.

2.6 **Registered Agent and Registered Office.** The Partnership's registered office in the State of Delaware is located at: 108 W. 13 Street, Suite 100, Wilmington, Delaware 19801, and its registered agent at that location is Vcorp Services LLC. The Partnership may change its registered agent or registered office at any time.

ARTICLE 3: MEMBERSHIP

3.1 **Identification.**

(a) Limited Partnership Interests. The interests of the Partners in the Partnership shall be divided into, and the Partnership is authorized to issue Five (5) classes of Limited Partnership Interests. The Five (5) classes of Limited Partnership Interests shall be identified as "***Class A Interests,*** *"* ***"Class B Interests,"*** *"* ***Class C Interests,"*** *"* ***Class D Interests,"*** and *"* ***Class E Interests.***" Limited Partners who acquire Class A Interests shall be referred to individually as a "***Class A Partner***," and collectively as the "***Class A Partners***." Limited Partners who acquire Class B Interests shall be referred to individually as a "***Class B Partner***," and collectively as the "***Class B Partners***." Limited Partners who acquire Class C Interests shall be referred to individually as a "***Class C Partner***," and collectively as the "***Class C Partners***." Each class shall have differing rights, preferences, and restrictions as set forth herein and in the Partnership's Memorandum. The Partnership shall only offer Class D Interests to Affiliates and subsidiaries of the General Partner, and in limited circumstances, to qualified employees, consultants, and advisory board members (as applicable) of the General Partner who meet the investor suitability standards as set forth in the Memorandum. Limited Partners who acquire Class D Interests shall be referred to individually as a "***Class D Partner***," and collectively as the "***Class D Partners***." The Partnership shall only offer Class E Interests to the General Partner (a "***Class E Partner***" and collectively, the "***Class E Partners***").

(b) Additional and Substitute Limited Partners. The General Partner may, subject to the other provisions of this Agreement, admit Limited Partners from time to time by the offering, sale, and issuance of further Limited Partnership Interests pursuant to the Offering. Each Person subscribing for Limited Partnership Interests pursuant to the Offering must complete, execute, and deliver to, or to the order of, the General Partner, a Subscription Agreement and any other documents deemed necessary by the General Partner to comply with applicable securities laws and the terms and conditions of issue. A subscriber for Limited Partnership Interests shall become a Limited Partner upon the acceptance by the General Partner of the subscriber's Subscription Agreement and payment of such Limited Partner's capital Contribution.

(c) Rights of Additional or Substitute Limited Partners. A Person admitted as an additional or substitute Limited Partner has all the rights and powers, and is subject to all the restrictions and obligations, of a Limited Partner under this Agreement and the Act.

3.2 **Withdrawal.** Limited Partners may submit a written request to withdraw all or a portion of their Limited Partnership Interest (the "***Withdrawal Request***") at any time. The General Partner will review and respond to each Withdrawal Request within Five (5) Business Days of receipt. Upon Approval, the Fund will initiate the first withdrawal payment within Sixty (60) days of such approval. Subsequent payments will be made at or before the end of each successive Ninety (90)-day period, in accordance with the applicable withdrawal schedule set forth below. All Withdrawal Requests must be made in writing and include the intended date of withdrawal (the "***Withdrawal Date***") and the specific balance of Limited Partnership Interests the Limited Partner seeks to withdraw and redeem (the "***Withdrawal Balance***"). The Withdrawal Date shall be effective upon the date of receipt of the Limited Partners' Withdrawal Request

(the "***Effective Withdrawal Date***"). No transfer of Limited Partnership Interest to third parties (excluding transfers to Affiliates or estate planning vehicles) shall be permitted within Twelve (12) months of the original purchase of such Limited Partnership Interests. Notwithstanding the foregoing, the General Partner shall have the right, in its sole and absolute discretion, to permit the early withdrawal of Class D Partners under circumstances it deems appropriate, including but not limited to cases of the termination of a Class D Partner's employment or consulting relationship with the General Partner or its Affiliates. For the avoidance of doubt, this right shall be in addition to, and not in limitation of, the General Partner's authority under Sections 3.4 and 3.5 of this Agreement. Class E Partner(s) may only withdraw or redeem their Limited Partnership Interests in the event the General Partner ceases to be the general partner of the Partnership, including removal for cause.

Limited Partners shall receive any and all distributions or distributable proceeds as set forth herein for all Limited Partnership Interests until those Limited Partnership Interests are fully redeemed and the associated contributions withdrawn.

The Partnership will use its best efforts to honor Withdrawal Requests subject to, among other things, the Partnership's then-current cash flow, financial condition, and prospective transactions in assets. The Partnership and the General Partner are not under any circumstances, obligated to (1) liquidate any assets in any efforts to accommodate or facilitate any Limited Partner's request for withdrawal from the Partnership; or (2) cease business operations of the Partnership, including but not limited to funding, making or acquiring new loans or real property, provided the General Partner, in its sole and absolute discretion, determines that such activity is in the best interest of the Partnership.

Withdrawal Requests will be processed by the Partnership on a first-come, first-served basis. Each Limited Partner may only submit One (1) Withdrawal Request per calendar year, and only One (1) Withdrawal Request may be active at any given time per Limited Partner. The Partnership shall deliver the Withdrawal Balance on a limited basis, depending on the amount of the Withdrawal Balance requested, as follows: for Withdrawal Balances of Five Hundred Thousand Dollars ($500,000) or less, the Limited Partner shall receive Fifty Percent (50%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Two (2) quarters for the Limited Partner to receive the total Withdrawal Balance; for Withdrawal Balances greater than Five Hundred Thousand Dollars ($500,000) and up to Two Million Five Hundred Thousand Dollars ($2,500,000), the Limited Partner shall receive Twenty-Five Percent (25%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Four (4) quarters for the Limited Partner to receive the total Withdrawal Balance; and for Withdrawal Balances greater than Two Million Five Hundred Thousand Dollars ($2,500,000), the Limited Partner shall receive Twelve and One-Half Percent (12.5%) of such Limited Partner's Withdrawal Balance per quarter, such that it will take at least Eight (8) quarters for the Limited Partner to receive the total Withdrawal Balance. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, distribute all or a portion of the Withdrawal Balance earlier than the scheduled distribution timeline, to the extent sufficient cash is available, provided that such early withdrawal does not adversely affect the Partnership's ongoing operations and is reasonably determined by the General Partner to be in the best interests of the Partnership. Multiple Withdrawal Requests submitted by a Limited Partner within a short time frame, or requests that appear to have been structured or staggered for the purpose of accelerating the withdrawal schedule applicable to smaller amounts, may be aggregated by the General Partner in its sole and absolute discretion for purposes of applying the appropriate withdrawal schedule, in order to prevent circumvention of the withdrawal limitations set forth herein. Any remittance of a Limited Partner's Withdrawal Balance shall be made on the first business day of the month. The maximum aggregate amount of Withdrawal Requests that the Partnership will process each Fiscal Year is limited to Twenty Percent (20%) of the total outstanding Contributions to the Partnership. All Limited Partners' Withdrawal Balances shall continue to earn a Preferred Return up to but not include the date of payment. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, waive or modify such withdrawal requirements.

Any Limited Partners seeking to withdraw prior to being a Limited Partner for Thirty-Six (36) months shall be considered an early withdrawal ("***Early Withdrawal***"). Early Withdrawals will only be permitted if the General Partner permits Early Withdrawals, in its sole and absolute discretion. Limited Partners who are approved for Early Withdrawal will be subject to an Early Withdrawal penalty calculated based on the date of the Withdrawal Request as follows: (i) Fifteen Percent (15%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs within the first Twelve (12) months from the purchase of said Limited Partnership Interests; (ii) Ten Percent (10%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs after Twelve (12) months but before Twenty-Four (24) months from the purchase of said Limited Partnership Interests; and (iii) Five Percent (5%) of the Limited Partner's Withdrawal Balance if such Early Withdrawal occurs after Twenty-Four (24) months but before Thirty-Six (36) months from the purchase of said Limited Partnership Interests. After Thirty-Six (36) months, no Early Withdrawal fee shall apply. The General Partner may, in its sole and absolute discretion, waive the Early Withdrawal fee in the event of the death, permanent disability, or legal incapacity of the Limited Partner. The General Partner may also, at its sole discretion, waive an Early Withdrawal penalty under other circumstances as well.

The General Partner may at any time suspend the withdrawal of Limited Partnership Interests from the Partnership, upon the occurrence of any of the following circumstances: (i) whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the General Partner or the Partnership, disposal of the assets of the Partnership is not reasonably practicable without being detrimental to the interests of the Partnership or its Limited Partners, determined in the sole and absolute discretion of the General Partner; (ii) it is not reasonably practicable to determine the net asset value of the Partnership on an accurate and timely basis; (iii) the Partnership does not have available liquidity; (iv) in order to remain in compliance with REIT qualifications; or (v) if the General Partner has determined to dissolve the Partnership. Additionally, unless the Partnership has been impaired and suffered losses in excess of the Partnership's Valuation Allowance and First Loss Protection, a redeemed Limited Partner will receive back the full balance of their capital account.

Notice of any suspension will be given within Ten (10) business days from the time the decision was made to suspend withdrawals to any Limited Partner who has submitted a Withdrawal Request and to whom full payment of the Withdrawal Balance has not yet been remitted. If a Withdrawal Request is not rescinded by a Limited Partner following notification of a suspension, the withdrawal shall be processed upon lifting of such suspension. The Fund will initiate the first withdrawal payment within Sixty (60) days of the General Partner's re-approval of the Withdrawal Request, and subsequent payments will be made at or before the end of each successive Ninety (90)-day period, in accordance with the applicable withdrawal schedule then in effect (e.g., over Two (2), Four (4), or Eight (8) quarters depending on the size of the Withdrawal Balance). All such withdrawals will be based on the net asset value of the Partnership at the time the suspension is lifted and processed in the order determined by the General Partner in its sole and absolute discretion.

3.3 **Restrictions on Transfer.**

(a) Restrictions on Transfer. A Limited Partner may Transfer its Limited Partnership Interest only in compliance with this Article 3. Restrictions have been placed upon the ability of all Limited Partners to resell or otherwise dispose of any Limited Partnership Interest obtained or acquired hereunder, including, without limitation, the following:

(1) The Limited Partnership Interests have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended Act, in reliance upon the exemptions provided for under Section 4(a)(2) and Regulation D thereunder.

(2) There is no public market for Limited Partnership Interests, and none is expected to develop in the future. Even if a potential buyer could be found, Limited Partnership Interests may not be resold or transferred without satisfying certain conditions designed to comply with applicable tax and securities laws, including, without limitation, provisions of the Act, Rule 144 thereunder, and the requirement that certain legal opinions be provided to the Partnership with respect to such matters. A transferee must meet the same investor qualifications as Limited Partners admitted to the Partnership. Any potential buyer must be capable of bearing the economic risks of this investment, with the understanding that Limited Partnership Interests may not be liquidated by resale or redemption, and should expect to hold their Limited Partnership Interests as a long-term investment.

(3) A legend will be placed upon all instruments evidencing ownership of Limited Partnership Interests in the Partnership, stating that the Limited Partnership Interests have not been registered under the Securities Act of 1933, as amended, and set forth the foregoing limitations on resale. Notations regarding these limitations shall be made in the appropriate records of the Partnership with respect to all Limited Partnership Interests offered hereby. Any Limited Partner who transfers, upon the General Partner's consent, any Limited Partnership Interests to another Person shall, subject to the sole and absolute discretion of the General Partner, pay the General Partner a transfer fee of at least Two Thousand Five Hundred Dollars ($2,500) to cover administrative costs related thereto. If a Limited Partner transfers Limited Partnership Interests to more than one person, except transferees who will hold title together, the transfer to each person will be considered a separate transfer.

(4) No Limited Partner may resell or otherwise transfer any Limited Partnership Interests without the prior written consent of the General Partner, whose consent may be withheld in its sole and absolute discretion.

(b) Null and Void. An attempted Transfer of all or a portion of a Limited Partnership Interest that is not in compliance with this Article will be null and void. No Limited Partnership Interest may be transferred if, in the judgment of the General Partner, a transfer would jeopardize the availability of exemptions from the registration requirements of federal securities laws, jeopardize the tax status of the Partnership as a limited partnership, or cause a termination of the Partnership for federal income tax purposes.

(c) Permitted Transfers. A Limited Partner may, at any time, Transfer one or more Limited Partnership Interests to a Permitted Transferee if, as of the date the Transfer takes effect, the Partnership is reasonably satisfied that all of the following conditions are met:

(1) the conditions listed above have been met;

(2) the Transferee is a Person with the same qualifications as the original Limited Partner;

(3) the Transfer, alone or in combination with other Transfers, will not result in the Partnership's termination for federal income tax purposes;

(4) the Transfer is the subject of an effective registration under, or exempt from the registration requirements of, applicable state and federal securities laws;

(5) the Partnership receives from the Transferee the information and agreements reasonably required to permit it to file federal and state income tax returns and reports; and

(6) General Partner receives payment from the Transferee of a transfer fee of Two Thousand Five Hundred Dollars ($2,500) for each Transferee.

(d) Transferor's Limited Partnership Status. If a Limited Partner Transfers less than all its Limited Partnership Interest, the Limited Partner's rights with respect to the transferred portion of the Limited Partnership Interest, including the right to vote or otherwise participate in the Partnership's governance and the right to receive Distributions, will terminate as of the effective date of the Transfer. However, the Limited Partner will remain liable for any obligation with respect to the transferred portion that existed prior to the effective date of the Transfer, including (without limitation) any costs or damages resulting from the Limited Partner's breach of this Agreement. If the Limited Partner Transfers all of its Limited Partnership Interest, the Transfer will constitute an event of Dissociation.

(e) Transferee's Status.

(1) Admission as a Limited Partner. A Limited Partner who Transfers one or more Limited Partnership Interests has no power to confer on the Transferee the status of a Limited Partner. A Transferee may be admitted as a Limited Partner only in accordance with the provisions of this Article. A Transferee who wishes to become a Limited Partner must make an application in writing to the Partnership and provide evidence, as requested by the Partnership, of compliance with all conditions to admission, as set forth above. Prior to admission, each proposed limited partner must execute and deliver a counterpart of this Agreement, as amended to date, or a separate written agreement to be bound hereby. The Partnership shall not, without cause, refuse the application for limited partnership of a Transferee who has complied with all the provisions of this Agreement.

(2) Rights of Non-Limited Partner Transferee. A Transferee who is not admitted as a Limited Partner in accordance with the provisions of this Article: (i) has no right to vote or otherwise participate in the Partnership's governance; (ii) is not entitled to receive information concerning the Partnership's affairs or inspect the Partnership's books and records; (iii) with respect to the transferred Limited Partnership Interests, is entitled to receive the Distributions to which the Limited Partner would have been entitled had the Transfer not occurred; and (iv) is subject to the restrictions imposed by this Article to the same extent as a Limited Partner. Any provision of the Agreement permitting or requiring the Limited Partners to take action by vote or written approval of a specified percentage of the Limited Partnership Interests shall be deemed to mean only Limited Partnership Interests then-owned by Limited Partners.

3.4 **Expulsion of a Limited Partner.** At any time there are more than Two (2) Limited Partners, the Partnership may expel a Limited Partner, but only for cause. Cause for expulsion exists if the Limited Partner has materially breached this Agreement, is unable to perform the Limited Partner's material obligations under this Agreement, or if the General Partner, in its sole and absolute discretion, notwithstanding any of the withdrawal restrictions described herein, suspects the Limited Partner has violated federal or state law, rules, and regulations, or the Limited Partner is under investigation by the federal, state, and/or local authorities. If a Limited Partner is expelled, that Limited Partner forfeits any and all rights to any accrued distribution during the interim quarter, whether or not the withdrawal is partial or total. A Limited Partner's expulsion from the Partnership will be effective upon the Limited Partner's receipt of written Notice of the expulsion.

3.5 **Return of Capital.** Subject to the terms contained herein, the Partnership may return all or a portion of a Limited Partner's capital, at the General Partner's discretion. Any such return of capital would not be considered a Distribution and would not be included in the determination of such Limited Partner's return on investment. However, any such return of capital would reduce the Limited Partner's Limited Partnership Interest in the Partnership. Thus, if the General Partner elects to return all of a Limited

Partner's capital, the Limited Partner shall no longer be a Limited Partner in the Partnership, and the Limited Partner would be considered to have withdrawn or to have elected redemption from the Partnership.

3.6 **Upon Dissociation.** Dissociation from the Partnership occurs upon a Limited Partner's expulsion, transfer, or redemption of all of the Limited Partner's Limited Partnership Interests, or withdrawal or resignation (an "***Event of Dissociation***"). Upon the occurrence of an Event of Dissociation: (1) the Limited Partner's right to participate in the Partnership's governance, receive information concerning the Partnership's affairs, and inspect the Partnership's books and records will terminate; and (2) unless the Dissociation resulted from the Transfer of the Limited Partner's Limited Partnership Interests, the Limited Partner will be entitled to receive the Distributions to which the Limited Partner would have been entitled to as of the effective date of the Dissociation, had the Dissociation not occurred. The Limited Partner will remain liable for any obligation to the Partnership that existed prior to the effective date of the Dissociation, including any costs or damages resulting from the Limited Partner's breach of this Agreement. Under most circumstances, the Limited Partner will have no right to any return of its capital prior to the termination of the Partnership, unless the General Partner elects to return capital to a Limited Partner. The effect of such Dissociation on the remaining Limited Partners who do not sell will be to increase their percentage share of the remaining assets of the Partnership, and thus their proportionate share of its future earnings, losses, and Distributions. The reduction in the outstanding Limited Partnership Interests will also increase the relative voting power of the remaining Limited Partners.

3.7 **Verification of Limited Partnership Interest.** Within Thirty (30) days after receipt of a Limited Partner's written request, the Partnership will provide such Limited Partner with a statement evidencing its Limited Partnership Interest in the Partnership.

3.8 **Manner of Action by Limited Partners.**

(a) Meetings.

(1) Right to Call. The General Partner, or any combination of Limited Partners holding in the aggregate more than Twenty-Five Percent (25%) of the total outstanding Limited Partnership Interest, may call a meeting of Limited Partners by giving written Notice to all Limited Partners not less than Thirty (30) days, or more than Sixty (60) days prior to the date of the meeting. The Notice must specify the date, time, and place of the meeting, and the nature of any business to be transacted. A Limited Partner may waive Notice of a meeting of Limited Partners orally, in writing, or by attendance at the meeting.

(2) Time and Place. Unless otherwise specified in the Notice of meeting, all meetings shall be held at 2:00 p.m. on a regular business day of the Partnership, at the Partnership's principal place of business. No meeting may be held on a Sunday or legal holiday, at a time that is before 7:30 a.m. or after 9:00 p.m., or at a place more than Sixty (60) miles from the Partnership's principal place of business.

(3) Proxy Voting. A Limited Partner may act at a meeting of Limited Partners through a Person authorized by a signed proxy.

(4) Quorum. Limited Partners whose aggregate holdings exceed a Majority of the outstanding Limited Partnership Interest will constitute a quorum at a meeting of Limited Partners. No action may be taken in the absence of a quorum.

(5) Required Vote. Except with respect to matters for which a greater minimum vote is required by the Act or this Agreement, the vote of Limited Partners present whose aggregate holdings exceed a Majority of the outstanding Limited Partnership Interests will constitute the act of the Limited Partners at a meeting of Limited Partners.

(b) Written Consent. The Limited Partners may act without a meeting by written consent describing the action and signed by Limited Partners whose aggregate holdings of the Limited Partnership Interest equal or exceed the minimum that would be necessary to take the action at a meeting at which all Limited Partners were present.

