

# **COLLATERALIZED DEBT FUND I, LLC**

## **CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

### **CLASS N SECURED NOTES**

**Total Offering -- \$50,000,000**

Collateralized Debt Fund I, LLC, a Delaware limited liability company (“CDF I” or the “Company”), hereby offers its Class N Secured Notes (the “Class N Notes” or “Securities”) for sale to a limited group of qualified accredited investors in one or more closings (the “Offering”). CDF I seeks to raise a total of \$50,000,000 from the Offering. CDF I will use the proceeds from this Offering to make loans and extended credit facilities as further detailed herein.

**THE SECURITIES INVOLVE A HIGH DEGREE OF RISK. SEE “RISK FACTORS” ON PAGE 11.** THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND ARE BEING OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR HAS THE SEC APPROVED OF THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR THE MERITS OF THIS OFFERING. THE SECURITIES OFFERED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD, EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE STATEMENTS IN THIS MEMORANDUM THAT ARE FORWARD LOOKING ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. THE SECURITIES OFFERED HEREBY ARE HIGHLY SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF HIS OR HER ENTIRE INVESTMENT.

Unless the context otherwise requires, the terms “we,” “us,” and “our” refer to Collateralized Debt Fund I, LLC. This Memorandum incorporates herein by reference the Subscription Agreement (the “Subscription Agreement”), Class N Loan and Security Agreements (the “Class N Notes”), the Lender Agreement (the “Lender Agreement”, and together with the Subscription Agreement, and the Class N Notes, the “Definitive Documents”). The Definitive Documents are available upon request to CDF I.

**September 8, 2022**

## **SUMMARY OF THE OFFERING**

*This summary is intended only for convenient reference, is not intended to be complete, and must be read in connection with the full text of this Memorandum and the Definitive Documents. The following summary is, therefore, qualified in its entirety by reference to the full text of this Memorandum and the Definitive Documents. Certain statements may relate to future events or the future performance of the Company (“forward-looking statements”), which involve known and unknown risks and other uncertainties or factors that may cause actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under the heading “Risk Factors.”*

### ***The Company***

The Company is a Delaware limited liability company located at 72 N. Bremen Road, Egg Harbor City, NJ 08025. The Company originates and makes commercial loans backed by real estate assets.

### ***Manager***

The Manager of the CDF I is Accountable Equity, LLC, a Wyoming limited liability company (“Accountable Equity”). The Manager has discretionary authority for the management and affairs of the Company, including the authority to change the investment strategies in accordance with the Operating Agreement. Joshua McCallen is the ultimate managing member of Accountable Equity.

### ***Total Offering***

The Company is targeting the sale of up to \$50,000,000 of Class N Notes (the “Maximum Offering Amount”). The Maximum Offering Amount will be offered and released by the Company in multiple sub-offerings to match the Company’s investment opportunities and requirements.

The Offering will continue until the later of the date that the Company has completed the sale of Class N Notes equal to the Maximum Offering Amount or June 30, 2023 (the “Expiration Date”). The Company reserves the right to extend the Expiration Date as necessary to complete the sale of the Maximum Offering Amount, and to increase the Maximum Amount.

### ***Use of Proceeds***

The Company will have complete discretion in how it uses the net proceeds from this Offering. It principally intends to extend credit facilities for “Value Add Real Estate Projects”, which can include operating properties associated with the Company and its “Affiliated Companies” (see “Affiliated Companies” below).

### ***First Release***

We are initially targeting the release of the sale of up to \$10,000,000 million of Class N Notes (the “First Release”) to begin on or prior to September 8, 2022, with the proceeds from the First Release used to extend a loan to Kent Manor RE, LLC, the entity that owns the real property underlying the Kent Manor Inn in Stephenville, Maryland

(See “AFFILIATED COMPANIES AND FUNDS -- *VIVÁMEE Signature Resort properties* -- Kent Manor” below), to enable it to retire the existing first lien mortgage debt on that property.

We anticipate that an initial closing of the First Release will be consummated once we have received subscriptions for a minimum of \$100,000 of Class N Notes (the “Minimum Offering Amount”). Thereafter, we anticipate conducting subsequent closings until the full amount of the First Release has been attained. Amounts not sold in the First Release will become available in future offerings and releases of the Class N Notes.

***Subclasses***

We have divided our Class N Notes into five subclasses, Class N1 Notes, Class N2 Notes, Class N3 Notes, Class N4 Notes and Class N5 Notes. These subclasses are identical in every respect except as to their interest rates and minimum investment as follows:

<b><u>Subclass</u></b>	<b><u>Interest Rate</u></b>	<b><u>Minimum Investment</u></b>
N1	6%	\$10,000
N2	7%	\$50,000
N3	8%	\$100,000
N4	9%	\$250,000
N5	10%	\$750,000

***Note Holders/  
Collateral Security***

The Company may issue Class N Notes from time-to-time, and other classes of notes that may have different maturities (such other notes, the “Notes”). All Note holders will be lenders to the Company on a pari passu basis. All Notes will be secured by a pool of assets of the Company, expected to be primarily promissory notes that the Company issues to borrowers.