(c) Voting Restrictions. Until the Partnership has either (i) reached an equity value of Fifty Million Dollars ($50,000,000); or (ii) the Class D and Class E Partner(s) collectively hold less than Ten Percent (10%) of the Partnership's total outstanding Limited Partnership Interests, the Class D and Class E Partner(s) shall have no voting rights with respect to any matters involving a conflict of interest between such Limited Partners, the General Partner, and the Partnership. Once either threshold has been met, the voting restrictions described in this Section shall no longer apply, and the Class D and Class E Partner(s) shall have the right to vote on such matters.

(d) Negative Consent. Notwithstanding the foregoing, the failure of a Limited Partner to respond to any action or amendment, whether by vote or written consent, within Thirty (30) days after Notice is provided shall be deemed a consent to the proposed action or amendment by such Limited Partner.

3.9 **Limitation on Individual Authority.** A Limited Partner who is not also the General Partner has no authority to bind the Partnership. A Limited Partner whose unauthorized act obligates the Partnership to a third party will indemnify the Partnership for any costs or damages the Partnership incurs as a result of the unauthorized act.

3.10 **Negation of Fiduciary Duties.** A Limited Partner who is not also the General Partner owes no fiduciary duties to the Partnership or to the other Limited Partners, solely by reason of being a Limited Partner.

ARTICLE 4: FINANCE

4.1 **Contributions**.

(a) General Partner and/or Affiliate Contributions. The General Partner, its Affiliates, subsidiaries, employees, consultants, and advisory board members ("***GP Affiliates***") shall invest in the Partnership by purchasing Class D Interests, and the General Partner by purchasing Class E investments. The General Partner and the GP Affiliates shall collectively maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests, with the intent to maintain at least Ten Percent (10%) of the Partnership's aggregate Limited Partnership Interests outstanding.

Notwithstanding the foregoing, if Lukrom Capital LLC, the original General Partner of the Partnership, is removed for cause (as outlined below), and the successor general partner is not an Affiliate of Lukrom Capital LLC, appointed by Lukrom Capital LLC, nor the GP Affiliates, the successor GP and the GP Affiliates are not required to maintain a minimum aggregate capital investment of Three Million Five Hundred Thousand Dollars ($3,500,000) in Class D and Class E Interests. To mitigate the risk of loss to the Partnership (in particular the risk of loss to the Class A Partners, Class B Partners, and Class C Partners), the Class E Partner(s) shall bear the first loss incurred (up to but not to exceed their capital account in the Partnership), and the Class D Partners shall cover any first loss not covered by the Class E Partner(s) thereafter (up to but not to exceed their capital account in the Partnership). This includes all loans held by the Partnership, the Sub REIT, and any subsidiaries of the Partnership. This obligation shall be referred to herein as the "***First Loss Protection***".

In addition, the First Loss Protection shall be applied to satisfy, if necessary for withdrawals at dissolution, redemptions, and distributions.

(b) Additional Limited Partners. The Partnership may admit additional or substitute Limited Partners with the sole approval of the General Partner. Except as set forth herein, the General Partner may withhold approval of the admission of any Person, for any or no reason. The General Partner will not permit any person to become a limited partner until such person has agreed to be bound by all the provisions of this Agreement, as amended as of the date of the proposed admission, and the terms of the Memorandum, and has delivered to the Partnership a completed Subscription Agreement, along with payment in the amount of such investment. Limited Partners' subscription funds will be released to the operating bank account of the Partnership, and Limited Partnership Interests will be issued to such Limited Partners.

(c) Additional Contributions. The Partnership may authorize additional Contributions at such times and on such terms and conditions as it determines to be in its best interest. Absent the Partnership's authorization, no Limited Partner is permitted to make additional Contributions.

(d) Contributions Not Interest Bearing. A Limited Partner is not entitled to interest or other compensation with respect to any cash or property the Limited Partner contributes to the Partnership.

4.2 **Allocation of Profit and Loss.** After giving effect to special allocations, if any, the Partnership's Profit or Loss for a Taxable Year, including the Taxable Year in which the Partnership is dissolved, shall be allocated as follows:

(a) First, to the Class A Partners, Class B Partners, and Class C Partners in amounts equal to their respective accrued but unpaid Preferred Returns, to the extent not previously allocated;

(b) Second, to the Class D Partners, in amounts equal to their respective accrued but unpaid Preferred Returns, to the extent not previously allocated; and

(c) Thereafter, any remaining Profit or Loss shall be allocated One Hundred Percent (100%) to the Class E Partner(s).

4.3 **Tax Allocations.** For federal income tax purposes, unless the Code otherwise requires, each item of the Partnership's income, gain, loss, or deduction will be allocated to Limited Partners in proportion to their Distributions received.

4.4 **Distributions.**

(a) The Preferred Return. Limited Partners who acquire Limited Partnership Interests will generally be entitled to receive a cumulative annualized Preferred Return on their unrelated capital Contributions (plus all amounts previously earned but unpaid), calculated and payable monthly (and prorated as applicable for the amount of time that a Limited Partner was a Limited Partner of the Partnership during such accounting period). The Preferred Return shall be payable prior to any profit participation by the General Partner. However, all fees and costs other than profit participation will be paid to the General Partner prior to the Preferred Return.

The Preferred Return, which will generally be calculated on the unreturned capital Contributions of the Limited Partner and payable on a monthly basis, shall be equal to a cumulative annualized rate as listed below for each class of Limited Partnership Interests:

Class of Limited Partnership Interests	Preferred Return
Class A	8.0%
Class B	8.5%
Class C	9.0%
Class D	10.0%

The monthly distributions of the Preferred Return shall be equal to the Limited Partner's unreturned capital Contributions multiplied by the rate corresponding to such Limited Partner's Class, divided by Twelve (12). Preferred Return is calculated using the Thirty/Three Hundred Sixty (30/360) day-count convention, which assumes each month has Thirty (30) days and each year has Three Hundred Sixty (360) days. This method is commonly used in financial calculations to standardize accrual periods for interest or return calculations, particularly in private investment offerings.

All Preferred Returns shall be distributed after payment of Partnership expenses and fees, and to the extent that cash is available, and provided that such Distribution will not impact the continuing operations of the Partnership, as determined by the General Partner in its sole and absolute discretion. If the Partnership is unable to pay to Limited Partners the full Preferred Return in any accounting period, the shortfall shall accumulate into the following accounting periods and the Partnership shall pay the accrued but unpaid Preferred Return in any succeeding accounting periods until the Limited Partners have received at least the full annualized amount of the Preferred Return for such year (and such prior years, if prior years are unpaid).

(b) Distribution of Net Profits. After the Preferred Return has been fully distributed to the Class A Partners, Class B Partners, Class C Partners, and Class D Partners, One Hundred Percent (100%) of the Net Profits shall be distributed to the Class E Partner(s).

Specifically, the Partnership's Gross Income shall be distributed as follows:

1. First, to pay for Partnership's expenses, including, without limitation, payment of outstanding debt (if any), administrative costs, cost of goods, depreciation, amortization, legal expenses, operating expenses, accounting fees, loan servicing costs, taxes, and any other expenses;

2. Second, to pay an allocation of income for Valuation Allowance (as applicable);

3. Third, payment of the Preferred Return to the Class A Partners, Class B Partners, and Class C Partners;

4. Fourth, payment of the Preferred Return to the Class D Partners; and

5. Thereafter, to distribute One Hundred Percent (100%) of the Net Profits to the Class E Partner(s).

(c) By the end of the Partnership's fiscal year, the General Partner will make every effort to have distributed to each Limited Partner the amount of Profit or Loss that will be allocated to that Limited Partner on the Schedule K-1 that it receives for income tax reporting. However, the amount of income reported to each Limited Partner on its Schedule K-1 may differ somewhat from the actual cash Distributions made during the fiscal year covered by the Schedule K-1, due to, among other things, the Valuation Allowance and factors unique to the tax accounting of limited liability companies, such as the treatment of investment expense.

4.5 **Reinvestment Election.** Each Limited Partner must elect to (a) receive cash Distributions for its share of Distributions of the Partnership that is payable to the Limited Partner, or (b) have such amount(s) credited to its Capital Accounts and reinvested in the Partnership to purchase additional Limited Partnership Interests. Notwithstanding the foregoing, the General Partner reserves the right to commence making cash Distributions at any time to any Limited Partner(s), in order for the Partnership to remain exempt from the ERISA plan asset regulations. Limited Partners must elect to receive cash Distributions or reinvest all or some of their monthly income distributions.

An election to reinvest Distributions is revocable at any time, upon a written request to revoke such election. If no election is made, then the Distributions will be a cash disbursement. Limited Partners may change their election at any time, upon Thirty (30) days written Notice to the Partnership. Upon receipt and after the Thirty (30) day Notice has occurred, the Limited Partner's election shall be changed and reflected on the following first day of the month in which the Limited Partner is entitled to receive a Distribution. Notwithstanding the preceding sentences, the General Partner may, at any time, immediately commence with income Distributions in cash only (hence, suspending the reinvestment option for such Limited Partner(s)) to any Limited Partner(s), in order for the Partnership to remain exempt from the ERISA plan asset regulations and/or to remain in compliance with REIT qualifications. Partial reinvestment is permitted. For purposes of calculating the lock-up period applicable to withdrawals or any Early Withdrawal penalties, amounts reinvested by a Limited Partner shall be treated as part of the Limited Partner's original capital Contribution and shall be deemed contributed as of the date of the Limited Partner's initial capital Contribution to the Partnership.

4.6 **Capital Accounts.**

(a) General Maintenance. The Partnership will establish and maintain a Capital Account for each Limited Partner. A Limited Partner's Capital Account Balance will be:

(1) increased by: (i) the amount of any money the Limited Partner contributes to the Partnership's capital; and (ii) the Limited Partner's share of the Partnership's Profits and any separately stated items of income or gain; and

(2) decreased by: (i) the amount of any money the Partnership distributes to the Limited Partner; and (ii) the Limited Partner's share of the Partnership's Losses and any separately stated items of deduction or loss. For the sake of absolute clarity, a Class A, B, or C Limited Partner's Capital Account Balance will only be reduced due to Loss after the Class D and E Limited Partner's Capital Account Balance has been reduced to Zero Dollars ($0) per the First Loss Protection obligation outlined herein.

(b) Transfer of Capital Account. A Transferee of Limited Partnership Interests succeeds to the portion of the transferor's Capital Account that corresponds to the portion of the Limited Partnership Interest that is the subject of the Transfer.

(c) Compliance with Code. The requirements of this Article are intended, and will be construed, to ensure that the allocations of the Partnership's income, gain, losses, deductions, and credits have substantial economic effect under the Regulations promulgated under Section 704(b) of the Code.

ARTICLE 5: MANAGEMENT

5.1 **Representative Management.** The Partnership will be managed by One (1) General Partner. By execution of this Agreement, and without prejudice to the right of the Limited Partners to remove the General Partner as set forth in Article 5, the Initial Partner and each Person hereafter admitted

as a Limited Partner other than Transferees, shall be deemed to have elected such General Partner. The initial General Partner of the Partnership shall be: Lukrom Capital LLC, a Delaware limited liability company.

5.2 **Time Devoted to Business.** The General Partner will devote to the Partnership's activities the amount of time reasonably necessary to discharge the General Partner's responsibilities.

5.3 **Powers and Authority.**

(a) General Scope. Except for matters on which the Limited Partners' approval is required by the Act or this Agreement, the General Partner has full power, authority, and discretion to manage and direct the Partnership's business, affairs, and properties, including the specific powers referred to in paragraph (b), below.

(b) Specific Powers.

(1) The General Partner is authorized, on the Partnership's behalf, to make all decisions as to (i) the development, sale, lease, or other disposition of the Partnership's assets; (ii) the origination and purchase of loans or any other assets of all kinds; (iii) the acquisition, purchase, leasing, and/or sale of properties or any other assets of all kinds; (iv) the management of all, or any part, of the Partnership's assets and business; (v) the borrowing of money and the granting of security interests in the Partnership's assets (including loans from Limited Partners) as, and only if, provided for in the Memorandum; (vi) the prepayment, refinancing, or extension of any mortgage affecting the Partnership's assets; (vii) the compromise or release of any of the Partnership's claims or debts; (viii) the employment of Persons for the operation and management of the Partnership's business; and (ix) wind up and dissolve the Partnership in accordance with Article 7 below; and (x) all elections available to the Partnership under any federal or state tax law or regulation.

(2) The General Partner, on the Partnership's behalf, may execute and deliver (i) all contracts, conveyances, assignments, leases, subleases, franchise agreements, licensing agreements, management contracts, and maintenance contracts covering or affecting the Partnership's assets; (ii) all checks, drafts, and other orders for the payment of the Partnership's funds; (iii) all loan documents including, without limitation, promissory notes, mortgages, deeds of trust, security agreements, and other similar documents; (iv) all articles, certificates, and reports pertaining to the Partnership's organization, qualification, and dissolution; (v) all tax returns and reports; and (vi) all other instruments of any kind or character relating to the Partnership's affairs.

5.4 **Required Limited Partner Approval.** Except as specifically provided herein, without the approval of the Limited Partners holding a Majority of the issued and outstanding Limited Partnership Interests, the Partnership may not take any action with respect to: (a) the Partnership's merger with, or conversion into, another Entity; or (b) a transaction not expressly permitted by this Agreement or Memorandum, involving a conflict of interest between the General Partner and the Partnership. In addition, the General Partner may not unilaterally adjust voting percentages required for the approval of any actions, amendments, or proposals requiring Limited Partner approval.

5.5 **Duties of General Partner.**

(a) Fiduciary Duty. The General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in the General Partner's possession or control. Except as expressly permitted herein or by subsequent approval of the Limited

Partners, the General Partner shall not employ or permit another to employ Partnership funds or assets in any manner, except for the exclusive benefit of the Partnership.

(b) Standard of Care.

(1) Exculpation. The General Partner will not be liable to the Partnership or any Limited Partner for an act or omission done in good faith to promote the Partnership's best interests, unless the act or omission constitutes gross negligence, fraud, bad faith, intentional misconduct, or a knowing violation of law.

(2) Justifiable Reliance. The General Partner may rely on the Partnership's records maintained in good faith, and on information, opinions, reports, or statements received from any Person pertaining to matters the General Partner reasonably believes to be within the Person's expertise or competence.

(c) Competing Activities. The General Partner may participate in any business or activity without accounting to the Partnership or the Limited Partners. Each Limited Partner waives the benefit of the corporate opportunity doctrine on its own behalf, and on behalf of the Partnership, and agrees that the General Partner may deal in other real estate transactions for its own account and/or for the accounts of others, without any requirement to account to the Partnership for such dealings. Notwithstanding the foregoing, if a potential investment opportunity arises that aligns with the Partnership's business objectives described in Section 2.4 above, the Partnership shall have the first right to pursue such opportunity. No fiduciary of the Partnership may appropriate a business opportunity that could benefit the Partnership unless the Partnership has expressly declined to pursue it.

(d) Self-Dealing. In addition to the transactions expressly permitted by this Agreement, the General Partner may enter into business transactions with the Partnership, if the terms of the transaction are no less favorable to the Partnership than those of a similar transaction with an independent third party, including, without limitation, selling loans to, and buying loans from, the Partnership.

(e) Specific Transactions. Without limiting the generality of the foregoing, it is hereby acknowledged and agreed that the General Partner shall be permitted to bargain for, and accept, all transactions in connection with the business of the Partnership, subject to the terms of any other agreement among the Limited Partners.

5.6 **Indemnification of General Partner.** Except as limited by law, the Partnership shall indemnify the General Partner for all expenses (including, without limitation, legal fees and costs), losses, liabilities, and damages the General Partner actually and reasonably incurs in connection with the defense or settlement of any action arising out of, or relating to, the conduct of the Partnership's activities, except an action with respect to which the General Partner is adjudged to be liable for fraud, bad faith, willful misconduct, and/or breach of a fiduciary duty owed to the Partnership or the Limited Partners, under the Act or this Agreement. Therefore, Limited Partners may have a more limited right of action than they would have, absent these provisions in the Agreement. The Partnership shall advance the costs and expenses of defending actions against the General Partner arising out of, or relating to, the management of the Partnership, provided that it first receives the written undertaking of the General Partner to reimburse the Partnership, if ultimately found not to be entitled to indemnification. A successful indemnification of the General Partner, or any litigation that may arise in connection with the General Partner's indemnification, could deplete the assets of the Partnership. Limited Partners who believe the General Partner has engaged in conduct resulting in fraud, willful misconduct, bad faith, or breach of the General Partner's fiduciary duty, should consult with their own legal counsel.

5.7 **Compensation to General Partner and Affiliates.** The Partnership will compensate the General Partner and/or Affiliates as follows, for services rendered to, or on behalf of, the Partnership:

(a) Profit Participation. The General Partner shall receive One Hundred Percent (100%) of the Net Profits.

(b) Loan Origination Fees, Exit Fees, and Lender Discount Points. One Hundred Percent (100%) of the loan origination fees, exit fees, and lender discount points shall be payable to the Partnership and/or Sub-REIT. Loan origination fees consist of loan processing fees, underwriting fees, document preparation fees, escrow fees, disbursement fees, warehousing fees, administration fees, and other similar charges.

(c) Purchase of Existing Loans. When the Partnership purchases an existing loan (or pool of loans) from a third party, the General Partner and/or Lukrom Mortgage may be paid a fee comparable to a loan origination fee.

(d) Loan Extension and Modification Fees. Loan extension and modification fees are collected from borrowers by the General Partner. Such fees are collected by the General Partner on the Partnership's behalf and shall be payable to the Partnership and/or Sub-REIT.

(e) Loan Processing, Loan Documentation, and other Similar Fees. Loan processing, documentation, and other similar fees are collected from the borrower and payable to the Partnership and/or Sub-REIT, at prevailing industry rates.

(f) Loan Servicing Fee. The General Partner may appoint a third-party Servicer or Lukrom Mortgage to service the loans. In either event, any loan servicing fee payable to the Servicer shall be calculated as an expense to the Partnership. This fee may be expensed on a monthly basis from payments received by the General Partner (on behalf of the Partnership) from borrowers. The loan servicing fee may vary from loan to loan.

(g) Other Loan Fees. All other fees paid by borrowers on account of the Partnership and/or Sub-REIT loans will be payable to the Partnership and/or Sub-REIT. All other fees include, but are not limited to, all forbearance fees, late fees, late charges, collection fees, prepayment penalties, default interest, and all other similarly related fees incurred by borrowers (including, but not limited to, other fees authorized by loan documents for work performed regarding the subject loan).

(h) Fees Related to REO. To the extent applicable, the General Partner or an Affiliate shall be entitled to any fees derived from REOs, which includes, without limitation, any real estate commissions, property management fees, and/or fees accrued in connection with REOs. REOs acquired through the Partnership's lending activities will be managed, remodeled, repaired, leased, and/or sold by the Partnership, the General Partner, and/or its Affiliates, as determined by the General Partner in its sole and absolute discretion. The General Partner or its Affiliates will receive fees at rates customarily charged for similar services by companies engaged in the same or substantially similar activities in the relevant geographical area.

(i) Operating Expenses. The General Partner shall be entitled to reimbursement by the Partnership and/or Sub-REIT (but only to the extent that Partnership assets are sufficient thereof) for reasonable and necessary out-of-pocket expenses incurred by the General Partner on behalf of the Partnership. Notwithstanding the foregoing, the General Partner shall not seek reimbursement from the Partnership and/or Sub-REIT for any organizational or formation costs incurred on or before the date of the Memorandum. However, the General Partner reserves the right to seek reimbursement from the Partnership

and/or Sub-REIT for any reasonable formation, accounting, analyst, banking, transactional fees, and legal costs incurred after the date of the Memorandum in connection with the ongoing formation, governance, or capital raising activities of the Partnership and/or Sub-REIT.

(j) The Partnership will bear the cost of the annual tax preparation of the Partnership's tax returns, any state and federal income tax due, and any required independent audit reports required by agencies governing the business activities of the Partnership.

(k) The definition of General Partner's Fees includes all of the fees described in "Compensation to General Partner and Affiliates."

(l) The General Partner may, but has no obligation to, defer all or a portion of the General Partner's Fees. In such an event, the General Partner will be entitled to recover the deferred fees at a later time.

5.8 **Tenure.**

(a) Term. The General Partner will serve until the earlier of (1) the General Partner's resignation; (2) the General Partner's removal; (3) as to a General Partner who is a natural person, the General Partner's death or adjudication of incompetency; and (4) as to a General Partner that is an Entity, the General Partner's dissolution. In any such event, Limited Partners representing a Majority of the Limited Partnership Interest outstanding, shall promptly elect a successor as the General Partner. However, if the then-General Partner desires to appoint an Affiliate as the new General Partner, then such Affiliate may become the General Partner, without Limited Partner approval.

(b) Resignation. The General Partner, at any time, may resign by written Notice delivered to the Limited Partners at Thirty (30) days prior to the effective date of the resignation. Limited Partners may elect a replacement General Partner with a Majority vote. However, if the then-General Partner desires to appoint an Affiliate as the new General Partner, then such Affiliate may become the General Partner, without Limited Partner approval.

(c) Removal. The Limited Partners may remove the General Partner, but only for cause, by vote of holders of at least a Majority of the outstanding Limited Partnership Interests in favor of such removal. Cause for removal exists if the General Partner: (1) is convicted or found liable for an act of gross negligence or fraud, which materially lowers the net asset value of the Partnership; (2) has materially breached this Agreement; or (3) is unable to perform the General Partner's material obligations under this Agreement. If the General Partner has been removed for cause, the General Partner shall not have the ability to appoint an Affiliate as the new General Partner. If the General Partner has been removed for cause, the successor General Partner of the Partnership may only be elected by the Limited Partners holding at least a Majority of the outstanding Limited Partnership Interests.

ARTICLE 6: RECORDS AND ACCOUNTING

6.1 **Maintenance of Records.**

(a) Required Records. The Partnership will maintain, at its registered office in Delaware, such books, records, and other materials as are reasonably necessary to document and account for its activities, including, without limitation, those required to be maintained by the Act.

(b) Limited Partner Access. A Limited Partner and the Limited Partner's authorized representative will have reasonable access to, and may inspect and copy, all books, records, and other

materials pertaining to the Partnership or its activities, so long as it does not violate another Limited Partner's right to privacy or confidentiality. The exercise of such rights will be at the requesting Limited Partner's expense.

(c) Confidentiality. No Limited Partner or General Partners will disclose any information relating to the Partnership or its activities to any unauthorized person, or use any such information for his or her, or any other Person's, personal gain.

6.2 **Financial Accounting.**

(a) Accounting Method. The Partnership will account for its financial transactions using the accrual basis method of accounting. The General Partner reserves the right to change such methods of accounting upon written Notice to Limited Partners.

(b) Taxable Year. The Partnership's Taxable Year is the calendar year.

6.3 **Reports.**

(a) Limited Partners. Annual reports concerning the Partnership's business affairs, including the Partnership's annual income tax return, will be provided to Limited Partners who request them in writing. Each Limited Partner will receive its respective K-1 Form, as required by applicable law. The General Partner may, at its sole and absolute discretion, designate any Person to provide tax and accounting advice to the Partnership, at any time, and for any reason.

(b) Periodic Reports. The Partnership will complete and file any periodic reports required by the Act, or the law of any other jurisdiction in which the Partnership is qualified to do business.

(c) Financial Statements, Valuation, and Reporting to Limited Partners. The Partnership shall report the following information to Limited Partners at the indicated frequency:

(1) Quarterly, the Partnership shall provide, within Forty-Five (45) days of the end of each calendar quarter (March 31, June 30, September 30, December 31), copies of internally prepared financial statements, including the balance sheet and profit and loss statement. The Partnership shall also provide a list of current outstanding loans. The Partnership will also certify to Limited Partners within Forty-Five (45) days of the end of each calendar quarter (March 31, June 30, September 30, December 31) when it is not in compliance with all covenants, including financial covenants, contained in its loan documents.

(2) Annually, in addition to the quarterly reporting, the Partnership shall provide audited financial statements prepared by a certified public accountant. The Partnership shall provide Limited Partners with its annual financial statements, at least on a review basis, no later than One Hundred Twenty (120) days after the Partnership's fiscal year-end, together with any accompanying letter from the Partnership's accountants. Partnership financial statements will include at least a balance sheet, profit and loss statement, and statement of cash flows. Partnership financial statements shall be prepared by generally accepted accounting principles standards. Notwithstanding the foregoing, the Partnership may experience delays in delivering its annual financial statements due to events beyond its reasonable control, including but not limited to acts of god, war, natural disasters such as floods or mudslides, or delays caused by third-party service providers. In the event of such a delay, the Partnership shall use commercially reasonable efforts to provide the annual financial statements as soon as practicable following resolution of the applicable event or disruption.

The Partnership is not obligated to report investor lists to Limited Partners.

6.4 **Tax Compliance.**

(a) Withholding. If the Partnership is required by law or regulation to withhold and pay over to a governmental agency any part, or all, of a Distribution or allocation of Profit to a Limited Partner:

(1) the amount withheld will be considered a Distribution to the Limited Partner; and

(2) if the withholding requirement pertains to a Distribution in kind, or an allocation of Profit, the Partnership will pay the amount required to be withheld to the governmental agency, and promptly take such action as it considers necessary or appropriate to recover a like-amount from the Limited Partner, including offset against any Distributions to which the Limited Partner would otherwise be entitled.

6.5 **Partnership Representative.**

(a) The Limited Partners hereby agree that: (i) the General Partner (or an individual designated by the General Partner) will be designated the initial "partnership representative" within the meaning of Section 6223(a) of the Code ("***Partnership Representative***"), and the General Partner shall be authorized to take any actions necessary under Treasury Regulations, or other guidance, to cause such person to be designated as such; (ii) if an entity is designated as Partnership Representative, the General Partner shall simultaneously designate an individual who will act for the entity Partnership Representative; (iii) the Partnership Representative may be removed and replaced at any time, by the General Partner; (iv) the Partnership and each Limited Partner agree that they shall be bound by the actions taken by the Partnership Representative, as described in Section 6223(b) of the Code; (v) the Limited Partners hereby consent to the election set forth in Section 6226(a) of the Code, and agree to take any action and furnish the Partnership Representative with any information necessary to give effect to such election, if the General Partner decides to make such election; (vi) any imputed underpayment of tax imposed on the Partnership pursuant to Section 6232 of the Code (and any related interest, penalties, or other additions to tax) that the General Partner reasonably determines is attributable to one or more Limited Partners (including any former Limited Partner) in the General Partner's sole discretion; and (vii) the Partnership Representative will be considered indemnified, and the provisions of Section 5.6 shall apply to the Partnership Representative. The Partnership Representative shall be authorized to take any of the foregoing actions (or any similar actions) to the extent necessary, to allow the Partnership to comply with the partnership audit provisions of the Bipartisan Budget Act of 2015.

(b) Regarding the potential obligation of a former Limited Partner under this paragraph, the following shall apply: (i) each Limited Partner agrees that, notwithstanding any other provision in this Agreement, if it is no longer a Limited Partner, it shall nevertheless be obligated for any responsibilities under Section 6.5, as if it were a Limited Partner prior to withdrawal from the Partnership and/or transfer of its interest; and (ii) as applicable, the General Partner will not be required to consent to the transfer of interest of any Limited Partner, unless the transferee receiving such interest agrees that in the event the transferor of such interest does not fulfill its obligation under the preceding clause (i) within Twenty (20) business days following written demand by the General Partner, such transferee shall be jointly and severally liable with such transferor for such obligation, and the General Partner may thereafter treat the transferee as the relevant Limited Partner for purposes of this Subsection. The Partnership Representative will provide prompt written notification to each Limited Partner in the event of any audit of the Partnership by the United States Internal Revenue Service, and provide all information reasonably

requested by any Limited Partner regarding such audit and associated proceedings. The provisions of this Section 6.5 will not apply to any taxable year of the Partnership for which the Partnership has made a valid election out of Subchapter C of Chapter 63 of the Code, pursuant to Section 6221 of the Code.

ARTICLE 7: DISSOLUTION

7.1 **Events of Dissolution.** The Partnership will continue until (a) dissolved herein, pursuant to Section 5.3 above, unless sooner dissolved or terminated under the Act, or as described herein; (b) the sale or other disposition of all, or substantially all, the assets of the Partnership; (c) any event that makes the Partnership ineligible to conduct its activities as a limited partnership under the Act; or (d) otherwise, by option of law.

7.2 **Effect of Dissolution.**

(a) Appointment of Liquidator. Upon the Partnership's dissolution, the General Partner (unless unwilling or unable to serve as such) shall serve as liquidator, and as such will wind up and liquidate the Partnership in an orderly, prudent, and expeditious manner, in accordance with the following provisions of this Article. While serving as liquidator, the General Partner shall have the same authority, powers, duties, and compensation as before dissolution, except that the liquidator shall not acquire any additional assets for the Partnership and shall use its best efforts to liquidate the Partnership's existing assets as rapidly as is consistent with receiving the fair market value thereof. If the General Partner is unwilling or unable to serve as liquidator, or has resigned or been removed, the Limited Partners shall elect another person, who may be a Limited Partner, to serve as liquidator.

(b) Distributions Upon Dissolution. The Partnership will not cease to exist immediately upon the occurrence of an event of dissolution, but will continue until its affairs have been wound up. Upon dissolution of the Partnership, the General Partner will wind up the Partnership’s affairs by liquidating the Partnership's assets as promptly as is consistent with obtaining the fair market value thereof, either by sale to third parties or by collecting loan payments under the terms of the loan(s), until a suitable sale can be arranged. All such funds received by the Partnership, including any First Loss Protection, shall be applied first to satisfy or provide for the Partnership’s debts and liabilities, and the balance, if any, shall be distributed to the Limited Partners in accordance with the order of cash distributions outlined in Section 4.4(b); provided, however, that prior to any distributions to the Class D Partners under Section 4.4(b), the Limited Partners shall receive distributions in an amount sufficient to satisfy (i) the balance of their Capital Accounts and (ii) any accrued but unpaid Preferred Returns.

(c) Time for Liquidation. The Partnership will not immediately cease to exist upon the occurrence of an event causing its dissolution, but will continue until its affairs have been wound up. It is acknowledged and agreed that the assets of the Partnership are illiquid and will take time to sell. The liquidator shall liquidate the Partnership's assets as promptly as is consistent with obtaining the fair market value thereof, either by sale to third parties or by collecting loan payments under the terms of the loans. Due to high prevailing interest rates or other factors, the Partnership could suffer reduced earnings (or losses) if a substantial portion of its loan portfolio remains and must be liquidated quickly during the winding-up period. Limited Partners who sell their Limited Partnership Interests prior to any such liquidation will not be exposed to this risk. Conversely, if prevailing interest rates have declined at a time when the loan portfolio must be liquidated, unanticipated profits could be realized by those Limited Partners who remained in the Partnership until its termination.

(d) Final Accounting. The liquidator will make proper accountings, (1) to the end of the month in which the event of dissolution occurred, and (2) to the date on which the Partnership is finally and completely liquidated.

(e) Duties and Authority of Liquidator. The liquidator will make adequate provision for the discharge of all of the Partnership's debts, obligations, and liabilities. The liquidator may sell, encumber, or retain for distribution in kind, any of the Partnership's assets. Any gain or loss recognized on the sale of assets will be allocated to the Limited Partners' Capital Accounts, in accordance with the provisions of Article 4. With respect to any asset the liquidator determines to retain for distribution in kind, the liquidator will allocate to the Limited Partners' Capital Accounts the amount of gain or loss that would have been recognized, had the asset been sold at its fair market value.

(f) Final Distribution. The liquidator will distribute any assets remaining after the discharge or accommodation of the Partnership's debts, obligations, and liabilities to the Limited Partners, in proportion to their Capital Accounts. The liquidator will distribute any assets distributable in kind to the Limited Partners in undivided interests, as tenants in common. A Limited Partner whose Capital Account is negative will have no liability to the Partnership, the Partnership's creditors, or any other Limited Partner, with respect to the negative balance.

(g) Required Filings. The liquidator will file with the appropriate Secretary of State such statements, Certificates, and other instruments, and take such other actions, as are reasonably necessary or appropriate, to effectuate and confirm the cessation of the Partnership's existence.

ARTICLE 8: GENERAL PROVISIONS

8.1 **Amendments.** The General Partner shall have the power, without the consent, vote, or approval of the Limited Partners to amend this Agreement except as set forth in Section 8.1(a) below. The General Partner shall provide written notice of such amendments or similar actions in the next regular communication to the Limited Partners.

(a) The General Partner shall not, without the approval, written consent, or vote of a Majority of the Partnership Interests eligible to vote, amend this Agreement with respect to the following:

1. if such amendment modifies the limited liability of a Limited Partner in a manner materially adverse to such Limited Partner;

2. if such amendment: (i) creates an obligation to make capital Contributions not contemplated in this Agreement; or (ii) alters or changes the Distribution or withdrawal rights provided in Section 4.4 and Section 3.2 respectively, except as otherwise permitted under this Agreement; or

3. make any amendments that would adversely and/or disproportionally affect any Limited Partner, including affecting their Capital Account Balance, allocable share of Profit and/or Loss, except as otherwise permitted under this Agreement; or

4. amend this Section 8.1(a);

(b) Notwithstanding the foregoing, the Partnership and the General Partner will execute and file any amendment to the Certificate, required by the Act. If any such amendment results in inconsistencies between the Certificate and this Agreement, this Agreement will be considered to have been amended in the specifics necessary, to eliminate fine inconsistencies.

(c) Except as otherwise provided herein, the failure of a Limited Partner to respond to any proposed amendments, whether by ways of vote or written consent, within Thirty (30) days after notification is sent shall be deemed a consent to the proposed amendment by such Limited Partner.

8.2 **Power of Attorney.** Each Limited Partner appoints the General Partner, with full power of substitution, as the Limited Partner's attorney-in-fact, to act in the Limited Partner's name, to execute and file (a) all Certificates, applications, reports, and other instruments necessary to qualify or maintain the Partnership as a limited partnership, in the states and foreign countries where the Partnership conducts its activities, (b) all instruments that effect or confirm changes or modifications of the Partnership or its status, including, without limitation, amendments to the Certificate, and (c) all instruments of transfer necessary to effect the Partnership's dissolution and termination. The power of attorney granted by this Article is irrevocable, coupled with an interest, and shall survive the death of the Limited Partner.

8.3 **Binding Arbitration.** ANY DISPUTE, CLAIM, OR CONTROVERSY ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR THE BREACH, TERMINATION, ENFORCEMENT, INTERPRETATION, OR VALIDITY THEREOF, INCLUDING (WITHOUT LIMITATION) THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS AGREEMENT TO ARBITRATE, OR ANY OTHER DISPUTE, CLAIM, OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN THE PARTNERSHIP AND A LIMITED PARTNER, SHALL BE BROUGHT WITHIN ONE YEAR OF ITS ACCRUAL, AND BE DETERMINED BY ARBITRATION IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, BEFORE ONE ARBITRATOR. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS, PURSUANT TO ITS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES IF THE AMOUNT IN CONTROVERSY EXCEEDS TWO HUNDRED AND FIFTY THOUSAND DOLLARS ($250,000) OR ITS STREAMLINED ARBITRATION RULES AND PROCEDURES IF THE AMOUNT IN CONTROVERSY IS LESS THAN OR EQUAL TO TWO HUNDRED AND FIFTY THOUSAND DOLLARS ($250,000). IF THE ARBITRATION IS A CLASS ARBITRATION, THE AGGREGATE AMOUNT OF THE PURPORTED CLAIMS OF ALL PUTATIVE CLASS LIMITED PARTNERS SHALL BE USED TO DETERMINE WHICH RULES APPLY. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION, FROM A COURT OF APPROPRIATE JURISDICTION. THE PREVAILING PARTY IN ANY DISPUTE, CLAIM, OR CONTROVERSY HEREUNDER, SHALL BE ENTITLED TO RECOVER ITS COSTS OF ARBITRATION AND REASONABLE ATTORNEYS' FEES THEREOF.

8.4 **Notices.** Notices contemplated by this Agreement may be sent by any commercially reasonable means, including hand delivery, first-class mail, facsimile, e-mail, phone call, text message, or private courier. The Notice must be prepaid and addressed, as set forth in the Partnership's records. The Notice will be effective on the date of receipt, or, in the case of Notice sent by first-class mail, the fifth calendar day after mailing. Any amendment or proposed action by the General Partner shall require that Notice be provided to the Limited Partners through Two (2) forms of acceptable communication as outlined above.

8.5 **Resolution of Inconsistencies.** If there are inconsistencies between this Agreement and the Certificate, the Certificate will control. If there are inconsistencies between this Agreement and the Act, this Agreement will control, except to the extent the inconsistencies relate to provisions of the Act that the Limited Partners cannot alter by agreement. If there are inconsistencies between this Agreement and the Memorandum, this Agreement will control. Without limiting the generality of the foregoing, unless the language or context clearly indicates a different intent, the provisions of this Agreement pertaining to the Partnership's governance and financial affairs, and the rights of the Limited Partners upon Dissociation and dissolution, will supersede the provisions of the Act relating to the same matters.

8.6 **Provisions Applicable to Transferees.** Each Limited Partner will execute and deliver any document or statement necessary, to give effect to the terms of this Agreement, or to comply with any law, rule, or regulation governing the Partnership's formation and activities.

8.7 **Additional Instruments.** Each Limited Partner will execute and deliver any document or statement necessary, to give effect to the terms of this Agreement, or to comply with any law, rule, or regulation governing the Partnership's formation and activities.

8.8 **Computation of Time.** In computing any period of time under this Agreement, the day of the act or event from which the specified period begins to run, is not included. The last day of the period is included, unless it is a Saturday, Sunday, or legal holiday, in which case the period will run until the end of the next day that is not a Saturday, Sunday, or legal holiday. For purposes of this paragraph, a day shall be deemed to end at 5:00 p.m., in the time zone where the Partnership then maintains its principal place of business.

8.9 **Entire Agreement.** This Agreement and the Certificate comprise the entire agreement among the parties with respect to the Partnership. This Agreement and the Certificate supersede any prior agreements or understandings with respect to the Partnership. No representation, statement or condition not contained in this Agreement or the Certificate has any force or effect. Notwithstanding the provisions of this Agreement, including Section 8.1 or of any subscription agreement, it is hereby acknowledged and agreed that the General Partner, on its own behalf or on behalf of the Partnership, without the approval of any Limited Partners or any other person, may enter into a side letter or similar agreement to or with a Limited Partner that has the effect of establishing rights under, or altering or supplementing the terms of this Agreement or of any subscription agreement. The parties hereto agree that any terms contained in a side letter or similar agreement to or with a Limited Partner shall govern with respect to the Limited Partner, notwithstanding the provisions of this Agreement or of any subscription agreement.

8.10 **Waiver.** No right or remedy under this Agreement may be waived, except by an instrument in writing, signed by the party sought to be charged with the waiver.

8.11 **General Construction Principles.** Words in any gender are deemed to include the other genders. The singular is deemed to include the plural, and vice versa. The headings and underlined paragraph titles are for guidance only, and have no significance in the interpretation of this Agreement.