***Interest Payments***

Interest on the Class N Notes will accrue beginning on the day the proceeds of investment are deployed by the Company (the “Accrual Commencement Date”), and monthly interest payments of accrued interest will begin on the 15<sup>th</sup> day of the month following the Accrual Commencement Date. If investment proceeds are not deployed by the Company within 90 days of investment, the Company may return the investment proceeds to the Company without penalty.

***Maturity***

The principal balance and all accrued and unpaid interest on each Class N Note are due and payable on the third anniversary of the date of issuance (the “Maturity Date”); provided that the Maturity Date of each Class N Note will automatically renew for one year (each a “Renewal Period”) unless the holder provides notice within 90 days of

the scheduled maturity that it requires repayment at the scheduled maturity date.

### ***Prepayment***

Holders of Class N Notes may request pre-payment prior to the scheduled maturity date (a “Requested Prepayment”). The Company will use all reasonable efforts to complete a Requested Prepayment within 90 days of the delivery of the notice. However, (i) the Company will be entitled to limit the aggregate annual Requested Prepayments to ten percent (10%) of the aggregate amount of Class N Notes outstanding during any calendar year, and (ii) the Company will not be obligated to sell, finance or refinance any investments to satisfy Requested Prepayments.

The Manager will have the discretion to determine the extent to which liquid assets (which may include, but not be limited to operating income from fees, excess funds, undeployed capital and loan repayments) are available for Requested Prepayments or are necessary for the ongoing expenses (including scheduled debt payments), investments, capital expenditures or reserves. Further, the Manager may, in its discretion meet Requested Prepayments on a *pari passu* basis.

In addition, except during a Renewal Period, holders of Class N Notes that receive Requested Prepayments will pay an early exit fee equal to 1% of their principal amount multiplied by the number of years and partial years remaining on the term of the Class N Note when repaid.

### ***Special Incentives***

*Affiliated Funds.* The Company reserves the right to offer investors (“Affiliated Fund Investors”) in the Affiliated Funds (see “Affiliated Funds” below) with the opportunity to invest in the Securities offered hereby, and receive a “one class higher” Security based on the amount of their investment commitment. For example, an investor that makes an investment of \$100,000 would receive Class N3 Notes rather than Class N2 Notes.

*Tribes.* The Company may also offer investors may pool their individual investments as a group (“Tribes”) for purposes of qualifying for the applicable minimum investment targets and receive the benefits associated with such pooled aggregate investment amounts. For example, five individual investors that each invest \$50,000 as part of a Tribe would receive Class N3 Notes rather than the Class N1 they would have received if they invested individually and not as part of a Tribe.

*New Funds.* The Company may provide investors with the right to be prepaid their Class N Note balances if they apply the funds received into new investment funds affiliated with the Manager.

***Term***

The Company is intended to have a perpetual life, although the Manager has the right as set forth in the Operating Agreement to wind down operations at its discretion. The Company intends to originate loans and acquire assets on an ongoing basis and will continue to do so until the Maximum Amount has been raised or the Company determines that market conditions are not favorable to continue raising capital. The Company may determine to prepay Class N Notes at any time.

***Certain Fees***

The following fees will be paid to Accountable Equity:

Closing and Annual Fund Fees -- a two percent fee from the proceeds of each closing under this Offering, and an ongoing annual management fee equal to two percent of the total proceeds raised in the Offering.

***Suitability Standards***

An investment in the Class N Notes is suitable only for the accredited investor who has business and financial experience such that the investor is capable of evaluating the merits and risks of an investment in Class N Notes and of protecting the investor's interest in the transaction. Class N Notes may be purchased only by persons who meet the suitability standards set forth herein and in the Subscription Agreement and Accredited Investor Questionnaire.

***Conflicts of Interest***

Joshua McCallen, who is a principal equity owner of both the Company and the prospective borrowers from the Company, and controls the management of each such entity, has significant conflicts of interests. See "CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS" below.

**THE BUSINESS AND USE OF PROCEEDS**

CDF I will be exclusively engaged in the extension of loan and credit facilities to value add real estate projects. This includes third party operators seeking capital for value add real estate as well as entities related to the Manager (such operators, "Borrowers"). The Manager has extensive experience in the hospitality business, inclusive of hotels, restaurant, wedding/banquet facilities, wineries, and golf courses, including the Affiliated Companies. The Company seeks to take advantage of the unavailability of attractive credit terms for prospective Borrowers, particularly those that are undergoing expansions and renovations. The Company believes that traditional sources of credit facilities for prospective Borrowers, such as banks and insurance companies, require several years of proven operating performance post renovation/expansion before extending credit.

To date, many prospective Borrowers have obtained or have been solely offered credit facilities from private debt funds on terms that impose higher interest rates and lower borrowing percentages than would be available if these companies were more seasoned. This provides the opportunity for the Company to extend these credit facilities, and both provide investors in Class N Notes attractive

returns and loan terms to Borrowers that are more favorable than available from private debt funds. In addition, the Company's credit extensions will provide the time necessary for consistent operating performance to be attained post-acquisition, renovation and expansion such that the Class N Notes can be retired with proceeds from even lower cost traditional real estate lenders such as banks and insurance companies.