8.12 **Binding Effect.** Subject to the provisions of this Agreement relating to the transferability of Limited Partnership Interests and the rights of Transferees, this Agreement is binding on, and will inure to, the benefit of the Partnership, the Limited Partners, and their respective distributees, successors, and assigns.

8.13 **Governing Law**. Delaware law governs the construction and application of the terms of this Agreement.

8.14 **Severability**. If any provision of this Agreement shall be deemed invalid, unenforceable, or illegal, then, notwithstanding such invalidity, unenforceability, or illegality, the remainder of this Agreement shall continue in full force and effect.

8.15 **Counterparts; Facsimile.** This Agreement may be executed in counterparts, each of which will be considered an original, as to the party signing it. Original signatures transmitted via facsimile or electronic transmission shall have the same legal effect as the exchange of original signatures.

[Signature Page to Agreement Follows]

[Signature Page]

BY PURCHASING A LIMITED PARTNERSHIP INTEREST IN THE PARTNERSHIP AND EXECUTING A SUBSCRIPTION AGREEMENT, EACH LIMITED PARTNER AGREES TO THE TERMS AND PROVISIONS OF THIS AGREEMENT, THE SUBSCRIPTION AGREEMENT, AND THE MEMORANDUM.

LUKROM iFUND LP
a *Delaware limited partnership*

By: **Lukrom Capital LLC**
a Delaware limited liability company
Its General Partner

By: Thomas McPherson
Name: THOMAS MCPHERSON
Title: CEO

EXHIBIT B
SUBSCRIPTION AGREEMENT

LUKROM iFUND LP

a Delaware limited partnership

SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY

THE LIMITED PARTNERSHIP INTERESTS OF THE PARTNERSHIP ("LIMITED PARTNERSHIP INTEREST") SUBJECT TO THIS SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY ("SUBSCRIPTION AGREEMENT") ARE SECURITIES WHICH HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). SUCH LIMITED PARTNERSHIP INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED TO ANY PERSON AT ANY TIME IN: (A) THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH LIMITED PARTNERSHIP INTERESTS UNDER THE ACT; OR (2) AN OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED; OR (B) A MANNER INCONSISTENT WITH THE TERMS OF THE LIMITED PARTNERSHIP INTERESTS OR THE LIMITED PARTNERSHIP AGREEMENT, ALL OF WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE.

1. SUBSCRIPTION.

LEGAL NAME OF PURCHASER _____

LEGAL NAMES OF ADDITIONAL PURCHASERS _____

_____

FORM OF OWNERSHIP

- ❑ INDIVIDUAL OWNERSHIP (one signature required).
- ❑ COMMUNITY PROPERTY (one signature is required if Limited Partnership Interests are held in one name, i.e., managing spouse; two signatures are required if Limited Partnership Interests are held in both names).
- ❑ JOINT TENANTS WITH RIGHT TO SURVIVORSHIP (not as tenants in common) (both or all parties must sign).
- ❑ TENANTS IN COMMON (both or all parties must sign).
- ❑ GENERAL PARTNERSHIP (fill out all documents in the name of the partnership by a partner authorized to sign)
- ❑ LIMITED PARTNERSHIP (fill out all documents in the name of the limited partnership by a general partner authorized to sign, and include a copy of the Certificate of Limited Partnership – LP1).
- ❑ LIMITED LIABILITY COMPANY (fill out all documents in the name of the limited liability company by the manager authorized to sign, and include a copy of the Articles of Organization – LLC-1.)

- ❑ CORPORATION (fill out all documents in the name of the corporation, by the President and Secretary, and include a certified corporate resolution authorizing the signature).
- ❑ TRUST (fill out all documents in the name of the trust, by the trustee, and include a copy of the instrument creating the trust and any other documents necessary to show that the investment by the trustee is authorized). The date of the trust must appear on the notarial where indicated.
- ❑ Individual Retirement Accounts ("IRA") or KEOGH plan (fill out all documents in the name of the IRA or Keogh plan, by the beneficiary). The documents must also be executed by the custodian of the plan.

PROFILE INFORMATION

Tax Address:

_____

_____

Tax Identification Number:

_____

Telephone Number:

_____

E-Mail Address:

_____

INVESTMENT AMOUNT

$_____

LIMITED PARTNERSHIP INTERESTS:

❑ CLASS A ❑ CLASS C

❑ CLASS B ❑ CLASS D

DISTRIBUTION ELECTION

❑ CASH DISTRIBUTION (ACH)

❑ REINVEST

_____
If reinvesting, specify amount of percentage

❑ CHECK

FOR PAYMENT BY CHECK, DELIVER TO:

_____
Entity Name

_____
Address

_____
City, State & Zip Code

FOR PAYMENT BY ACH:

Bank Name: _____

ABA Number: _____

Account Number: _____

Account Name: _____

❑ Business Checking ❑ Business Savings

❑ Personal Checking ❑ Personal Savings

Will you be retaining the services of an Investment Adviser to manage your account with respect to the investments?	
YES _____ (If yes, the information below must be completed)	NO _____
Name of Adviser(s) and Relationship:	
Adviser(s) electronic mail address(es):	
Adviser's Address:	
City: State: Zip Code:	
Adviser's Phone Number:	( ) -

Correspondence, Information, and Documents: From time to time, the Partnership will provide various Correspondences to the Limited Partners, including, without limitation, Receipt of Funds Notification, Purchase of Limited Partnership Interests Notification, Periodic Statement from the Partnership, Periodic Performance Reports, Updates from the General Partner, Tax Forms, Audit Information, and Communications regarding Investor Portal Access (as applicable). The Purchaser agrees that the Partnership will deliver these Correspondences (as noted herein), to the following persons: (*you must select one*)

☐ To the Purchaser Only. | ☐ To the Investment Adviser Only. | ☐ To the Purchaser and Investment Adviser.

Any notice delivered by the Partnership shall have the effective date as set forth in Section 8.4 of the Limited Partnership Agreement. Although the Partnership intends to generally comply with the Purchaser's election, the Partnership reserves the right to deliver its Correspondence in any method whatsoever in order to effectuate such delivery to the Purchaser.

The undersigned ("Purchaser") hereby subscribes to become a holder ("Limited Partner") of Limited Partnership Interests in Lukrom iFund LP, a Delaware limited partnership (the "Partnership"), and to purchase the Limited Partnership Interests in the amount indicated above, all in accordance with the terms and conditions of this Subscription Agreement, the Second Amended and Restated Limited Partnership Agreement ("Limited Partnership Agreement") of the Partnership, and the Second Amended and Restated Private Placement Memorandum dated September 1, 2025 (the "Memorandum").

(a) The Purchaser acknowledges and agrees that this subscription cannot be withdrawn, terminated, or revoked. The Purchaser agrees to become a Limited Partner and to be bound by all the terms and conditions of the Limited Partnership Agreement. This subscription shall be binding on the heirs, executors, administrators, successors and assigns of the Purchaser. A Purchaser may designate recipient(s) in the Investor Questionnaire below in the event of Purchaser's death or incapacity such that he or she is unable to perform the obligations under this Subscription Agreement. Any amount or percentage of the Limited Partnership Interest not expressly assigned to a recipient will be turned over to the Purchaser's spouse or, in the absence thereof, to the representative of the estate of the Purchaser for distribution in accordance with the Purchaser's will or in the absence of a will, with the law governing intestate succession. The Partnership may, in its sole and absolute discretion, deduct from the Purchaser's capital account the reasonable attorney fees, and all associated expenses and costs incurred by the Partnership as a result of disputes over the assignment and assumption of the Limited Partnership Interest to designated recipient(s). Apart from the foregoing, this subscription is not transferable or assignable by the Purchaser, except as is provided in this Subscription Agreement, the Memorandum, or the Limited Partnership Agreement.

(b) This subscription may be rejected as a whole or in part by the Partnership in its sole and absolute discretion. If this subscription is rejected, the Purchaser's funds shall be returned to the extent of such rejection. This subscription shall be binding on the Partnership only upon its acceptance of the same.

(c) By executing this Subscription Agreement, a Purchaser: (a) makes certain representations and warranties upon which Lukrom Capital LLC, a Delaware limited liability company (the "General Partner"), will rely on in accepting Purchaser's subscription funds; and (b) unconditionally and irrevocably agrees to purchase the Limited Partnership Interests in the amount shown above, and thereby makes a commitment to contribute capital in accordance with the terms set forth in this Subscription Agreement, the Memorandum, and the Limited Partnership Agreement.

(d) Neither the execution nor the acceptance of this Subscription Agreement constitutes the Purchaser as a Limited Partner, shareholder, owner, or creditor of the Partnership. If accepted by the General Partner, the Purchaser's capital contribution will be temporarily deposited into a call account (the "Subscription Account"). This Subscription Agreement is only an agreement to purchase the Limited Partnership Interests on a when issued basis; and the Purchaser will become a Limited Partner only after the Purchaser's funds are duly transferred to the operating bank account of the Partnership ("Operating Account") and the Limited Partnership Interests are issued thereupon to the Purchaser in conjunction with the provisions of the Limited Partnership Agreement (which Purchaser would become a signatory to). Until such time, the Purchaser shall have only those rights as may be set forth in this Subscription Agreement.

(e) The Purchaser's rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Memorandum, and the Limited Partnership Agreement. The Partnership will rely upon the information provided in this Subscription Agreement to confirm that the Purchaser is an "Accredited Investor" as defined in Regulation D promulgated under the Act.

(f) If a Purchaser has not been admitted as a Limited Partner within Ninety (90) days of signing this Subscription Agreement and depositing funds into the Subscription Account, the Purchaser may request in writing to the General Partner to recover its investment funds. If, upon receipt of such request in writing, the Partnership has not yet admitted the Purchaser as a Limited Partner, then Partnership may, in its sole and absolute discretion, return the Purchaser's funds to the Purchaser and revoke the Subscription Agreement within Ten (10) business days of receipt of such request from the Purchaser.

(g) The Purchaser agrees that the subscription for Limited Partnership Interests, or portions thereof, will become effective (subject to acceptance of the same by the Partnership, in its sole and absolute discretion) following acceptance of the subscription and the transfer of the Purchaser's subscription funds into the Operating Account.

(h) If the Purchaser is an entity: (a) it was not formed or recapitalized (e.g., through new investments made in the Purchaser solely for the purpose of financing its acquisition of the Limited Partnership Interests and not pursuant to a prior financial commitment) for the purpose of investing in the Partnership; (b) its decision to purchase the Limited Partnership Interests was made in accordance with appropriate and customary formalities for such entity; (c) it is not managed to facilitate the individual decisions of its beneficial owners regarding investments (including the purchase of the Limited Partnership Interests); (d) its shareholders, partners, members or beneficiaries, as applicable, did not and will not (i) have any discretion to determine whether or how much of the Purchaser's assets are invested in any investment made by the Purchaser (including the Purchaser's purchase of the Limited Partnership Interests), or (ii) have the ability individually to elect whether or to what extent such shareholder, partner, member or beneficiary, as applicable, will participate in the Purchaser's purchase of the Limited Partnership Interests; (e) it is duly organized or formed, validly existing and in good standing under the laws of its jurisdiction of organization or formation, and the execution, delivery and performance by it of this Subscription Agreement and the Limited Partnership Agreement are within its powers, have been duly authorized by all necessary corporate or other action on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official, and do not and will not contravene, or constitute a default under, any provision of applicable law, regulation, or its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument to which the Purchaser is a party or by which the Purchaser or any of its properties is bound; and (f) it has its principal place of business as set forth on the Signature Page to the Subscription Agreement. If the Purchaser is a natural person, the execution, delivery and performance by the Purchaser of this Subscription Agreement and the Limited Partnership Agreement are within the Purchaser's legal right, power and capacity, require no action by or in respect of, or filing with, any governmental body, agency or official, and do not and will not contravene, or constitute a default under, any provision of applicable law, regulation or of any agreement, judgment, injunction, order, decree or other instrument to which the Purchaser is a party or by which the Purchaser or any of its properties are bound.

(i) If the Purchaser is a natural person (including a natural person investing through an IRA, such person acknowledges the receipt of the notice regarding privacy of financial information under the U.S. Federal Trade Commission privacy rule, 16 C.F.R. Part 313 (the "Privacy Rule"), and agrees that the Limited Partnership Interests are a financial product that the Purchaser has requested and authorized. In accordance with Section 14 of the Privacy Rule, the Purchaser acknowledges and agrees that the Partnership may disclose non-public personal information of the Purchaser to the other Limited Partners as well as to the Partnership's accountants, attorneys and other service providers as necessary to effect, administer and enforce the Partnership's and the Limited Partners' rights and obligations.

(j) If the Purchaser is an entity, either (a) the Purchaser is not disregarded as an entity separate from its owner or a grantor trust for federal income tax purposes, or (b) if the Purchaser is disregarded as an entity separate from its owner or a grantor trust for federal income tax purposes, the Purchaser understands and acknowledges that the Limited Partnership Agreement will apply to the first direct or indirect beneficial owner of the Purchaser that is not a disregarded entity or a grantor trust for federal income tax purposes (the "Purchaser's Owner") as if such owner were a Limited Partner under the Limited Partnership Agreement and to any transaction pursuant to which the Purchaser ceases to be a disregarded entity or grantor trust. The Purchaser agrees to promptly notify the Partnership should the Purchaser become aware of any change in the information set forth in this Section.

(k) If the Purchaser is a partnership or other entity treated as such for federal income tax purposes, a grantor trust, or S corporation (a "Flow-Through Entity"):

(i) at no time will substantially all of any beneficial owner's direct or indirect interest in the Purchaser be attributable to the Purchaser's interest in the Partnership,

(ii) at no time will substantially all of the value of the Purchaser be attributable to the Purchaser's interest in the Partnership, and

(iii) the beneficial owners of the Purchaser are not investing in the Partnership through a Flow-Through Entity for the principal purpose of permitting the Partnership to satisfy the One Hundred (100)-partner limitation set forth in Treasury Regulations Section 1.7704-1(h) (regarding the private placement safe harbor from treatment as a publicly traded partnership).

(l) If the Purchaser is an entity disregarded as separate from its owner or a grantor trust for federal income tax purposes and the Purchaser's Owner is a Flow-Through Entity, the Purchaser represents and warrants that the representations in this Section would be true if all references to "the Purchaser" were replaced with "the Purchaser's Owner".

(m) The Purchaser (or, if the Purchaser is an entity disregarded as separate from its owner or a grantor trust for federal income tax purposes, the Purchaser's Owner) represents and warrants that either it (a) is a "United States person" as defined in Section 7701(a)(30) of the United States Internal Revenue Code of 1986, as amended (the "Code") and has completed and returned with this Subscription Agreement the enclosed Form W-9 (Request for Taxpayer Identification Number and Certification) or (b) is not a United States person and has promptly notified the Partnership of that fact and completed and delivered to the Partnership an appropriate Form W-8 (Certificate of Foreign Status). The Purchaser (or, if the Purchaser is an entity disregarded as separate from its owner or a grantor trust for federal income tax purposes, the Purchaser's Owner) certifies that the information contained in the executed copy of Form W-9 or appropriate Form W-8, as applicable, submitted herewith is correct.

(n) The Purchaser, if a foreign entity, represents that it has complied with all of the laws, if any, of its country of residence applicable to the acquisition of the Limited Partnership Interests subscribed herein.

2. REPRESENTATIONS AND WARRANTIES BY THE PURCHASER. The Purchaser hereby represents, warrants, and agrees as follows:

(a) Purchaser has received and read the Memorandum and its Exhibits, including the terms and conditions of the Limited Partnership Agreement, and Purchaser is thoroughly familiar with the proposed business, operations, properties, and financial condition of the Partnership. Purchaser has relied solely upon the Memorandum and independent investigations made by Purchaser or Purchaser's representative with respect to the investment in Limited Partnership Interests. No oral or written representations beyond the Memorandum have been made or relied upon.

(b) Purchaser has read and understands the Limited Partnership Agreement and understands how the Partnership functions as a corporate entity. By purchasing the Limited Partnership Interests and executing this Subscription Agreement, Purchaser hereby agrees to the terms and provisions of the Limited Partnership Agreement.

(c) Purchaser understands that the Partnership has limited financial and operating history. Purchaser has been furnished with such financial and other information concerning the Partnership, its management, and its business, as Purchaser considers necessary in connection with the investment in Limited Partnership Interests. Purchaser has been given the opportunity to discuss any questions and concerns with the Partnership.

(d) Purchaser is purchasing Limited Partnership Interests for Purchaser's own account (or for a trust if Purchaser is a trustee), for investment purposes and not with a view or intention to resell or distribute the same. Purchaser has no present intention, agreement, or arrangement to divide Purchaser's participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Limited Partnership Interests.

(e) Purchaser or Purchaser's investment advisers ("Investment Advisers") have such knowledge and experience in financial and business matters that will enable Purchaser to utilize the information made available to evaluate the risks of the prospective investment and to make an informed investment decision. Purchaser has been advised to consult Purchaser's own attorney concerning this investment and to consult with independent tax counsel regarding the tax considerations of investing in the Limited Partnership Interests and becoming a Limited Partner of the Partnership.

(f) If a Purchaser has not been admitted as a Limited Partner within Ninety (90) days of signing this Subscription Agreement and depositing funds into the Subscription Account, the Purchaser may send a written notice to the General Partner asking the General Partner to either admit Purchaser as a Limited Partner or return the Purchaser's funds and revoke the Subscription Agreement. Within Ten (10) business days of receipt of such written request from the Purchaser, the General Partner shall, in its sole and absolute discretion, either accept Purchaser as a Limited Partner and transfer Purchaser's funds to the Partnership's Operating Account or return the Purchaser's funds to the Purchaser and revoke the Subscription Agreement.

(g) Purchaser has been advised that the Limited Partnership Interests have not been registered under the Act, or qualified under any state securities laws (the "Law"), on the ground, among others, that no distribution or public offering of the Limited Partnership Interests is to be effected and the Limited Partnership Interests will be issued by the Partnership in connection with a transaction that does not involve any public offering within the meaning of Section 4(a)(2) of the Act or of the Law, under the respective rules and regulations of the U.S. Securities and Exchange Commission ("SEC" or "Commission").

(h) Purchaser has previously furnished the Partnership a completed and signed Investor Questionnaire or has completed and signed the attached Investor Questionnaire. All information which Purchaser has furnished in this Subscription Agreement and the Investor Questionnaire, concerning itself, its financial position, and its knowledge of financial and business matters, is correct, current, and complete.

(i) Purchaser agrees that Purchaser must provide any and all documentation and information (to the satisfaction of the Partnership) to verify the Purchaser's status as an Accredited Investor. The Partnership may conduct such verification through any reasonable means and steps deemed necessary or suitable by the Partnership. A non-exhaustive list of verification steps that the Partnership may use for, or require from, the Purchaser to complete such verification is noted in the Investor Questionnaire below.

(j) All information which Purchaser has furnished in this Subscription Agreement concerning Purchaser, Purchaser's financial position, and Purchaser's knowledge of financial and business matters is correct, current, true, and complete.