The Company expects that it will extend all of the following types of credit facilities:

- Senior debt secured by first liens on real estate assets;
- Subordinated secured and unsecured debt; and
- Lines of Credit secured by assets such as accounts receivable.

CDF I will have complete discretion in how it lends funds, and credit will be extended for a variety of purposes including to retire outstanding secured and unsecured debt, fund expansion and operating capital requirements.

The Company will internally conduct all loan underwriting activities. The Company may, without obligation, procure third-party appraisals of certain assets such real property to support underwriting decisions. The Company also intends to include various controls and protections in the loan agreements that restrict the use of Borrower's loan proceeds to those activities expressly approved by the Company, and to monitor the disbursement of funds to conform with the underwriting conditions. If the Company's underwriting and/or controls and protections fail to work as designed, then the Borrowers may not be able to repay these loans and any of the Company's collateral security positions may be impaired.

## **DEFINITIVE DOCUMENTS**

The following is a summary of the Definitive Documents:

- **Subscription Agreement** – Each investor will execute a Subscription Agreement which contains the investor's commitment to purchase a Class N Note. The Subscription Agreement contains numerous representations, warranties and covenants by the investor and indemnity obligations of the investor in the event that the representations, warranties and covenants are breached. Upon the acceptance by the Company of the Subscription Agreement with respect to each purchaser, the Company will execute a Class N Note representing the terms contained in this Memorandum and the Subscription Agreement.
- **Class N Secured Notes** – Each investor will receive a Class N Note executed by the Company and containing the terms associated with their subclass purchased. The Note will be in the form of a Class N Loan and Security Agreement providing the investor with collateral security for their respective Class N Note.
- **Lender Agreement** – The Company and each investor will execute a Lender Agreement which governs the relationship of the Company and all investors with respect to the shared pool of collateral securing all Class N Notes.

- **Accredited Investor Verification** – In order to assure the Company of his or her financial suitability to purchase the Class N Notes, the Company has retained a third party, VerifyInvestor, to confirm that that a prospective investor is properly accredited to enable the Company’s compliance with Rule 506(c) promulgated under the Securities Act. The Company will accept a valid confirmation from VerifyInvestor that has been completed in the last 90 days from the date they make their investment and fund. Any other third-party verification will need to be reviewed by VerifyInvestor including a letter from the applicable investor’s CPA or Attorney.

### **AFFILIATED COMPANIES AND FUNDS**

CDF I is affiliated with a number of companies directly or indirectly controlled by Joshua McCallen. These “Affiliated Companies” include:

- **Accountable Equity** – Accountable Equity is the managing member of each Affiliated Fund.
- **VIVÂMEE Signature Resort properties.** The following properties are all branded as “VIVÂMEE Signature Resort” properties and are owned and operated by a number of real estate holding and operating companies ultimately controlled by Mr. McCallen:
  - **Renault** – The Renault Winery & Golf Resort (“Renault” – [www.renaultwinery.com](http://www.renaultwinery.com)) is located on contiguous properties in Galloway and Egg Harbor City, New Jersey. Renault includes a 158 year old winery, a 55 room hotel, four wedding venues, two restaurants, an outdoor dining facility, a wine tasting room and an 18-hole golf course branded as Vineyard National. Renault was acquired in December 2018 for a purchase price of \$5,000,000 and a total of \$18,270,445 has been invested in renovation and expansion since acquisition. There is senior debt totaling \$20,424,898 on the Renault property (the “Renault Debt”) and proceeds from this Offering may be used to replace the Renault Debt.
  - **Kent Manor Inn** – The historic Kent Manor Inn (“Kent Manor” – [www.kentislandresort.com](http://www.kentislandresort.com)) is 200 year old inn located in Stephenson on the eastern shore of Maryland. Kent Manor includes a 24 room manor home, a new barn wedding/events facility, a marina and farmland. Kent Manor was acquired in October 2020 for a purchase price of \$5,320,000 and a total of \$11,687,720 has been invested in renovation and expansion since acquisition. There is senior and junior debt totaling \$9,305,000 on the Kent Manor property (the “Kent Manor Debt”) and proceeds from this Offering may be used to replace the Kent Manor Debt.
  - **LBI National** – LBI National ([www.lbinational.com](http://www.lbinational.com)) is located in Little Egg Harbor Township, New Jersey, directly west of Long Beach Island (a barrier island located off the south-central coast of New Jersey) and approximately 24 miles from Renault. The property includes an 18 hole golf course, 35,000-square-foot clubhouse, 31-room Inn and conference center. LBI National was acquired in May 2022 with the objective of returning the golf course to a premier status with the overall facility becoming an attractive destination for special events such as weddings, conferences, and corporate meetings and retreats. The purchase price was \$6,800,000 and is secured by seller

financing of \$5,230,000 (the “LBI National Debt”), and proceeds from this Offering may be used to replace the LBI National Debt and extend additional debt to finance expansion and renovations.

- **VIVÂMEE, LLC** – VIVÂMEE provides resort management services to each of its signature resort properties, is the resort manager for Renault, Kent Manor and LBI National and is paid an annual resort management fee of five and one-half percent (5.5%) of all revenues generated by these facilities.
- **VIVÂMEE Shared Services, Inc.** – “VSS” provides administrative & general services to each VIVÂMEE Signature Resort property, include accounting, finance, sales supervision, human resources, strategy, and executive management, and are reimbursed for these expenses based on allocation of time expended with respect to each property.
- **VIVÂMEE Construction Services, Inc.** – “VCS” provides construction management services to each VIVÂMEE Signature Resort property and is paid a ten percent (10.0%) construction management fee.

CDF I is also affiliated with a number of investment funds directly or indirectly controlled by Joshua McCallen. Accountable Equity serves as the managing member of each Affiliated Fund which are:

- **Capital H1 and Capital H2** – Capital H1, LLC and Capital H2, LLC are two Delaware limited liability companies that operate as investment funds formed to raise the necessary capital to acquire, renovate and expand Renault. Capital H1 and Capital H2 are closed to further investment.
- **Capital H3** – Capital H3, LLC is a Delaware limited liability company that operates as an investment fund formed to raise the necessary capital to acquire, renovate and expand Kent Manor, and to make other investments. Capital H3 is closed to further investment.
- **Capital H4** -- Capital H4, LLC is a Delaware limited liability company that operates as an investment fund formed to acquire, renovate, and expand LBI National and to invest in other real estate and capital assets. Capital H4 remains open to further investment, although the Manager expects this fund will close to investment in the third quarter of 2022.
- **Efficient Income Fund I, II, III and IV** – These four funds, each a Delaware limited liability company (the “EIF Funds”, and together with Capital H1, Capital H2, and Capital H3 (the “Affiliated Funds”) were formed to raise capital to purchase equipment, primarily for lease to the VIVÂMEE Signature Resort properties. The funds were designed to provide attractive returns to their investors while providing equipment to the properties at a lower cost and more attractive terms than available from third-party sources. CDF I may obtain leased equipment from Efficient Income Fund IV and/or any subsequent funds formed to provide equipment financing. Only the Efficient Income Fund IV remains open to further investment.



## **CONFLITS OF INTEREST AND RELATED PARTY TRANSACTIONS**

There are conflicts of interest central to the Company's business as a significant portion of the proceeds from this Offering may be used to extend credit facilities to Borrowers that include the Vivamee Signature Resorts. Joshua McCallen, as a principal equity owner of each Vivamee Signature Resort, is a beneficiary of credit extended by the Company. Accountable Equity, an entity ultimately controlled by Mr. McCallen, is the managing member of the Company and responsible for the underwriting and administration of the credit facilities extended by the Company. As a result, Mr. McCallen will be making credit and business decisions on behalf of the Company that have a direct impact on the value and business prospects of the Vivamee Signature Resorts of which he is a principal owner. While Mr. McCallen is also a principal equity owner of the Company, the value of his interests in the Vivamee Signature Resorts may be significantly higher than that of the Company.

Substantial business is transacted between the Affiliated Companies which ultimately benefit the Affiliated Funds (the "Related Party Transactions"). The loans and credit extensions provided by CDF 1 to the Vivamee Signature Resorts will provide funding that in whole or in part will enable Related Party Transactions. These include:

*Resort Management:* The resort manager of each Vivamee Signature Resort is VIVÂMEE, which is responsible for the management of the day-to-day business operations and property management of each Resort and is paid an industry-standard resort management fee of five and one-half percent (5.5%) of the total revenues generated by each Resort.

*Construction Management.* VCS serves as the construction manager for each Vivamee Signature Resort and is paid a ten percent (10%) general management fee based on the construction spend for these services. Additionally, VCS bills each Resort at market rates for other professional services which it provides, including architectural and design services.

*Administrative Management.* VSS provides administrative & general services to each Vivamee Signature Resort, each Affiliated Fund, and the Company pursuant to the terms of a Shared Services Agreement. These services include accounting, finance, sales supervision, human resources, strategy and executive management, and such other services as are desired from time-to-time. The Shared Services Agreement has been designed to benefit each counterparty by eliminating several fulltime equivalent employees. The fees payable by under the Shared Services Agreement are allocated proportionate to the gross revenues of the covered entities.

The Company believes that the relationship with the Affiliated Companies benefits the Company and the Affiliated Companies through the acquisition of valuable and experienced services on a more economical basis than it would incur by hiring or retaining resources solely dedicated to the Company's and each Affiliated Company's business.