(k) The Purchaser has checked the Office of Foreign Assets Control ("OFAC") website at http://www.treas.gov/ofac before making the following representations. The Purchaser represents that the amounts invested by it in the Partnership were not and are not directly or indirectly derived from activities that contravene federal, state, or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities, and individuals. The lists of OFAC prohibited countries, territories, persons, and entities can be found on the OFAC website at http://www.treas.gov/ofac. In addition, the programs administered by OFAC (the "OFAC Programs") prohibit dealing with individuals, including specially designated nationals, specially designated narcotics traffickers, and other parties subject to OFAC sanctions and embargo programs, or entities in certain countries, regardless of whether such individuals or entities appear on the OFAC lists. Furthermore, to the best of the Purchaser's knowledge, none of: (a) the Purchaser; (b) any person controlling or controlled by the Purchaser; (c) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (d) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Partnership may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The

Purchaser agrees to promptly notify the Partnership should the Purchaser become aware of any change in the information set forth in these representations. The Purchaser understands and acknowledges that, by law, the Partnership may be obligated to "freeze the account" of the Purchaser, either by prohibiting additional subscriptions from the Purchaser, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and the Partnership may also be required to report such action and to disclose the Purchaser's identity to OFAC. The Purchaser further acknowledges that the Partnership may, by written notice to the Purchaser, suspend the redemption rights, if any, of the Purchaser if the Partnership reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Partnership or any of the Partnership's other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers, and other parties subject to OFAC sanctions and embargo programs.

(l) To the best of the Purchaser's knowledge, none of: (a) the Purchaser; (b) any person controlling or controlled by the Purchaser; (c) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (d) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a senior foreign political figure, or an immediate family member or close associate of a senior foreign political figure. A "senior foreign political figure" is a senior official in the executive, legislative, administrative, military, or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business, or other entity that has been formed by, or for the benefit of, a senior foreign political figure. "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children, and in-laws. A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(m) If the Purchaser is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Partnership that: (a) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (b) the Foreign Bank maintains operating records related to its banking activities; (c) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (d) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

(n) The Purchaser understands and acknowledges that unless the Purchaser has otherwise notified the General Partner in writing to the contrary, Geraci LLP represents only the Partnership and the General Partner, and not the Purchaser, in connection with the formation of the Partnership and the offer and sale of the Limited Partnership Interests. The Purchaser understands and agrees that the Purchaser should consult its own legal and tax advisors in connection with the purchase of the Limited Partnership Interests. The Purchaser agrees that in the event of a dispute between one or more Limited Partners and the General Partner or the Partnership, Geraci LLP may represent the General Partner or one or more equity holders or affiliates thereof, and/ or the Partnership.

3. INVESTOR SUITABILITY STANDARDS. The Partnership intends to sell the Limited Partnership Interests to an unlimited number of "Accredited Investors" only. No Limited Partnership Interests will be sold to non-accredited investors. To qualify as an Accredited Investor, a Purchaser must meet any of the following:

(a) Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution, as defined in section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity;

(b) any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;

(c) any Investment Adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state;

(d) any Investment Adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940;

(e) any insurance company as defined in section 2(13) of the Act;

(f) any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act;

(g) any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

(h) any Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;

(i) any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of Five Million Dollars ($5,000,000);

(j) any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered adviser, or if the employee benefit plan has total assets in excess of Five Million Dollars ($5,000,000), or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;

(k) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

(l) Any organization described in section 501(c)(3) of the Code, corporation, Massachusetts, or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Five Million Dollars ($5,000,000);

(m) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

(n) Any natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent at the time of his or her purchase, exceeds One Million Dollars ($1,000,000) (excluding the value of such person’s primary residence);

(o) Any natural person who had an individual income in excess of Two Hundred Thousand Dollars ($200,000) in each of the two most recent years, or joint income with that person's spouse or spousal equivalent in excess of Three Hundred Thousand Dollars ($300,000) in each of those years, and has a reasonable expectation of reaching the same income level in the current year;

(p) Any trust, with total assets in excess of Five Million Dollars ($5,000,000), not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person, as described in § 230.506(B)(b)(2)(ii);

(q) A natural person holding, and in good standing, of one or more professional certifications or designations or other credentials from an accredited educational institution that the Commission has designated as qualifying an individual for Accredited Investor status;

(r) A natural person holding one or more professional certifications or designations administered by the Financial Regulatory Authority, Inc., and in good standing: the Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), and Licensed Private Securities Offering Representative (Series 82);

(s) A natural person who is considered a “knowledgeable employee” of a private fund as defined by Rule 3c-5(a)(4) under the Investment Company Act of 1940, including trustees and advisory board members, or person serving in a similar capacity of a fund relying on an exemption under Investment Company Act of 1940 Section 3(c)(1) or 3(c)(7), or an affiliated person of the fund that oversees the fund’s investments, and employees of the private fund (other than employees performing solely clerical, secretarial, or administrative functions);

(t) Any family office, as defined in rule 202(a)(11)(G)-1under the Investment Advisers Act of 1940: with assets under management in excess of Five Million Dollars ($5,000,000), that is not formed for the specific purpose of acquiring the securities offered, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risk of the prospective investment;

(u) Any family client, as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements in paragraph (a)(12) of this Section and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (a)(12)(iii);

(v) Any entity not listed above which was not formed for the specific purpose of acquiring the securities offered, owning investments in excess of Five Million Dollars ($5,000,000); or

(w) Any entity in which all of the equity owners are Accredited Investors.

4. AGREEMENT TO REFRAIN FROM RESALE. The Purchaser agrees not to pledge, hypothecate, sell, transfer, assign or otherwise dispose of any Limited Partnership Interests, nor receive any consideration for Limited Partnership Interests from any person, unless and until prior to any such action:

(a) A registration statement on a form appropriate for the purpose under the Act with respect to the Limited Partnership Interests proposed to be so disposed of shall be then effective, and such disposition shall have been appropriately qualified in accordance with applicable securities laws; or

(b) All of the following shall have occurred: (i) the Purchaser shall have furnished the Partnership with a detailed explanation of the proposed disposition, (ii) the Purchaser shall have furnished the Partnership with an opinion of the Purchaser's counsel in form and substance satisfactory to the Partnership to the effect that such disposition will not require registration of such Limited Partnership Interests under the Act or qualification of such Limited Partnership Interests under any other securities law, and (iii) counsel for the Partnership shall have concurred in such opinion and the Partnership shall have advised the Purchaser in writing of such concurrence.

5. POWER OF ATTORNEY.

(a) The Purchaser irrevocably constitutes and appoints the Partnership with full power of substitution as his/her true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, record, and file, in the Purchaser’s name or his/her assignee’s name, place, and stead, all instruments, documents, and certificates that may from time to time be required by the laws of the United States of America, the State of Delaware, and any other state in which the Partnership conducts or plans to conduct business, or any political subdivision or agency of the government, to effectuate, implement, and continue the valid existence of the Partnership, including, without limitation, the power of attorney and authority to execute, verify, swear to, acknowledge, deliver, record and file the following:

(i) the Limited Partnership Interests, the Limited Partnership Agreement, and all other instruments (including amendments thereto) that the Partnership deems appropriate to form, qualify or continue the Partnership as a limited partnership in the State of Delaware and all other jurisdictions in which the Partnership conducts or plans to conduct business;

(ii) all instruments that the Partnership deems appropriate to reflect any amendment to the Limited Partnership Agreement, or modification of the Partnership, made in accordance with the terms of the Limited Partnership Agreement;

(iii) a fictitious business name certificate and such other certificates and instruments as may be necessary under the fictitious or assumed name statute from time to time in effect in the State of Delaware and all other jurisdictions in which the Partnership conducts or plans to conduct business;

(iv) all instruments relating to the admission of any additional Limited Partners or other shareholders, owners or creditors, whether secured or unsecured; and

(v) all conveyances and other instruments that the Partnership deems appropriate to reflect the dissolution and termination of the Partnership pursuant to the terms of the Limited Partnership Agreement.

(b) The power of attorney granted is a special power of attorney and shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy, or legal disability of the Purchaser, and shall extend to the Purchaser’s heirs, successors, and assigns. The Purchaser agrees to be bound by any representations made by the Partnership acting in good faith under such power of attorney, and each Limited Partner waives any and

all defenses that may be available to contest, negate, or disaffirm any action of the Partnership taken in good faith under such power of attorney.

6. MISCELLANEOUS.

(a) CHOICE OF LAWS. This Subscription Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its choice of laws rules.

(b) ENTIRE AGREEMENT. This Subscription Agreement constitutes the entire agreement between the parties and may be amended only by a written agreement between all parties. Notwithstanding the provisions of Section 8.1 of the Limited Partnership Agreement or of any Subscription Agreement, it is hereby acknowledged and agreed that the General Partner, on its own behalf or on behalf of the Partnership, without the approval of any Limited Partners or any other person, may enter into a side letter or similar agreement to or with a Limited Partner that has the effect of establishing rights under, or altering or supplementing the terms of the Limited Partnership Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement to or with a Limited Partner shall govern with respect to the Limited Partner.

(c) BINDING ARBITRATION: ANY DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS TRANSACTION AGREEMENT OR THE BREACH, TERMINATION, ENFORCEMENT, INTERPRETATION OR VALIDITY THEREOF, INCLUDING THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS SUBSCRIPTION AGREEMENT TO ARBITRATE, OR ANY OTHER DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN THE PARTNERSHIP AND ANY LIMITED PARTNER OR PARTY HEREOF, SHALL BE BROUGHT WITHIN ONE YEAR OF ITS ACCRUAL AND BE DETERMINED BY ARBITRATION IN COUNTY OF MARICOPA, STATE OF ARIZONA, BEFORE ONE ARBITRATOR. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS PURSUANT TO ITS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY EXCEEDS TWO HUNDRED AND FIFTY THOUSAND DOLLARS ($250,000)) OR ITS STREAMLINED ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY IS LESS THAN OR EQUAL TO TWO HUNDRED AND FIFTY THOUSAND DOLLARS ($250,000). IF THE ARBITRATION IS A CLASS ARBITRATION, THE AGGREGATE AMOUNT OF THE PURPORTED CLAIMS OF ALL PUTATIVE CLASS MEMBERS SHALL BE USED TO DETERMINE WHICH RULES APPLY. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION FROM A COURT OF APPROPRIATE JURISDICTION.

(d) TERMINATION OF AGREEMENT: If this subscription is rejected by the Partnership, then this Subscription Agreement shall be null and void and of no further force and effect, and no party shall have any rights against any other party hereunder, and the Partnership shall promptly return the funds delivered with this Subscription Agreement.

(e) TAXES. The discussion of the federal income tax considerations arising from investment in the Partnership, as set forth in the Memorandum, is general in nature, and the federal income tax considerations to the Purchaser of investment in the Limited Partnership Interests will depend on individual circumstances. The Memorandum does not discuss state income tax considerations, which may apply to all or substantially all Purchasers. There can be no assurance that the Code or the Regulations under the Code will not be amended in a manner adverse to the interests of the Purchaser or the Partnership.

(f) DULY AUTHORIZED. If the Purchaser is a corporation, partnership, trust, or other entity, the individual(s) signing in its name is (are) duly authorized to execute and deliver this Subscription Agreement on behalf of such entity, and the purchase of the Limited Partnership Interests by such entity will not violate any law or agreement by which it is bound.

(g) LIMITED PARTNERSHIP INTERESTS WILL BE RESTRICTED SECURITIES. The Purchaser understands that the Limited Partnership Interests will be “restricted securities” as that term is defined in Rule 144 under the Act and, accordingly, that the Limited Partnership Interests must be held indefinitely unless they are subsequently registered under the Act and any other applicable securities law or exemptions from such registration is available. The Purchaser understands that the Partnership is under no obligation to register Limited Partnership

Interests under the Act, to qualify Limited Partnership Interests under any federal or state securities law, or to comply with Regulation A or any other exemption under the Act or any other law.

(h) LIMITED PARTNERSHIP INTERESTS CONTAIN RESTRICTIVE LEGEND. Any documents or certificates issued to evidence ownership of the Limited Partnership Interests will bear restrictive legends notifying prospective purchasers of the transfer restrictions set forth above, and the Partnership will not permit transfer of any Limited Partnership Interests on the books of the Partnership in violation of such restrictions.

(i) SUCCESSORS. The representations, warranties, and agreements contained in this Subscription Agreement shall be binding on the Purchaser's successors, assigns, heirs, and legal representatives and shall inure to the benefit of the respective successors and assigns of the Partnership and its directors and officers. If the Purchaser is more than one person, the obligations of all of them shall be joint and several, and the representations and warranties contained herein shall be deemed to be made by, and to be binding upon, each such person and his heirs, executors, administrators, successors, and assigns.

(j) INDEMNIFICATION. The Purchaser shall indemnify and defend the Partnership and its directors and officers from and against any and all liability, damage, cost, or expense (including attorneys' fees) arising out of or in connection with:

(i) Any inaccuracy in, or breach of, any of the Purchaser's declarations, representations, warranties, or covenants set forth in this document or any other document or writing delivered to the Partnership;

(ii) Any disposition by the Purchaser of any Limited Partnership Interests in violation of this Subscription Agreement, or the Limited Partnership Agreement, or any applicable law; or

(iii) Any action, suit, proceeding, or arbitration, whether threatened, pending, or actual, alleging any of the foregoing.

(k) COUNTERPARTS; SIGNATURES. This Subscription Agreement may be executed in counterparts, each of which will be considered an original as to the party signing it. Original signatures transmitted via facsimile or electronic transmission shall have the same legal effect as the exchange of original signatures.

7. FURTHER REPRESENTATIONS AND COVENANTS. Purchaser (whether an individual or entity) understands that the Partnership will be relying on the accuracy and completeness of the statements and responses contained in this Subscription Agreement. Purchaser represents, warrants, and covenants to the Partnership as follows:

(a) Purchaser's statements and responses contained in this Subscription Agreement are complete and correct and may be relied on by the Partnership for the purpose of complying with all applicable security laws and to determine whether the Purchaser is a suitable investor.

(b) Purchaser will notify the Partnership immediately of any material change in any statement or response made in this Subscription Agreement before acceptance by the Partnership of this Subscription Agreement.

(c) Purchaser has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment, or the Purchaser has consulted with professional advisers who have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of this prospective investment.

(d) Purchaser is able to bear the economic risk of an investment in the Limited Partnership Interests for an indefinite period of time and understands that an investment in the Limited Partnership Interests is illiquid and may result in a complete loss of such investment.

(e) Purchaser understands and agrees that the Partnership is relying upon the truthfulness of the certification being made by Purchaser as to Purchaser's status as an Accredited Investor. Purchaser further understands and agrees that the Partnership may request to be shown, in confidence, documentation reasonably satisfactory to the Partnership supporting the certification by the Purchaser as to the Purchaser's status as an Accredited Investor. The Partnership reserves the right to refuse to accept any subscription as to which the Partnership is not reasonably satisfied that the Purchaser is an Accredited Investor.

(f) Purchaser agrees and understands that in making this investment, Purchaser: (a) must have sufficient knowledge and experience in such financial and business matters to be capable of evaluating the merits and risks of a purchase of the Limited Partnership Interests; or (b) must retain the services of an "Investment Adviser" (who may be an attorney, accountant, or other financial adviser unaffiliated with, and who is not compensated by, the Partnership or any affiliate or selling agent of the Partnership, directly or indirectly) for the purpose of aiding in the evaluation of this particular transaction.

(g) Purchaser acknowledges and understands that the Purchaser must be an Accredited Investor in order to purchase Limited Partnership Interests. Purchaser represents and warrants that Purchaser has not directly or indirectly provided any information or documents to the Partnership that, in any manner, may suggest, imply, demonstrate, or otherwise evidence, that the Purchaser is not an Accredited Investor.

8. VERIFICATION OF ACCREDITED INVESTOR STATUS. Purchaser agrees that Purchaser must provide any and all documentation and information (to the satisfaction of the Partnership) to verify the Purchaser's status as an Accredited Investor. The Partnership may conduct such verification through any reasonable means and steps deemed necessary or suitable by the Partnership. A non-exhaustive list of verification steps that the Partnership may use for, or require from, the Purchaser to complete such verification is noted directly below. The Purchaser is required to fully cooperate with the Partnership's verification steps and methods (including but not limited to the non-exhaustive list set forth below), before being permitted to invest in the Limited Partnership Interests. Further, the Purchaser expressly and irrevocably consents and authorizes the Partnership to utilize any reasonable means of verifying the Purchaser's status as an Accredited Investor (including, but not limited to, one or more of the non-exclusive methods and steps set forth below).

Purchaser acknowledges and agrees that the following constitutes a non-exhaustive and non-exclusive list of verification methods that may be used by the Partnership to verify the Purchaser's status as an Accredited Investor:

(a) Reviewing any Internal Revenue Service form that reports the Purchaser's income for the Two (2) most recent years (including, but not limited to, Form W-2, Form 1099, Schedule K-1 to Form 1065, and Form 1040) and obtaining a written representation from the Purchaser that the Purchaser has a reasonable expectation of reaching the income level necessary to qualify as an Accredited Investor during the current year;

(b) Reviewing One (1) or more of the following types of documentation dated within the prior Three (3) months and obtaining a written representation from the Purchaser that all liabilities necessary to make a determination of net worth have been disclosed:

(1) with respect to assets: bank statements, brokerage statements, and other statements of securities holdings, certificates of deposit, tax assessments, and appraisal reports issued by independent third parties; and

(2) with respect to liabilities: a consumer report from at least One (1) of the nationwide consumer reporting agencies;

(c) Obtaining a written confirmation from One (1) of the following persons or entities that such person or entity has taken reasonable steps to verify that the Purchaser is an Accredited Investor within the prior Three (3) months and has determined that the Purchaser is an Accredited Investor:

(1) A registered broker-dealer;

(2) An Investment Adviser registered with the SEC;

(3) A licensed attorney who is in good standing under the laws of the jurisdictions in which it is admitted to practice law; or

(4) A certified public accountant who is duly registered and in good standing under the laws of the place of its residence or principal office.

With respect to the above as pertaining to a natural person who is married, the verification noted above would typically be required of both persons in the married couple (i.e. the Partnership would review information and documents about

both the natural person and his or her spouse, and both married persons would be required to provide any written representations or statements that are required by the Partnership as part of its verification process).

{remainder of page intentionally left blank, signature page to follow}

[*Signature Page*]

FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Purchaser, intending to be legally bound, has executed this Subscription Agreement on the date below.

BY PURCHASING LIMITED PARTNERSHIP INTERESTS AND EXECUTING THIS SUBSCRIPTION AGREEMENT, EACH PURCHASER HEREBY AGREES, UPON ACCEPTANCE BY THE PARTNERSHIP, TO BE LEGALLY BOUND BY THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT, THE SUBSCRIPTION AGREEMENT, AND THE MEMORANDUM.

_____
Purchaser's Initials

I/We acknowledge receipt and review of the Lukrom iFund LP Private Placement Memorandum (PPM) dated May 1, 2025, including all exhibits and supplements, prior to signing this Subscription Agreement.

PURCHASER:

_____
Name of Purchaser (s)

_____	_____
Purchaser Signature	Co-Purchaser Signature
_____	_____
Name and title (if applicable) of person signing	Name and title (if applicable) of person signing

ACCEPTANCE: (NOT VALID UNTIL ACCEPTED BY THE GENERAL PARTNER)

The Partnership has accepted this Subscription Agreement as of this day of _____, by the signature of a duly authorized representative of the General Partner of the Partnership.