## **COMPANY INFORMATION**

CDF I will make available during the course of this Offering to each prospective investor the opportunity to ask questions of, and to receive answers from, the officers of CDF I concerning the business of CDF I, the Securities, the terms of this Offering, and any other matters related to CDF I

or this Offering. In addition, each offeree will be furnished or given access to any additional information reasonably available or obtainable that may be needed to supplement any information contained herein and in IMS Investor Portal or to assist the offeree in making an informed decision. Upon request, an offeree will have an opportunity to ask questions of our executive officers. Persons desiring any additional information, copies of documents, or a meeting may make such a request by emailing Joshua McCallen at [investorrelations@accountableequity.com](mailto:investorrelations@accountableequity.com)

Each prospective investor is urged to obtain the advice of his or her attorney or tax or business advisor before executing a Subscription Agreement for the purchase of Securities.

### **NON-DISCLOSURE AGREEMENT**

BY ACCEPTING THIS MEMORANDUM, THE RECIPIENT ACKNOWLEDGES AND AGREES THAT ALL OF THE INFORMATION HEREIN, AND ALL OTHER INFORMATION MADE AVAILABLE TO THE RECIPIENT IN CONNECTION WITH ANY FURTHER INVESTIGATION, IS DEEMED TO BE CONFIDENTIAL AND PROPRIETARY INFORMATION OF CDF I, LLC AND THAT NONE OF THE INFORMATION SHALL BE USED BY THE RECIPIENT, ITS EMPLOYEES, ITS REPRESENTATIVES OR ITS AGENTS IN ANY MANNER OTHER THAN IN CONNECTION WITH ITS EVALUATION OF CDF I FOR THE PURPOSE OF CONSIDERING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY.

### **IMPORTANT PURCHASER NOTICES**

NO OFFERING LITERATURE OR ADVERTISEMENT IN ANY FORM MAY BE RELIED UPON IN THE OFFERING OF THE SECURITIES EXCEPT FOR THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ANY ATTACHMENTS OR SUPPLEMENTS HERETO (COLLECTIVELY, THIS “MEMORANDUM”), AND NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS EXCEPT THOSE CONTAINED HEREIN. CDF I IS SOLELY RESPONSIBLE FOR THE CONTENTS OF THIS MEMORANDUM.

THIS MEMORANDUM IS CONFIDENTIAL AND THE CONTENTS HEREOF MAY NOT BE REPRODUCED, DISTRIBUTED OR DIVULGED BY OR TO ANY PERSONS OTHER THAN THE RECIPIENT OR HIS OR HER REPRESENTATIVE, ACCOUNTANT OR LEGAL COUNSEL, WITHOUT THE PRIOR WRITTEN CONSENT OF CDF I. EACH PERSON WHO ACCEPTS DELIVERY OF THIS MEMORANDUM ACKNOWLEDGES AND AGREES TO THE FOREGOING RESTRICTIONS. EACH PERSON WHO ACCEPTS DELIVERY OF THIS MEMORANDUM AGREES TO RETURN OR DESTROY THIS MEMORANDUM AND ALL RELATED DOCUMENTS IF SUCH PERSON DOES NOT PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

THIS MEMORANDUM CONTAINS A SUMMARY OF CERTAIN TERMS OF THE SECURITIES OFFERED HEREBY. THESE SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTS. NO REPRESENTATIONS, WARRANTIES OR

ASSURANCES OF ANY KIND ARE MADE OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN, IF ANY, THAT MAY ACCRUE TO A PURCHASER OF CDF I'S SECURITIES.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE OF SECURITIES HEREUNDER, SHALL IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. CDF I DOES, AND WILL, EXTEND TO EACH PROSPECTIVE PURCHASER (AND TO HIS OR HER REPRESENTATIVE, ACCOUNTANT OR LEGAL COUNSEL, IF ANY), THE OPPORTUNITY, PRIOR TO THE CONSUMMATION OF THE PURCHASE OF THE SECURITIES BY SUCH PURCHASER, TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, CDF I BY ITS DULY DESIGNATED REPRESENTATIVES CONCERNING THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT CDF I POSSESSES THE SAME OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN. HOWEVER, ALL SUCH ADDITIONAL INFORMATION MUST BE IN WRITING AND IDENTIFIED AS SUCH BY CDF I. NO ORAL INFORMATION OR INFORMATION PROVIDED BY ANY BROKER OR THIRD PARTY MAY BE RELIED UPON.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION ON UNITED STATES FEDERAL TAX ISSUES IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE, (B) SUCH DISCUSSION IS INCLUDED HEREIN BY US IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

CDF I RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY PROPOSED PURCHASE IN WHOLE OR IN PART FOR ANY REASON OR FOR NO REASON. CDF I IS NOT OBLIGATED TO NOTIFY RECIPIENTS OF THIS MEMORANDUM WHETHER ALL OF THE SECURITIES OFFERED HEREBY HAVE BEEN SOLD. THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY CDF I AT ANY TIME WITHOUT NOTICE.