LUKROM iFUND LP
a *Delaware limited partnership*

By: **Lukrom Capital LLC**
a Delaware limited liability company
Its General Partner

By: _____
Name:
Title: Authorized Signer

INVESTOR QUESTIONNAIRE

Accredited Investor Status (Individual)	*Select all that apply* ❑ Any natural person who had an individual income in excess of Two Hundred Thousand Dollars ($200,000) in each of the two most recent years, or joint income with that person's spouse or spousal equivalent in excess of Three Hundred Thousand Dollars ($300,000) in each of those years, and who has a reasonable expectation of reaching the same income level in the current year; ❑ Any natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent at the time of their purchase, exceeds One Million Dollars ($1,000,000) (excluding the value of such person's primary residence); ❑ A director or executive officer of the Partnership; ❑ A natural person holding, and in good standing of, one or more professional certifications or designations, or other credentials from an accredited educational institution that the Commission has designated as qualifying an individual for Accredited Investor status; ❑ A natural person holding one or more professional certifications or designations administered by the Financial Regulatory Authority, Inc., and in good standing: the Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), and Licensed Private Securities Offering Representative (Series 82); ❑ A natural person who is considered a "knowledgeable employee" of a private fund as defined by Rule 3c-5(a)(4) under the Investment Company Act of 1940, including trustees and advisory board members, or person serving in a similar capacity of a fund relying on an exemption under Investment Company Act of 1940 Section 3(c)(1) or 3(c)(7), or an affiliated person of the fund that oversees the fund's investments, and employees of the private fund (other than employees performing solely clerical, secretarial, or administrative functions);
Accredited Investor Status (Other)	*Select all that apply* ❑ A bank as defined in section 3(a)(2) of the Act, or a savings and loan association or other institution, as defined in section 3(a)(5)(a) of the Act, whether acting in its individual or fiduciary capacity; ❑ A broker or dealer registered pursuant to section 15 of the Act; ❑ An Investment Adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state; any Investment Adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940; ❑ An insurance company as defined in section 2(13) of the Act; ❑ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act;

	❑ A Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; ❑ A Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act; ❑ Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of Five Million Dollars ($5,000,000); ❑ An employee benefit plan* within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) thereof, which is either a bank, savings and loan association, insurance company, or registered Investment Adviser, or if the employee benefit plan has total assets in excess of Five Million Dollars ($5,000,000), or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors; ❑ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940; ❑ Any organization described in section 501(c)(3) of the Code, corporation, Massachusetts, or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Five Million Dollars ($5,000,000); ❑ A trust**, with total assets in excess of Five Million Dollars ($5,000,000), not formed for the specific purpose of acquiring the securities of the Partnership being offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment in the Partnership; ❑ An entity*** in which all the equity owners are Accredited Investors; ❑ Any family office, as defined in rule 202(a)(11)(G)-1under the Investment Advisers Act of 1940: with assets under management in excess of Five Million Dollars ($5,000,000), that is not formed for the specific purpose of acquiring the securities offered, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risk of the prospective investment; ❑ Any family client, as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements in paragraph (a)(12) of this Section and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (a)(12)(iii); ❑ Any entity not listed above which was not formed for the specific purpose of acquiring the securities offered, owning investments in excess of Five Million Dollars ($5,000,000). ***Note for Certain Employee Benefit Plans:** If you are a self-directed plan that believes it is an Accredited Investor because investment decisions are made solely by persons that are Accredited Investors, please complete the information for

	individuals pursuant to the Investor Questionnaire, with respect to you and each such person participating in making the investment decision. ****Note for Trusts:** If you are a trust that believes it is an Accredited Investor, please complete the information for individuals pursuant to the Investor Questionnaire, with respect to you and each person participating in making the investment decision. *****Note for Certain Entities:** If you are an entity that believes it is an Accredited Investor by virtue of the accredited investor status of each equity owner thereof, please complete the information for individuals pursuant to the Investor Questionnaire, with respect to you and each such equity owner.	
Correspondence & Notices	Please print in the space below the EXACT name the Purchaser desires on the account and the address for any correspondence and notices. _____ Exact Name(s) _____ Street Address _____ City, State, and Zip Code _____ E-mail address _____ Phone number	
If the Purchaser is a Business Entity	Name of Entity	
	State of Formation	
	Date of Formation	
	Fiscal Year End	
	Principal Place of Business	
	Telephone Number	
Trust Information (if applicable)	Exact Name of Plan	
	Name of Trustee(s)	
	Trustee(s) State of Residency	
	State & Date of Organization	
	Person(s) with investment control and state of residency of that person(s)	

	Person(s) responsible for ministerial duties of administering plan or trust (the Trustee) and that Person(s) state of residence	
Plan Investor Representations	❑ Yes ❑ No	Statement 1. The Purchaser is, or is acting on behalf of, (i) an "employee benefit plan" within the meaning of Section 3(3) of ERISA, that is subject to Part 4 of Subtitle B of Title I of ERISA; (ii) a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code; or (iii) any other entity or account that is deemed under applicable law to hold the "plan assets" of one or more plans described in the preceding subclauses (i) or (ii), within the meaning of ERISA and including the regulations promulgated thereunder.
	❑ Yes ❑ No	Statement 2. If the Purchaser checked the box next to Statement 1 above based on subclause (iii) thereof (including, without limitation, insurance company general accounts), the maximum percentage of "benefit plan investor" participation in the Purchaser (or the entity on whose behalf the Purchaser is acting) while the Purchaser holds an interest in the Partnership will be ____% (the "Maximum Percentage").
	❑ Yes ❑ No	The Purchaser is, or is acting on behalf of, a "governmental plan" within the meaning of Section 3(32) of ERISA, a "foreign plan," or another plan or retirement arrangement that is not subject to Part 4 of Subtitle B of Title I of ERISA and with respect to which Code Section 4975 does not apply (each, an "Other Plan Investor") or a partnership, limited liability company or other entity that is deemed to hold the assets of an Other Plan Investor under applicable law.
	❑ Yes ❑ No	The Purchaser is, or is acting on behalf of, an entity or account described under 29 C.F.R. §2510.3-101(h) (such as, for example, a group trust, a bank common or collective trust, or certain insurance company separate accounts).
	❑ Yes ❑ No	Is the Purchaser purchasing the Limited Partnership Interests with funds that constitute the assets of any of the above?

NOTICE REGARDING PRIVACY OF FINANCIAL INFORMATION

This notice is being provided to you so that you will know the type of information that we collect about you and the circumstances in which the information may be disclosed to third parties.

In order to accurately and efficiently conduct the Partnership's investment program, we must collect and maintain certain non-public information about you and the Partnership's other subscribers. We understand that it is our obligation to maintain the confidentiality of this information. As a consequence, we do not disclose any non-public personal information about our subscribers or former subscribers to anyone other than our affiliates, service providers and employees, except as required by law. The following describes how non-public personal information may be disclosed to such persons:

We collect, and may disclose to our affiliates and service providers (e.g., our attorneys, accountants, and lending institutions) on a "need to know" basis, limited non-public personal information about you from the following sources:

- Information we receive from you as set forth in the subscription agreement and attachments thereto, such as your name, address, and social security or tax identification number; and
- Information about your transactions with us, our affiliates and service providers, and your participation in the Partnership.

We restrict access to any non-public personal information about you to those employees who need to know such information to provide services to the Partnership and its subscribers.

We maintain physical, electronic, and procedural safeguards to guard your non-public personal information. In addition, we will continue to assess new technology for protecting information with regard to our subscribers.

The policy may change from time to time, and you may review our current policy by requesting a copy. Only with your consent will we share your personal information in any manner other than as described herein.

USA PATRIOT ACT & ANTI-MONEY LAUNDERING

(*All Purchasers must complete this*)

(A) The Purchaser represents, warrants, and covenants that it (*please select the applicable box below*):

❑ (i)(a) is subscribing for the Limited Partnership Interests solely for its own account, own risk and own beneficial Limited Partnership Interests, (b) is not acting as an agent, representative, intermediary, nominee or in a similar capacity for any other person or entity, nominee account or beneficial owner, whether a natural person or Entity (as defined below) (each such natural person or Entity, an ("Underlying Beneficial Owner") and no Underlying Beneficial Owner will have a beneficial or economic interests in the Limited Partnership Interests being purchased by the Purchaser (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction), (c) if it is an entity, including without limitation, a fund of funds, trust, pension plan or any other entity that is not a natural person (each, an "Entity"), the Purchaser has carried out thorough due diligence as to, and established the identities of, all of such Entity's Related Persons (as defined below), holds the evidence of such identities, will maintain all such evidence for at least Five (5) years from the date of the completion of the liquidation of the Partnership and will make such information available to the Partnership upon its reasonable request, and (d) does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Limited Partnership Interests to any Underlying Beneficial Owner or any other person; or

❑ (ii)(a) is subscribing for the Limited Partnership Interests as a record owner and will not have a beneficial ownership Limited Partnership Interests in the Limited Partnership Interests, (b) is acting as an agent, representative, intermediary, nominee or in a similar capacity for one or more Underlying Beneficial Owners, and understands and acknowledges that the representations, warranties and agreements made in the Subscription Agreement are made by the Purchaser with respect to both the Purchaser and the Underlying Beneficial Owner(s), (c) has all requisite power and authority from the Underlying Beneficial Owner(s) to execute and perform the obligations under the Subscription Agreement, (d) has carried out thorough due diligence as to, and established the identities of, all Underlying Beneficial Owners (and, if an Underlying Beneficial Owner is not a natural person, the identities of such Underlying Beneficial Owner's Related Persons (to the extent applicable)), holds the evidence of such identities, will maintain all such evidence for at least Five (5) years from the date of the completion of the liquidation of the Partnership and will make such information available to the Partnership upon its reasonable request and (e) does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Limited Partnership Interests to any person other than the Underlying Beneficial Owner(s).

A "Related Person" means, with respect to any Entity, any investor, director, senior officer, trustee, beneficiary or grantor of such Entity; *provided* that in the case of an Entity that is a Publicly Traded Company (as defined below) or a Qualified Plan (as defined below), the term "Related Person" shall exclude the investors and beneficiaries of such Publicly Traded Company or such Qualified Plan.

A "Publicly Traded Company" is an Entity whose securities are listed on a national securities exchange or quoted on an automated quotation system in the U.S. or a wholly-owned subsidiary of such an Entity.

A "Qualified Plan" means a tax qualified pension or retirement plan in which at least One Hundred (100) employees participate and is maintained by an employer that is organized in the U.S. or is a U.S. Governmental Entity (as defined below).

A "Governmental Entity" means any government or any state, department or other political subdivision thereof, or any governmental body, agency, authority or instrumentality in any jurisdiction exercising executive, legislative, regulatory or administrative functions of or pertaining to government.

(B) The proposed investment by the Purchaser in the Partnership that is being made on its own behalf or, if applicable, on behalf of any Underlying Beneficial Owners does not directly or indirectly contravene United States federal, state, foreign, international or other laws or regulations, including without limitation, anti-money laundering laws (a "Prohibited Investment"). The funds invested by the Purchaser in the Partnership are not derived from illegal or illegitimate activities.

(C) Federal regulations and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control (collectively, "OFAC Laws and Regulations") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, persons, entities, organizations and individuals. The lists of OFAC prohibited countries, territories, persons, entities, organizations, and individuals can be found on the OFAC website at www.treas.gov/ofac. The Purchaser hereby represents and warrants that none of the Purchaser or any of its affiliates or any Underlying Beneficial Owner or Related Person (if applicable), is a country, territory, person, entity, organization or individual named on an OFAC list, nor is the Purchaser or any of its affiliates or any Underlying Beneficial Owner or Related Person (if applicable), a natural person or Entity with whom dealings are prohibited under any OFAC Law and Regulations.

(D) Neither the Purchaser nor any Underlying Beneficial Owner or Related Person (if applicable), is a foreign bank without a physical presence in any country, other than a foreign bank that (i) is an affiliate of a depositary institution, credit union or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable, and (ii) is subject to supervision by a banking authority in the country regulating such affiliated depositary institution, credit union or foreign bank. A foreign bank described in the preceding subclauses (i) and (ii) is referred to herein as a "Regulated Affiliate", and a foreign bank without a physical presence in any country that is not a Regulated Affiliate is referred to herein as a "Foreign Shell Bank".

(E) Except as otherwise disclosed to the General Partner in writing: (i) neither the Purchaser nor any Underlying Beneficial Owner or Related Person (if applicable), is resident in, or organized or chartered under the laws of (a) a jurisdiction that has been designated by the Secretary of the Treasury under Section 311 or 312 of the USA Patriot Act of 2001, as amended (the "Patriot Act") as warranting special measures due to money laundering concerns or (b) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering of which the United States is a member, and with which the United States representative to the applicable intergovernmental group or organization continues to concur with such designation as non-cooperative (a "Non-Cooperative Jurisdiction"); (ii) the subscription funds of the Purchaser and any Underlying Beneficial Owner or Related Person (if applicable), do not originate from, nor will they be routed through, an account maintained at (a) a Foreign Shell Bank, (b) a foreign bank (other than a Regulated Affiliate) that is barred, pursuant to its banking license, from conducting banking activities with the citizens of, or with the local currency of, the country that issued the license, or (c) a bank organized or chartered under the laws of a Non-Cooperative Jurisdiction; and (iii) neither the Purchaser nor any Underlying Beneficial Owner or Related Person (if applicable), is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, in each case, within the meaning of the Patriot Act.

(F) The Purchaser agrees promptly to notify the Partnership should the Purchaser become aware of any change in the information set forth in the preceding paragraphs (A) through (E) hereof. The Purchaser understands and agrees that, notwithstanding anything to the contrary contained in any document (including the Limited Partnership Agreement, any side letters or similar agreements), if, following the Purchaser's investment in the Partnership, the General Partner reasonably believes that the investment is or has become a Prohibited Investment or if otherwise required by law, the Partnership may be obligated to "freeze the account" of the Purchaser, either by prohibiting additional capital contributions, restricting any distributions and/or declining any requests to transfer the Purchaser's Limited Partnership Interests. In addition, in any such event, the Purchaser may forfeit its Limited Partnership Interests, may be forced to withdraw from the Partnership or may otherwise be subject to the remedies required by law, and the Purchaser shall have no claim against any Indemnified Person for any form of damages as a result of taking any of the actions described in this paragraph. The Partnership may also be required to report such action and disclose the Purchaser's identity or provide such other information with respect to the Purchaser to OFAC or other Governmental Entities.

(G) The Purchaser acknowledges and agrees that any distributions paid to it will be paid to the same account from which its investment in the Partnership was originally remitted which shall also be the account specified as the account from which payments will be made by the Purchaser to the Partnership and for distributions from the Partnership to the Purchaser in the Purchaser's Subscription Agreement, unless the General Partner, in its sole discretion, agrees otherwise.

(H) The Purchaser agrees to provide any information requested by the General Partner which the General Partner reasonably believes will enable the Partnership to comply with all applicable anti-money laundering statutes, rules, regulations, and policies, including any policies applicable to a portfolio entity held, or proposed to be

held, by the Partnership. The Purchaser understands and agrees that the Partnership may release confidential information about the Purchaser and any Underlying Beneficial Owner or Related Person (if applicable) to any person, if the General Partner, in its reasonable discretion, following consultation with its outside legal counsel, determines that such disclosure is in the best interests of the Partnership in light of relevant rules and regulations concerning Prohibited Investments; *provided* that prior to the release of any such confidential information, the General Partner shall, to the extent permitted by applicable law, promptly notify the Purchaser in writing so that the Purchaser may seek a protective order or other remedy. The General Partner will not oppose lawful action by the Purchaser to obtain a protective order or other relief to prevent disclosure of such confidential information or to obtain assurance that confidential treatment will be afforded to such confidential information, *provided* that such action will not, in the General Partner's reasonable judgment, cause a material adverse effect on the Partnership or any other Limited Partner. Any costs incurred by the Partnership or the Limited Partner, as the case may be, (including, without limitation, reasonable attorneys' fees and disbursements) as a result of any such action by the Purchaser shall be paid, or reimbursed to the Partnership or the General Partner, as the case may be, by the Purchaser.

RULE 506(D) AND (E) QUESTIONNAIRE

(*All Purchasers must complete this*)

To ensure that securities will be sold in compliance with Rule 506(d) of Regulation D, please check any box below that immediately follows a true statement. If Statements 1 through 9 do not apply to you, please check Statement 10 and sign below.

1. ❑ You have been convicted, within the past Ten (10) years, of a felony or misdemeanor:

   a) in connection with the purchase or sale of any security;

   b) involving the making of any false filing with the SEC; or

   c) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, Investment Adviser, or paid solicitor of purchasers of securities.

2. ❑ You are subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the past Five (5) years, that restrains or enjoins you from engaging or continuing to engage in any conduct or practice:

   a) in connection with the purchase or sale of any security;

   b) involving the making of any false filing with the SEC; or

   c) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, Investment Adviser or paid solicitor of purchasers of securities.

3. ❑ You are subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

   a) bars such Covered Person from (i) association with an entity regulated by such commission, authority, agency, or officer, (ii) engaging in the business of securities, insurance, or banking, or (iii) engaging in savings association or credit union activities; or

   b) constitutes a final order based on a violation of a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within the past Ten (10) years before the date hereof.

4. ❑ You are subject to an order of the SEC entered pursuant to Section 15(b) or 15B(c) of the Exchange Act or Section 203(e) or (f) of the Advisers Act that:

   a) suspends or revokes such Covered Person's registration as a broker, dealer, municipal securities dealer, or Investment Adviser;

   b) places limitations on such Covered Person's activities, functions, or operations; or

   c) bars such Covered Person from being associated with any entity or from participating in the offering of any penny stock.

5. ❑ You are subject to an order of the SEC entered within the past Five (5) years that orders you to cease and desist from committing or causing a violation or future violation of:

   a) any scienter-based anti-fraud provision of the federal securities laws, including without limitation Section 17(a)(1) of the Act, Section 10(b) of the Exchange Act and Rule 10b-5 under the Exchange Act, Section 15(c)(1) of the Exchange Act and Section 206(1) of the Advisers Act, or any other rule or regulation thereunder; or

   b) Section 5 of the Act.

6. ❑ You are suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for an act or omission to act constituting conduct inconsistent with just and equitable principles of trade.

7. ❑ You have filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the SEC that, within the past Five (5) years, was the subject of a refusal order, stop order or order suspending the Regulation A exemption, or is the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.

8. ❑ You are subject to a United States Postal Service false representation order entered within the past Five (5) years, or is subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

9. ❑ You are the subject of an ongoing proceeding, arbitration, action, indictment, or charge that, if resolved against you, could result in a checked box to any of the statements in Questions 1 through 8 of this Questionnaire.

10. ❑ NONE of the statements in Questions 1 through 9 above are applicable to you.

You hereby certify that your responses in this Questionnaire are true, correct, and complete as of the date noted below (the "Original Submission Date"). If you discover new information that would have caused you to change your responses in this Questionnaire as of the Original Submission Date OR if events occur thereafter that would cause you to change your responses in this Questionnaire as of any date following the Original Submission Date, you hereby agree to immediately notify the General Partner in writing of any such new information or event and provide such new information to the Managing General Partner. You hereby acknowledge that your information may be reported to the tax authorities of the country in which the Partnership is maintained and exchanged with the tax authorities of the country or countries in which you may be a tax resident, where those countries have entered into agreements to exchange tax information.

_____

Name of Purchaser

_____

Signature of Purchaser's Authorized Signatory

_____

Name and Title of Purchaser's Authorized Signatory

_____

Date

BENEFICIAL OWNERSHIP FORM

AND CERTIFICATION FOR TRUSTS, CORPORATIONS, LLC'S AND LP'S

To help the government fight financial crime, Federal regulation requires us (under Section 1020.230 of Title 31 of United States Code of Federal Regulations 31 CFR 1020.230) to collect and verify information about investors in this offering, which includes information about the beneficial owners that choose to invest in the name of a trust or other type of Legal Entity[1].

INSTRUCTIONS

This form should be completed by investors that are investing in the name of a trust or in the name of a corporation, limited liability company, limited partnership, or other type of Legal Entity.

- Trust investors should complete this form and then submit a copy of the Trust Certificate or Trust Documents.
- Corporate investors should complete this form and then submit a copy of the Corporate Resolution and active Secretary of State filing.
- LLC/LP investors should complete this form and then submit a copy of the Operating Agreement and active Secretary of State filing for the entity.

OWNERSHIP TYPE

CHOOSE TYPE OF OWNERSHIP (choose one):

❑ Revocable Trust ❑ Irrevocable Trust

❑ Limited Liability Company (LLC) ❑ Limited Partnership (LP) ❑ Corporation

❑ Other (describe): _____

AUTHORIZED SIGNOR INFORMATION

Provide the name of the person that is authorized to make this investment and sign on behalf of this trust or legal entity. If this investment decision is being made by a third-party Administrator (such as a Trust attorney or financial institution), provide the name and contact information of the Administrator.	
Provide Tax ID Number of this Trust or Legal Entity (Trust, Corp, LLC, LP or Corp)	
If Trust, provide the title of the Trust; or If Legal Entity, provide the name of the Legal Entity.	
If Trust, provide date of Trust Agreement	
If Trust, provide date of last amendment (if any)	

[1] For purposes of this form, a Legal Entity includes a corporation, LLC, or other entity that is created by a filing of a public document with the Secretary of State of similar office, a general partnership and any similar business entity formed in the United States of a foreign country. Does not include sole proprietorships, unincorporated associations of natural persons.

CONTROL INDIVIDUALS AND BENEFICIAL OWNERS

For trusts, provide the following information for each trustee and beneficial owner. For legal entities, provide information for each individual who either (a) has significant responsibility for managing the entity (e.g., CEO, COO, manager, general partner), or (b) owns 25% or more of the entity. If no one owns 25% or more, check the box below and complete the control individual information.

❑ Check here if there is no owner that owns more than 25% of equity interest in the entity.

Legal Name (Trustee or Beneficial Owner)	SSN	Date of Birth	Residential Address	Ownership % (if applicable)

❑ Any one listed beneficial owner may act independently and has full authority to make decisions on behalf of the entity, including but not limited to investment decisions, account instructions, and legal agreements.

❑ All listed beneficial owners must act jointly. No single owner is authorized to act independently on behalf of the entity. Any decisions or instructions must be made collectively and unanimously.

❑ A majority (more than 50%) of the listed beneficial owners are authorized to act on behalf of the entity. Decisions must be approved by a majority in ownership percentage or number of listed individuals.

ACKNOWLEDGMENT AND CERTIFICATION

By signing below, you certify and acknowledge the following:

- You are authorized to provide this information on behalf of the legal entity.
- All information is true, accurate, and complete.
- The SSN(s) and/or TIN(s) provided are correct (or are being obtained).
- Required identifying information (e.g., name, DOB, address, ID) for individuals and authorized persons is included.
- Beneficial owners and control persons are disclosed, per legal requirements.
- You will promptly notify Lukrom LLC of any changes.
- Failure to provide or verify information may result in delays, restrictions, or account closure. Lukrom is not liable for any resulting losses.
- You have provided the required formation documents for the entity type, as outlined in the instructions.

Signature	_____	Signature	_____
Full Name	_____	Full Name	_____
Date	_____	Date	_____
Title	_____	Tite	_____

EXHIBIT C

REAL ESTATE INVESTMENT TRUST PPM SUPPLEMENT

PRIVATE PLACEMENT MEMORANDUM DATED NOVEMBER 1, 2023

LUKROM REIT LLC

a Delaware limited liability company

Offering of 12% Cumulative Non-Voting Preferred Units

Pursuant to this Private Placement Memorandum, as supplemented by the Private Placement Memorandum of Lukrom iFund LP, a Delaware limited partnership, dated April 1, 2023 (together, the "Memorandum"), **Lukrom REIT LLC**, a Delaware limited liability company (the "Company"), is offering up to 125 Preferred Units (each a "Preferred Unit," or collectively, "Preferred Units") for $500 per unit to a select number of persons who are "accredited investors" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

The Preferred Units sold will not be registered under the Securities Act and will be subject to certain additional restrictions on transfer necessary to protect the Company's status as a Real Estate Investment Trust ("REIT"). Holders of the Preferred Units are only entitled to limited voting rights, as set forth below and consequently are not entitled to participate in or otherwise direct the management of the Company, nor will such holders be entitled to participate in any appreciation in the value of the Company.

The Preferred Units will be offered for a period commencing as of the date of this Memorandum and ending on the close of business on January 30, 2024. To subscribe for Preferred Units, prospective investors must complete, execute, and deliver the following:

1. One executed copy of the Subscription Agreement;

2. Payment for the subscribed Preferred Units in the form of a personal check, certified check, cashier's or bank check, wire transfer or money order, payable to "US Bank N.A.- Escrow Agent;" and

3. Deliver the subscription documents and payment to:

REIT Funding, LLC
1175 Peachtree Street, NE, Suite 2200
Atlanta, Georgia 30361-6206
Attention: C. Scott Harrison

The Subscription Agreement contains certain representations and warranties to be made by each prospective investor. The Company reserves the right to reject any Subscription Agreement in whole or in part. An investor may not revoke their Subscription Agreement after submission to the Company.

Description of Preferred Units

Priority. Each holder of a Preferred Unit is entitled to a liquidation preference of $500 per Preferred Unit (the "Liquidation Value"), plus additional amounts described under the caption "*Liquidation*" below. With respect to distributions, including the distribution of the Company's assets upon dissolution, liquidation, or winding up, the Preferred Units will be senior to all other classes and/or series of units, whether such class or series is now existing or is created in the future, to the extent of the aggregate Liquidation Value and all accrued but unpaid distributions and any applicable redemption premium on the Preferred Units. Holders of the Preferred Units will not, however, participate in any appreciation in the value of the Company.

Preferred Return. Distribution of Preferred Returns to Preferred Unit holders accrue on a daily basis at a rate of 12% per annum of the sum of the Liquidation Value thereof plus all accumulated and unpaid distributions thereon, from and including the date of issuance to and including the earlier of (1) the date of any liquidation, dissolution, or winding up of the Company or (2) the date on which such Preferred Unit is redeemed. Distributions will accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Company legally available for the payment of distributions. Except as otherwise provided herein, such distributions shall be cumulative such that all accrued and unpaid distributions shall be fully paid or declared with funds irrevocably set apart for payment for all past distribution periods before any distribution or payment may be made to holders of any other outstanding class or series of Units or to holders of outstanding Common Units. If at any time the Company pays less than the total amount of distributions then accrued with respect to the Preferred Units, such payment will be distributed ratably among the holders of the Preferred Units on the basis of the number of Preferred Units owned by each such holder. Distributions to Preferred Unit holders will be payable semiannually on June 30 and December 31 of each year. The first distribution on the Preferred Units may be for less than an entire half year. This distribution and other distributions payable on Preferred Units for any other partial period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company will pay distributions to holders of record as they appear in the Company's Unit transfer records at the close of business as of June 15 and December 15 of each year.

Voting. The holders of Preferred Units will not be entitled to vote for the election of managers or on any other matters, except the consent of the holders of a majority of the outstanding Preferred Units (excluding any Preferred Units owned by any holder controlling, controlled by, or under common control with, the Company), voting as a separate class, shall be required for (a) authorization or issuance of any equity security senior to or on a parity with the Preferred Units, (b) any amendment to the Company's organizational documents which has a material adverse effect on the rights and preferences of the Preferred Units or increases the number of authorized Preferred Units, or (c) any reclassification of the Preferred Units.

Redemption. The outstanding Preferred Units are subject to redemption at any time by notice of redemption on a date selected by the Company for redemption (the "Redemption Date"). If the Company elects to cause the redemption of the Preferred Units, each Preferred Unit will be redeemed for a price, payable in cash on the Redemption Date, equal to 100% of such Preferred Unit's Liquidation Value, plus all accrued and unpaid distributions as of the Redemption Date, plus a redemption premium as follows: (1) until December 31, 2025, $50; and (2) thereafter, no redemption premium. From and after the close of business on the Redemption Date, all distributions on the outstanding Preferred Units will cease to accrue, such Preferred Units will no longer be deemed to be outstanding, and all rights of the holders of such Preferred Units (except the right to receive the redemption price for such Preferred Units from the Company) will cease.

Liquidation. In the event of any dissolution, liquidation, or winding up, the holders of Preferred Units will be entitled to receive *pro rata* in cash out of the assets of the Company available therefrom, before any distribution of the assets may be made to the holders of Common Units, an amount equal to the Liquidation Value, plus any cumulative distributions (and any interest thereon), plus, if applicable, the redemption premium described above. Upon payment of such amount, the holders of Preferred Units will have no other rights or claims to any of the remaining assets of the Company either upon distribution of such assets or upon dissolution, liquidation, or winding up. A consolidation or merger of the Company with one or more entities, a sale or transfer of all or substantially all of the Company's assets, or a statutory membership interest exchange shall not be deemed a dissolution, liquidation, or winding up of the Company.

Conversion. The Preferred Units are not convertible into any other class or series of units.

Transfer restrictions. The Preferred Units offered hereby have not been, and will not be, registered (or qualified) under the Securities Act in reliance on the exemption provided by Section 4(a)(2) thereof and Rule 506 promulgated thereunder. Therefore, these securities are "restricted securities" for purposes of the Securities Act. Accordingly, the Preferred Units may not be offered, sold, transferred or delivered, directly or indirectly, unless (i) such Preferred Units are registered under the Securities Act and any other applicable state securities laws, or (ii) an exemption from registration under the Securities Act and any other applicable state securities laws is available. The investors will have no rights to require registration of Preferred Units under the Securities Act or other applicable securities laws and registration of the securities by the Company is not presently contemplated.

THE FUND AND ITS SPONSOR

Lukrom iFund LP, a Delaware limited partnership (the "Fund"), is the sole holder of common units ("Common Units") of the Company. The Fund is managed by Lukrom Capital LLC, a Delaware limited liability company ("General Partner," "Manager" or "Sponsor"). The General Partner also manages the Company. The principals of the General Partner have substantial prior experience in the real estate and mortgage industry. These principals are as follows:

Thomas McPherson, Principal & CEO, Lukrom Capital LLC

A real estate entrepreneur and U.S. Navy veteran, Thomas enjoys engaging in visionary work with diverse teams to solve challenging problems. While serving in the Navy, Thomas earned his Surface Warfare and Fleet Marine Force Warfare designations and completed extensive combat medical training as an FMF Corpsman. He learned how to heal the human body, and now through leadership, he seeks to heal our communities and the planet. Mr. McPherson began his real estate career as a broker with Sperry Van Ness, winning their National Rookie of the Year Award in 2010. He then moved to Hendricks & Partners (now Berkadia), the premier multifamily brokerage firm in the US.

In 2012, Thomas founded Fenix Private Capital Group LLC to focus on improving underperforming real estate assets throughout Arizona. At Fenix, Thomas participated in purchasing and repositioning value-add multifamily, office, retail, and industrial properties across Arizona. This was accomplished by purchasing properties via short-sale, auction, REO, or conventional sales using personal capital, private lenders, banks, and raising equity. In addition to purchasing real property, Thomas began buying distressed debt in 2011, buying nonperforming loans (NPLs) from national, regional, and community banks along with private parties.

Recognizing a need for leadership in sustainable development, Thomas positioned Fenix PCG to be a pioneer development company of highly sustainable mixed-use real estate in urban cores. Partnering with Habitat Metro, Thomas has since developed the 70-unit mixed-use property Eco PHX in downtown Phoenix and Eco Mesa, the 102-unit mixed-use property in downtown Mesa. Fenix and Habitat Metro continue to develop their Eco branded and highly sustainable multifamily projects in the Phoenix area.

In 2019, Thomas noted real estate prices were eclipsing pricing records set before the Great Recession. Sensing an opportunity to help borrowers, lenders, and investors if (and when) the market corrected, he co-founded DO Income Fund, a distressed debt fund that purchases underperforming and nonperforming loans originated by private lenders across the country. Since then, Thomas and his team have transacted on hundreds of loans from Washington to Florida across a broad spectrum of property types.

Thomas has numerous passions outside of work, primarily spending time with his wife and two children. When not working or with his family, you can find Thomas going for a run, reading a book, planting trees

or veggies in the garden, hiking, SCUBA diving, or practicing yoga. Thomas is also a licensed pilot and enjoys taking people for a flight across the Grand Canyon or up the New England coast, where Thomas and his family spend parts of the summer.

Thomas and his wife founded Madre Tierra Foundation to help fund educational programs and reforestation projects. To date, MTF has helped seed two schools (one in Sedona, AZ, and another in Costa Rica) along with reforesting approximately 200 acres of land previously used for cattle farming.

Matt Campbell, COO, Lukrom Capital LLC

Matt Campbell is a serial entrepreneur, starting successful companies in both the clean energy sector and commercial product space. Matt first discovered his entrepreneurial spirit and talent for problem solving through innovation while attending the University of Arizona where he received an undergraduate degree in Molecular and Cellular Biology and later an MBA. Recognizing the need for clean emission vehicles, Matt started Campbell-Parnell, a company that specializes in EPA-Certified alternative fuel conversion systems for gasoline vehicles, with his father, Tom Campbell. Over the last 20 years of operations, that company is responsible for displacing millions of gallons of gasoline and diesel with cleaner burning alternative fuel and is living up to its motto of "Embracing a Cleaner America."

Matt is also listed on numerous patents including the intellectual property behind the company and product called BottleKeeper. As the Co-Founder and President of BottleKeeper, he grew the company from an idea to an eight-figure business, was featured on Shark Tank, made the Inc 5000 list as one of the fastest growing companies in 2019, and ultimately oversaw the successful sale of the company in 2021.

Matt is an active member and board member of Executive Council 70, a charitable group of professionals that volunteer and fundraise for local charities that impact at-risk Arizona youth. He currently resides in Scottsdale, Arizona. When he is not spending time with family and friends, he enjoys watching and playing sports, solving puzzles, and traveling.

Joe Morgan, Director of Administration, Lukrom Capital LLC

Joe Morgan was born and raised in Phoenix, Arizona where he attended Arizona State University receiving degrees in Biology and Information Technology.

Joe began his real estate career with Hendricks & Partners (now Berkadia) in 2000 as a research associate playing an essential part in the company's periodic demographic & market reports. Late 2003 Joe relocated to the San Francisco area to help grow the Oakland office for H&P. While in California, Joe obtained his California real estate sales license and worked alongside top performing agents to generate over $100 million in yearly multifamily transactions. After three years in the bay area Joe moved back to Phoenix to oversee the marketing efforts of H&P's Arizona, California, and Texas regions.

In 2010, Joe joined a team of high producing multifamily brokers at Sperry Van Ness. While at SVN, Joe researched and tracked property foreclosures, REOs, note and CMBS sales. He assisted in the underwriting of distressed and non-distressed assets for tailored marketing proposals, valuations, and investment sales memorandums. He was a vital part in the execution of property marketing campaigns via email, print, website, and social media. Joe also designed and managed the company website.

Fueled by his desire to learn the principal side of real estate, Joe joined Fenix Private Capital Group in 2013. At Fenix, Joe participated in the acquisition, improvement, rebranding, management, and disposition of multifamily, office, industrial and retail properties across Arizona. In addition to his work related to real

property, Joe assisted in the analysis and purchasing of nonperforming loans from private lenders, local, regional & national banks, as well as individual note holders.

In 2021, Joe joined the Fenix/Habitat Metro development team to participate in the development of highly sustainable mixed-use projects in urban cores. Joe has since supported the Habitat Fenix team in the construction of the 70-unit mixed-use property ECO PHX in downtown Phoenix and ECO MESA, a 102-unit mixed-use property in downtown Mesa. The Habitat Fenix team continues to develop new highly sustainable ECO branded multifamily projects in the Phoenix area.

Joe possesses his Arizona Real Estate Brokerage License. In his free time, he enjoys traveling and hiking with his wife & daughter along with playing racquetball, softball, and swimming. Joe and his wife co-founded A Circle Together Foundation, established to help provide the most essential needs for foster children, individuals, and families throughout the Arizona Foster Care System.

Mitch Pfingsten, Director of Investor Relations, Lukrom Capital LLC

Mitch Pfingsten has been working in the financial services industry since 2016. Mitch grew up in Fairmont, Minnesota where his love for sports and the outdoors began. He spent countless hours playing basketball, baseball, football, and golf. He also grew up hunting and fishing, always enjoying his time outdoors. Mitch attended college at Grand View University in Des Moines, Iowa where he majored in Finance and played on the collegiate golf team. Mitch was a Two Time All American and his team won the NAIA National Championship in 2017. In the summer of 2017, he took an internship with Bank Midwest Wealth Management learning about the operations of their financial advisory firm.

After graduation Mitch took a position at Central States Capital Markets where he received his Series 7 and 66 licenses. Mitch received firsthand experience in many types of fixed income securities ranging from municipal bonds to blue chip corporate debt. During his tenure at CSCM Mitch developed a deep understanding of debt markets, including the cause-effect relationship the Federal Reserve has with the open markets. Mitch has been a licensed Mortgage Loan Originator (MLO) since 202 and started his own company in 2021 buying mortgage loans where he currently manages a $10 million portfolio of loans secured by real estate.

Mitch and his wife, Ellie, moved to Phoenix, Arizona in 2020. Since that move They have established a home in central Phoenix where they live with their black lab, Luna.

Mitch enjoys spending time with his wife and traveling to visit family in Minnesota. His hobbies include golfing, playing basketball, reading, hiking, and studying financial markets. Mitch has been a coach for many young athletes in his hometown. He has served his community through church outreach, both at Grace Lutheran Church in MN and Christ Lutheran Church in AZ, along with packing meals for Kids Against Hunger.

Mitch enjoys meeting new people and being of service in a multitude of situations, professionally, personally, or in the communities he cares so much about.

Mike Susi, Director of Lending, Lukrom Capital LLC

Mike Susi was born and raised in Portland, Maine. He attended Lasell College in Newton, Massachusetts, graduating in 2019 with a bachelor's degree in Fitness Management. While attending Lasell, his interest in real estate grew, and he began networking with professionals in the industry. Immediately after graduation, Mike found his way into private lending. Mike quickly began building and managing a portfolio of

performing, short-term private lender loans secured by real estate in Maine, New Hampshire, and Massachusetts.

Mike was responsible for the portfolio management for the small private lending firm he worked for, managing approximately $10 million at any given time. Mike's experience managing a portfolio of private loans provided him with knowledge of numerous aspects of the private lending business. Mike has originated loans for the purpose of new construction, hospitality repositioning, condo conversions, residential fix & flips, along with commercial and multifamily value-add projects. The wide array of different loan types and purposes Mike has worked on has given him invaluable experience underwriting potential new investments across a variety of product types.

Through his time in private lending, Mike has been diligent in his underwriting, understanding of the characteristics of a good borrower and good collateral, and importantly, his presence and communication with borrowers throughout the loan term. This has resulted in the fortunate result of not having to foreclose on a borrower or take a property back as an REO. Mike hopes to continue this experience into the future as long as possible.

In addition to his private lending experience, Mike has purchased and sold investment property of his own and is a principal in two apartment complex deals located in Georgia, totaling 63 residential apartments. These two projects are similar in nature, and were purchased in poor condition, in need of repair and repositioning. Mike's role in these deals has consisted of organization of financing, financial modeling, deal structure (investor and debt), and creation of the value-add business plan and implementation of the business plan in conjunction with his property manager. He has also consulted on the acquisition of one other similar residential apartment complex purchase. This "hands-on" experience and management of such deals allows him to look at deals from a perspective different than many lenders and loan brokers, offering additional value to our clients.

In his free time, Mike enjoys playing golf, mountain biking, boxing, and checking out new hiking spots.