**FOR RESIDENTS OF ALL STATES**

THIS OFFERING IS BEING MADE SOLELY TO “ACCREDITED INVESTORS”. THE SECURITIES AND THE SECURITIES UNDERLYING THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND WILL BE OFFERED AND SOLD IN RELIANCE ON THE EXEMPTION FROM REGISTRATION AFFORDED BY SECTION 4(2) AND RULE 506(c) OF REGULATION D OF THE SECURITIES ACT AND CORRESPONDING PROVISIONS OF STATE SECURITIES LAWS. THE AVAILABILITY OF SUCH EXEMPTIONS IS ALSO DEPENDENT, IN PART, UPON THE “INVESTMENT INTENT” OF THE PURCHASERS AND THE EXEMPTIONS WOULD NOT BE AVAILABLE IF ANY PURCHASERS WERE PURCHASING THE SECURITIES WITH A VIEW TOWARD THE REDISTRIBUTION THEREOF. ACCORDINGLY, EACH PURCHASER, WHEN EXECUTING THE SUBSCRIPTION AGREEMENT, WILL BE REQUIRED TO ACKNOWLEDGE THAT HIS/HER PURCHASE IS FOR INVESTMENT, FOR HIS/HER OWN SOLE ACCOUNT, AND WITHOUT ANY VIEW TOWARD THE SALE OR OTHER DISPOSITION THEREOF.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND STATE LAW, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THERE PRESENTLY IS NO PUBLIC MARKET FOR CDF P'S SECURITIES. ACCORDINGLY, AN INVESTMENT IN THE SECURITIES OFFERED HEREIN SHOULD BE CONSIDERED HIGHLY ILLIQUID.

THE PURCHASE OF SECURITIES IS NOT RECOMMENDED FOR PERSONS WHO DO NOT HAVE ADEQUATE LIQUID ASSETS WHICH WOULD ENABLE THEM TO AFFORD A LONG-TERM, NON-LIQUID INVESTMENT. SEE THE “RISK FACTORS” AND “SUITABILITY STANDARDS” CONTAINED HEREIN.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX TREATMENT WHICH MAY ACCRUE TO THE SUBSCRIBERS BY REASON OF A PURCHASE OF SECURITIES ARE MADE OR INTENDED AND NONE SHOULD BE INFERRED.

THE SECURITIES AND THE SECURITIES UNDERLYING THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THESE CONFIDENTIAL PRIVATE PLACEMENT DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PROSPECTIVE PURCHASERS SHOULD NOT CONSTRUE THE CONTENTS OF THESE CONFIDENTIAL PRIVATE PLACEMENT DOCUMENTS AS INVESTMENT, LEGAL, BUSINESS, OR TAX ADVICE. EACH PURCHASER SHOULD CONTACT HIS OWN ADVISORS REGARDING THE APPROPRIATENESS OF THIS INVESTMENT AND THE TAX CONSEQUENCES THEREOF WHICH MAY DIFFER DEPENDING ON A

PURCHASER'S PARTICULAR FINANCIAL SITUATION. IN NO EVENT SHOULD THESE CONFIDENTIAL PRIVATE PLACEMENT DOCUMENTS BE DEEMED TO BE CONSIDERED TAX ADVICE PROVIDED BY CDF I.

### **FORWARD LOOKING STATEMENTS**

All statements contained in this Memorandum other than statements of historical fact are forward-looking statements, including statements regarding prospective markets and our future financial position and results of operations. These forward-looking statements can be identified by the use of words such as “believes,” “estimates,” “could,” “possibly,” “probably,” “anticipates,” “projects,” “expects,” “may,” “will,” “should,” and the negatives or other variations of such words or similar words. We have based these statements on our current expectations and projections about future events. No assurances can be given that the future results anticipated by our forward-looking statements will be achieved. Forward-looking statements are inherently uncertain and actual future results may differ from our current expectations. Some of the factors that could cause actual future results to differ from our current expectations are set forth in the section of this Memorandum entitled “RISK FACTORS” set forth below.

Prospective purchasers should not place undue reliance on the forward-looking statements contained in this Memorandum. You should read this Memorandum and the documents attached hereto in their entirety and with the understanding that actual results may be materially different than our current expectations.

### **RISK FACTORS**

*An investment in the Securities involves significant risks and should only be considered by investors who can afford the loss of their entire investment. This investment is suitable only for persons who have substantial resources and who do not anticipate that they will be required to liquidate the investment in the foreseeable future. In addition to all of the other information contained in this Memorandum, you should carefully consider the risks and uncertainties described below before deciding to make an investment in CDF I. If any of the following risks actually occur, they may materially harm our business, our financial condition or our results of operations. In this event, the value of your investment could decline, and you could lose all or part of your investment. In analyzing the Offering, each investor should carefully consider the following matters, which are representative, but not inclusive, of all of the risks which may be encountered as a result of investment in CDF I.*

### **RISKS RELATING TO CDF I'S BUSINESS**

***The Manager has substantial potential conflicts of interest with regards to loans made to Borrowers.***

There are significant conflicts of interest central to the Company's business. It is expected that a majority of the proceeds from this Offering will be used to extend credit facilities to Borrowers that include the Vivamee Signature Resorts. Joshua McCallen, as a principal equity owner of each Vivamee Signature Resort, is a beneficiary of credit extended by the Company. Accountable Equity, an entity ultimately controlled by Mr. McCallen, is the managing member of the Company and responsible for the underwriting and administration of the credit facilities extended by the Company. As a result, Mr.

McCallen will be making credit and business decisions on behalf of the Company that have a direct impact on the value and business prospects of the Vivamee Signature Resorts of which he is a principal owner. While Mr. McCallen is also a principal equity owner of the Company, the value of his interests in the Vivamee Signature Resorts may be significantly higher than that of the Company. To the extent the credit, monitoring, enforcement and collections activities of the Company are influenced by considerations regarding the viability and value of the Borrowers, the Company's operating results and ability to collect principal and interest from Borrowers may be impaired which would impair the ability of the Company to make interest payments and repay principal under the Class N Notes.

***The Company has no experience in making loans and extending credit facilities***

Collecting the interest and principal underlying commercial real estate and other loans requires effective loan underwriting, management, and servicing. The Company and the Manager have no experience in any of these activities. To the extent the credit, monitoring, enforcement, and collections activities of the Company are not effective, the Company's operating results and ability to collect principal and interest from Borrowers may be impaired which would impair the ability of the Company to make interest payments and repay principal under the Class N Notes.

***The Company is dependent on the Borrowers obtaining "take out" financing to repay their notes***

The Company intends to make relatively short-term loans to Borrowers for investment in long-term assets such as real estate properties. These properties do not typically generate sufficient cash flow during the term of the loan made by the Company to repay significant amounts of principal, if any. As a result, the Borrowers are dependent on obtaining new credit facilities and/or equity commitments to obtain the funds necessary to repay their loans to the Company. If a Borrower is unable to obtain these funds, then their ability to repay their loans to the Company will be impaired which would impair the ability of the Company to make interest payments and repay principal under the Class N Notes.

***The Company does not expect to generate profits from operations to cover loan losses***

The primary sources of income to the Company are expected to consist of net interest margin, the difference between the amounts collected from Borrowers and paid on Class N Notes, and loan origination fees. In addition, the Company does not expect to raise substantial amounts of equity capital. The Company does believe that these sources of income and equity capital would be sufficient to offset losses incurred from Borrower default on payments of interest and principal. As a result, if Borrower defaults occur, the Company is not expected to have the funds to fully repay the interest and principal due under the Class N Notes.

***The Manager and affiliates will have potential conflicts of interest with regards to other businesses which they own and operate.***

Accountable Equity as the Manager of the Company is required to devote only so much of its time to the business of the Company as it, in its sole judgment, determines to be reasonably necessary. It is not restricted from engaging in other activities, even if they are competitive with or conflict with the interest of the Company. Joshua McCallen may directly and indirectly establish or purchase additional companies that will participate in similar or other related aspects of the business as conducted by the

Company. Mr. McCallen is also directly or indirectly a principal owner of other Affiliated Companies. Accordingly, Borrower will be subject to various conflicts of interest arising out of the activities by the Affiliated Companies. Such conflicts may involve arrangements between the Company and the Manager and may not be the result of arm's length negotiations or the allocation of business opportunities between these companies.

## **RISKS RELATING TO THE AFFILIATED COMPANIES**

The Company faces significant risks as to the repayment of its loans and credit facilities associated with the performance of the Borrowers, including the Vivamee Signature Resort. These include:

### ***CDF I may not meet its financing goals***

If a Borrower does not raise sufficient net proceeds from the sale of its equity securities, and/or from borrowings under a debt facility, it will not have sufficient funding to complete the renovation of the acquisition of and renovation of respective property, acquire other investments and successfully execute its business plan. In that event, the Borrower may not be able to complete such purchase or need to sell its assets and/or take measures to defend its assets from creditors, such as make a filing under the US Bankruptcy Code to provide additional time to raise the necessary capital to avoid selling its core properties and its other assets.

### ***Borrowers have limited operating history***

As a start-up and development companies, many of the Borrowers are subject to risks, expenses and difficulties associated with implementing objectives that are not typically encountered by more mature companies. These Borrowers make their assumptions on the ability to repay their loans from the Company, current and future expenses, based on their operating plans and estimates of future revenues from investment and development activities. Operating results are difficult to forecast because they generally depend on a variety of factors, many of which are outside a Borrower's control. A Borrower may be unable to adjust its spending in a timely manner to compensate for any unexpected shortfalls in revenues, and therefore default on its obligations to the Company.

### ***We are highly dependent on our senior management team.***

Borrowers often rely heavily on the expertise, experience, and continued services of its management team and those of its other managers, including in the case of the Vivamee Signature Resorts, on the services provided by Joshua McCallen. The loss of the services of any one of these individuals would adversely impact our ability to meet their objectives. Even if a Borrower were able to replace any such person with another resource of comparable skill and experience, the delay caused by finding such replacement would likely materially harm their prospects and cause a default on its obligations to the Company.