Fund Business

The Fund has been organized to conduct the following business: to make, purchase, originate, fund, acquire, and/or otherwise sell loans secured by interests in real or personal property throughout United States. The Fund may also manage, remodel, repair, lease, and/or sell real properties acquired through the Fund's lending activities, including but not limited to, properties acquired through foreclosure and real estate owned ("REOs"). It is presently anticipated that the lending activities and/or property acquisitions may occur either at the parent or subsidiary-level. In the event the Fund engages in such activities, the Fund intends to assign, sell, and/or otherwise transfer its loans and/or properties to the Company.

Separately from the offering of Preferred Units pursuant to this Memorandum, the Fund is offering to other investors (the "Fund Offering") an opportunity to purchase one of four classes of limited partnership interests. In particular, the four classes of Limited Partnership Interests shall be identified as "Class A Interests," "Class B Interests," "Class C Interests," and "Class D Interests." The maximum aggregate amount ("Maximum Offering Amount") of the Fund's offering is $250,000,000. The minimum investment amount (the "Minimum Investment Amount") per investor for Class A Interests is $250,000, $1,000,000 for Class B Interests, $5,000,000 for class C Interests and $0 for Class D Interests.

The Fund is an open-ended fund with no set end date. The Fund Offering will continue until (1) it is terminated by the Fund or (2) the Fund has raised the Maximum Offering Amount. At such time, the Fund Offering will be deemed closed. The Fund may, at its sole and absolute discretion, at any time during the

period of the Fund Offering, increase or decrease the Minimum Investment Amount or the Maximum Offering Amount.

Investor Capital Contribution

Capital contributions from Investors purchasing Preferred Units will be available for use by the Company immediately upon acceptance of the Investor's Subscription Agreement and admission to the Company as a Member. The Company intends to use the proceeds from the offering of Preferred Units for general working capital purposes.

Financials / Key Metrics

The first audit will be completed after the end of the year 2023. The Fund has raised $5,120,000 since its inception.

As of October 25, 2023, the Fund's financials are as follows:

- The Fund held cash and cash equivalents in the amount of $50,000.
- Total Fund assets were $5,250,000.
- The Fund's total liabilities were $0.
- Limited Partners' total equity was $5,250,000.

In addition, the total dollar amount of distributions made to the Fund's limited partners was $154,952.26. The Fund held a total of 12 loans, all of which were held through the Company, in the following manner:

- 100% of loans were in first lien position
- 83% Single Family Residential
- 17% Land
- 0 delinquent loans

The aggregate dollar amount of mortgage loans receivable was $4,649,750 (broken down as follows: $4,623,750 principal and $26,000 interest). The weighted average interest rate of the Fund loans outstanding is 12.01%. The current range of interest rates is between 12% and 13%. The average Loan term is 12 months. The term of loans range from 9 to 18 months. The weighted average loan-to-value ratio of Fund loans is 57%. The anticipated leverage ratio of the Fund is 0%.

LENDING STANDARDS AND POLICIES

General Standards for Loans

The Fund will originate, acquire, make, fund, purchase, and/or otherwise sell loans secured by interests in real or personal property. The Fund may also manage, remodel, repair, lease, and/or sell real properties acquired through the Fund's lending activities, including but not limited to, properties acquired through foreclosure and REOs. The Fund's loans will not be guaranteed by any governmental agency or private entity, but may be guaranteed by Limited Partners, shareholders, Affiliates, and/or associates of the underlying borrowers. The Fund will select loans according to the standards provided below.

1. Lien Priority. Loans will primarily be secured by senior deeds of trust or mortgages that are first lien positions. The Fund may also fund loans secured by (a) second, junior, deeds of trust or mortgages, (b) a pledge of the ownership interest in the borrowing entity ("Mezzanine Loans"), or (c) a

preferred equity interest in the borrowing entity ("Preferred Equity"), provided that the aggregate loan-to-value ratios in Section 2 below are met.

2. Loan-to-Value Ratio. A loan from the Fund and/or the Company will generally not exceed the loan-to-value ("Loan-to-Value" or "LTV") percentage ratios set forth below. The Loan-to-Value ratio is calculated by taking the amount of the Fund's loan combined with the amount of any senior outstanding debt secured by other liens on the property loan, dividing that by the value of the real property securing the deed of trust or mortgage and multiplying that figure by 100 to come to a percentage. "Value" shall be determined by an independent certified appraiser or non-certified appraiser doing an appraisal on the real property or the General Partner or commercial or residential real estate broker giving its opinion of the as-is value or after-repair value of the real property. Notwithstanding the foregoing, the Fund and/or the Company may exceed the below stated Loan-to-Value ratios if the General Partner determines in its sole business judgment that a higher loan amount is warranted by the circumstances of that particular loan, such as being able to secure multiple properties, called "cross-collateralization," personal guaranties, prior loan history with the borrower, market conditions, if mortgage insurance is obtained, or other compensating factors that would support the General partner in making its decision in the best interests of the Fund and/or the Company. Additionally, the Fund and/or Company will generally not exceed a loan-to-cost ("Loan-to-Cost" or "LTC") percentage ratio on any loan, regardless of real property/loan type, of 80%. The LTC ratio is calculated by taking the amount of the Fund's loan combined with the amount of any senior outstanding debt secured by other liens on the property, and dividing that total amount by the value of the borrower's Cost Basis in the real property securing the deed of trust or mortgage, and multiplying that figure by One Hundred (100) to come to a percentage. "Cost" or "Cost Basis" shall refer to the borrower's aggregate total of all expenditures relating to the secured property that have been approved by the General Partner. For purposes of illustration, this may include purchase price, commissions, cost of improvements, financing costs, design and permit fees, and other similar expenditures.

Type of Real Property Securing Loan/ Loan Type	Target and Maximum LTV Ratios
Non-Owner-Occupied Single Family Residential	Target: <70%; Maximum: 80%
Multi-Family Properties[1]	Target: <70%; Maximum: 80%
Commercial[2]	Target: <60%; Maximum: 75%
Construction loans[3]	Target: <60%; Maximum: 70%
Unimproved Land	Target: 50%; Maximum: 70%

1. Multi-family includes apartments, manufactured housing, student housing, short term multifamily housing, and senior apartments.
2. Commercial includes retail, office, industrial, self-storage, and specialized commercial properties (e.g., churches, synagogues, etc., if alternative use is viable).
3. Determined on "as completed" or "after repair" value ("ARV").

Upon analysis in approximately 24 months, the General Partner (as the manager of the Company) may re-evaluate the portfolio and Loan-to-Value ratio maximums set by the Fund and/or the Company and revise the Loan-to-Value ratio maximums at that time if it considers it to be in the best interests of the Company (and the Fund). The General Partner will inform Limited Partners of the new Loan-to-Value ratios when and if the General Partner re-evaluates them.

In general, the Fund and/or the Company will seek to maintain a weighted Loan-to-Value ratio for the Fund of approximately 65%, provided that the maximum Loan-to-Value ratio for the Fund and/or the Company shall not exceed 80%, unless the General Partner determines in its sole discretion that it is in the best interests of the Fund and/or the Company to exceed such ratio in any single or multiple instances.

The foregoing Loan-to-Value ratios do not apply to purchase-money financing offered by the Company. An example of these types of loans is real estate owned by the Company whereby the Company decides to sell the property and carry back a loan on the property to make it cash flow positive.

3. Terms of Fund Loans. The terms of the Fund loans will vary. Loans can generally have terms as short as 6 months to as long as 24 months. A loan may, however, be shorter in term or exceed the foregoing terms, if the General Partner believes, in its sole and absolute discretion, that the loan is in the best interests of the Fund and/or the Company. Many loans that the Fund and/or the Company will originate or acquire may provide for interest-only payments followed by a balloon payment at the end of the term. For risk-hedging purposes, borrowers may be required to make principal and interest payments. At the end of the term, the Fund will require the borrower to pay the loan in full, to refinance the loan, or to sell the real property to pay back the loan. The Fund and/or the Company may allow 6 to 24 months extension for a fee paid by Fund borrowers. Finally, the Fund and/or the Company may also charge exit fees on Loans, based on the existing Loan balance at maturity. These exit fees may range from 0% to 10% of the remaining loan balance at maturity.

4. Title Insurance. Satisfactory title insurance coverage will generally be obtained for all loans and will usually be paid by the borrower. The title insurance policy will name the Fund and/or the Company as the insured and provide title insurance in an amount not less than the principal amount of the loan unless there are multiple forms of security for the loan, in which case the General Partner shall use its sole business judgment in determining whether, and to what extent, title insurance shall be required. Title insurance insures only the validity and priority of the Fund's deed of trust or mortgage, and does not insure the Fund and/or the Company against loss from other causes, such as diminution in the value of the secured property, loan defaults, and other such losses.

5. Fire and Casualty Insurance. Satisfactory fire and casualty insurance will generally be obtained for all improved real property loans, which insurance will name the Fund and/or the Company as its loss payee in the amount equal to the improvements on the real property.

6. Mortgage Insurance. The General Partner does not intend to, but may, if the property otherwise qualifies, arrange for mortgage insurance, which would afford some protection against loss, if the Fund and/or the Company foreclosed on a loan and there existed insufficient equity in the security property to repay all sums owed.

7. Acquiring Loans from Other Lenders. In the event the Fund acquires loans from other lenders, the Fund and/or the Company will receive assignments of all beneficial interest in any loans purchased.

8. Purchase of Loans from Affiliates. The Fund and/or the Company may purchase loans from the General Partner or affiliates, so long as it meets the lending requirements set forth above.

9. Fractionalized Interests. The Fund and/or the Company may also invest in fractionalized interests in promissory notes secured by real property with other lenders (including other entities organized by the General Partner), by providing funds for, or by purchasing a fractional undivided interest in, a first position loan that meets the requirements set forth above.

10. Non-Performing Loans. The Fund and/or the Company may, when commercially reasonable, purchase, take back, receive, or otherwise acquire non-performing loans secured by real property located throughout the United States ("Nonperforming Notes" or "NPNs"). Nonperforming Notes are typically loans that are in default, behind in payments, or secured by properties that have little-to-no-equity remaining due to devaluation or excessive leverage. The Fund's primary intent, as it pertains to

Nonperforming Notes, is to acquire the Nonperforming Notes at a discount, and subsequently refinance, modify, or otherwise reform the Nonperforming Notes to become performing Notes. Alternatively, the Fund and/or the Company may also foreclose and/or acquire the properties securing the Nonperforming Notes, using the general standards and criteria set forth below. The Fund and/or the Company will use an opportunistic investment strategy to identify and invest in Nonperforming Notes, unless the General Partner, in its sole and absolute discretion, determines it is no longer in the best interests of the Fund and/or the Company.

11. Equity Participation and Mezzanine Positions. The Fund and/or the Company may fund Mezzanine loans as an alternative to loans secured by real property. Generally, a Mezzanine loan is a type of subordinate real estate financing that is secured by a pledge of 100% of the equity ownership interests in the entity that owns the real property. The Fund may also make loans where it agrees to participate in the equity of the property securing the loan made by the Fund. Such equity participation may include, but is not limited to, sharing in the proceeds from the sale price of the property or properties securing the loan, or including additional exit fees upon loan repayment.

12. Sale of Loans. The Fund may invest in loans for the purpose of reselling such loans in the course of business. The Fund may sell loans, or fractional interests in such loans, when the General Partner determines (in its sole and absolute discretion) that it appears to be advantageous for the Fund and/or the Company to do so, based upon the current interest rates, the length of time that the loan has been held by the Fund and/or the Company and the overall investment objectives of the Fund and/or the Company.

13. Diversification of the Fund's Capital in Loans. After the Fund has $20,000,000 in capital, no loan originated or acquired by the Fund shall exceed 20% of the total Fund capital at the time of the loan. A loan may exceed the foregoing percentage if the General Partner believes, in its sole and absolute discretion, that the loan is in the best interest of the Fund.

14. Property Acquisition. Properties acquired by the Fund and/or the Company will be acquired through the Fund's and/or the Company's lending activities, including, but not limited to, properties acquired as a result of a borrower defaulting on a loan. The Fund and/or the Company may establish limited liability companies that are wholly-owned subsidiaries of the Fund and/or the Company to own and hold title of a property that the Fund and/or the Company has acquired and intends to improve, rent, and/or sell. These wholly-owned subsidiaries will be single-purpose entities ("SPE") created solely for the purpose of owning, improving, renting, and/or selling the properties the Fund and/or the Company acquires. The General Partner (or an affiliate) shall serve as the sole manager of these SPEs.

Credit Evaluations

The General Partner will consider the income level and general creditworthiness of a borrower to determine its ability to repay the loan according to its terms in addition to considering the loan-to-value ratios described above, and secondary sources of security for repayment. The Fund and/or the Company may acquire loans made to borrowers who are in default under other obligations (e.g., to consolidate their debts), or who do not have sources of income that would be sufficient to qualify for loans from other lenders, such as banks or savings and loan associations.

Loan Servicing

It is presently anticipated that all Fund and/or the Company loans will be serviced (i.e., loan payments collected and other services relating to the loan) by Lukrom Mortgage. Notwithstanding the foregoing, at its sole election, the General Partner may choose to service the Fund and/or the Company loans itself, appoint another affiliate, or retain the services of a third-party loan servicer at any time for any reason (or

no reason). The Servicer may be compensated by the borrowers and/or Fund for such loan servicing activities, as agreed upon by the General Partner and Servicer, prior to the payment of the preferred return. To the extent applicable, the General Partner will oversee the activities and performance of the Servicer.

Borrowers will make loan payments in arrears (i.e., with respect to the preceding month) and will be instructed to send their loan payments either to the General Partner or to the Servicer (as applicable) for deposit in the respective party's trust account.

Leveraging the Fund or the Company / Borrowing / Note Hypothecation

The Fund and/or the Company may borrow funds for the purpose of making and purchasing loans and may assign all or a portion of its loans as security for such loans. The Fund and/or the Company anticipates engaging in this type of transaction when the interest rate at which the Fund and/or the Company can borrow funds is significantly less than the rate that can be earned by the Fund and/or the Company when using those funds to make or acquire loans, giving the Fund the opportunity to earn a profit as a "spread." For purposes of illustration, these transactions will typically be loans secured by one or a series of loans belonging to the Fund. Such a transaction involves certain elements of risk and entails possible adverse tax consequences.

The Fund and/or the Company may also, in its sole discretion, elect, employ leverage, and borrow funds from third-party lenders, investors, and/or financial institutions to finance the Fund's investments in loans. Leverage usually involves a third-party loan in which the Fund's and/or the Company's entire asset portfolio is provided as security to the lender for such loan(s).

Management Compensation

The Manager and/or the Fund will earn various forms of compensation and/or income from the Company as set forth in the Company's Operating Agreement. (See "Limited Liability Company Operating Agreement of Lukrom REIT LLC").

Risk Factors

The Risk Factors below are intended to add to and be included with the "Risk Factors" section of the Memorandum. It does not update any information except as specifically described herein. To the extent, and only to the extent, the information contained below conflicts the information contained in the Memorandum, the information contained herein will supersede such prior information. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Memorandum.

Risk Factors Related to Real Estate Investment Trusts

Tax Risks Related to a REIT

When the Company elects to be treated as a REIT under the Code, the Company must comply with various requirements to maintain its REIT qualification. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Even a technical or inadvertent mistake may jeopardize REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, may make it more difficult or impossible for to maintain the status of a REIT. If the REIT fails to qualify as a REIT in any tax year, then:

- the REIT would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to its members in computing taxable income and being subject to federal income tax on its taxable income at regular corporate rates;

- unless the REIT is entitled to relief under applicable statutory provisions, it would be required to pay taxes, and thus, its cash available for distribution to members would be substantially reduced for each of the years in which the REIT did not qualify as a REIT; and

- the REIT may be disqualified from re-electing REIT status for the four taxable years following its disqualification as a REIT.

Loss of Investment Opportunities as a REIT

In order to qualify as a REIT for federal income tax purposes, the REIT must continuously satisfy tests concerning, among other things, its sources of income, the nature and diversification of its investments in commercial real estate and related assets, the amounts it distributes to its members and the ownership of its membership interests. A REIT may also be required to make distributions to its members at disadvantageous times or when it does not have funds readily available for distribution to maintain its qualification. The REIT provisions of the Code may limit the Company's ability to hedge its financial assets and related borrowings. Thus, compliance with REIT requirements may hinder the Company's ability to operate with the sole objective of maximizing profits.

REIT Compliance Risks

In order to qualify as a REIT, the Company must ensure at the end of each calendar quarter that at least 75% of the value of the Company’s assets consist of cash, cash items, government securities and qualified REIT real estate assets. The remainder of the Company’s investment in securities cannot include more than 10% of the outstanding voting securities of any one issuer or 10% of the total value of the outstanding securities of any one issuer. In addition, no more than 5% of the value of the Company’s assets may consist of the securities of any one issuer. If the Company fails to comply with these requirements, it must dispose of a portion of its assets within 30 days following the end of the calendar quarter to avoid losing its REIT status and suffering adverse tax consequences.

REIT Income and Non-U.S. Members

Distributions made by a REIT that are attributable to gains from U.S. real property sales (other than those conducted through a taxable REIT subsidiary (“TRS”)) will give rise to income that is effectively connected to a U.S. trade or business (“ECI”) for Non-U.S. Members. In addition, while there can be no assurance in this regard, a REIT may be "domestically controlled" for purposes of the Foreign Investment in Real Property Tax Act of 1980, as amended (“FIRPTA”). If a REIT is in fact "domestically controlled" for FIRPTA purposes, a sale by the Company of its interest in a REIT Subsidiary would not give rise to ECI for Non-U.S. Members. However, if a REIT Subsidiary is not "domestically controlled," such a sale would generate ECI. Prospective investors should consult their tax advisors regarding the application of the rules regarding ECI to an investment in other companies, including a parallel company.

Non-U.S. Members and Investment Structure

If the Company engages in property disposition or other activities likely to produce ECI, the Manager will use commercially reasonable efforts to provide Non-U.S. Members with prior notice and the opportunity to transfer their interests in the Company to a taxable U.S. corporation. Non-U.S. Members should expect

the returns earned on their investment to be materially impacted if they elect to hold their interest in the Company indirectly through a blocker corporation or transfer their interest to a taxable U.S. corporation.

Investing in a Taxable REIT Subsidiary

To qualify as a REIT, a REIT Subsidiary must continually satisfy various tests regarding the sources of its income, the nature and diversification of its assets, the amounts distributed to its members and the ownership of its units of beneficial interest. To meet these tests, a REIT Subsidiary may be required to forego investments it might otherwise make or be required to hold certain investments through a TRS. Any TRS is subject to U.S. federal income tax and any applicable state and local tax. Thus, compliance with REIT requirements may hinder the investment performance of a REIT Subsidiary, and in turn, the Company.

REIT Funding, LLC

The Preferred Units being offered pursuant to this Memorandum will be offered on an "all or nothing" basis with respect to the first 110 Preferred Units and on a "best efforts" basis as to the remaining 15 Preferred Units through H & L Equities, LLC or such other registered broker-dealers as may be selected by REIT Funding, LLC. In exchange for providing such services, the Company will pay a fee of $12,500 to REIT Funding, LLC (and will reimburse REIT Funding, LLC for certain expenses). From this fee, REIT Funding, LLC will be responsible for paying any brokerage or placement fees (expected to be approximately $3,125). The Company will also pay REIT Administration, LLC, an affiliate of REIT Funding, LLC, an initial fee of $1,000 and an annual fee of $9,000 for its administrative services related to the Preferred Units.

THIS INFORMATION SUPPLEMENTS, AND TO THE EXTENT INCONSISTENT THEREWITH, REPLACES, THE INFORMATION CONTAINED IN THE PRIVATE PLACEMENT MEMORANDUM FOR THE FUND DATED APRIL 1, 2023.