### ***Development and Construction is complex, difficult and subject to lengthy delays and cost overruns***

Development and construction is difficult. There are many factors that influence the ability of a Borrower to successfully complete planned development and renovation process including weather, availability of supplies, relationships with contractors, effectiveness of contractor personnel, proper sequencing of activities, union relationships, bid negotiations, cooperation by the local municipality and many other factors. Our inability to manage these items may impair a Borrower's ability to complete its development activities, and also may result in delivering a facility on a delayed basis with substantial cost overruns. If this were to occur, it would likely cause a default on its obligations to the Company.

## **RISKS RELATING TO THE SECURITIES**

### ***An investment is speculative.***

Purchasers of the Securities offered hereby may not realize a return on their investment and could lose their investment. Purchasers should carefully review this Memorandum and consult with their attorneys, tax advisors, and/or business advisors prior to purchasing the Securities offered hereby.

### ***Purchasers of the Securities offered hereby may have to bear the risk of their investment for an indefinite period of time since there are substantial restrictions on their resale.***

The Securities offered hereby have not been registered under the Securities Act or any state securities or blue-sky law and constitute "restricted securities" under applicable federal securities laws. As a result, purchasers of the Securities offered hereby may not sell or otherwise transfer Securities except pursuant to registration under the Securities Act and applicable state securities laws or pursuant to an exemption therefrom. In addition, the Subscription Agreement and Class N Notes contains substantial restrictions on the transfer of Securities. By investing in the Securities offered hereby, you are agreeing to significant restrictions on the liquidity of your Securities for the foreseeable future. As a result of all of these restrictions, purchasers of the Securities offered hereby must bear the economic risks of their investment for an indefinite period of time. An investment in CDF I is suitable only for sophisticated purchasers who can afford to bear the risk of a complete loss of such investment. A purchase of CDF I's Securities should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment.

### ***There is no regulatory oversight with respect to the Securities***

The Securities offered hereby have not been approved or disapproved by the SEC, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Memorandum. The Securities offered hereby have not been registered under the Securities Act, nor the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of those laws.

### ***CDF I has no minimum capital requirements.***

No minimum level of capital is required to be maintained by CDF I. As a result of losses or withdrawals, CDF I may not have sufficient capital to continue its operations and achieve its desired growth.



*The foregoing risk factors do not purport to be a complete enumeration or explanation of the risks involved in an investment in CDF I. Prospective purchasers are urged to consult their own advisors before deciding to invest in CDF I.*

### **PURCHASE PROCEDURES**

Purchasers electing to purchase the Securities should execute and fully complete the counterpart signature page to the Operating and Subscription Agreements and the Purchaser Questionnaire included in the Offering Documents, and return the completed documents along with payment for the Securities being purchased to:

Collateralized Debt Fund I, LLC  
72 N. Bremen Avenue  
Egg Harbor City, New Jersey 08215  
Phone: (215) 259-8659

The Securities are being offered under an exemption from registration provided in Section 4(2) of the Securities Act and Rule 506(c) under Regulation D promulgated thereunder.

Except as provided by the securities laws of certain states, a purchase is irrevocable and may be accepted on our behalf by being countersigned by an authorized officer. We have the absolute right to reject any purchase that is tendered. If we reject a purchase, we will promptly return to that purchaser, without interest or deduction, all amounts paid to us, together with all related documents duly canceled.

Each purchaser must be at least 21 years of age and must represent, by executing the Operating and Subscription Agreements, Accredited Investor Questionnaire and Purchase Questionnaire, that it is acquiring the Securities for its own account for investment, without any intention to resell, distribute, or in any way transfer or dispose of its interest in our Company.

Investment in the Securities is suitable only for purchasers who qualify as “accredited investors” in accordance with Rule 506(c) under Regulation D.

Subscriptions will not necessarily be accepted in the order in which they are received.

A person meeting the suitability standards described above should read the entirety of this Memorandum carefully and thoroughly. A person not meeting these suitability standards should return this Memorandum to CDF I.

**THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO BUY FROM, ANY PERSON WHO DOES NOT MEET THE SUITABILITY STANDARDS SET FORTH HEREIN AND IN THE OPERATING AND SUBSCRIPTION AGREEMENTS.**

ALL PURCHASERS OF THE SECURITIES MUST BEAR THE ECONOMIC RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AS THIS OFFER AND SALE OF THE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR QUALIFIED UNDER ANY APPLICABLE SECURITIES LAW AND, THEREFORE, CANNOT BE SOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAW OR AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE.

### **LIMITATION OF THE USE OF THIS MEMORANDUM**

This Memorandum, along with all Appendices and attachments hereto, are intended to assist CDF I in making a private placement of the Securities. CDF I has not made application with any securities regulatory agency of any state or the SEC for registration of this Offering or obtained a permit to offer and sell the Securities. CDF I is relying on certain federal laws, regulations, policies and judicial precedents, which exempt this Offering from such registration requirements. Specifically, this Offering is being made pursuant to an exemption from registration provided by Rule 506(c) of Regulation D promulgated under the Securities Act. Accordingly, limitations exist on the manner in which the Securities may be offered and sold and on the dissemination of this Memorandum.

NO PERSON ACTING IN ANY CAPACITY WHATSOEVER WITH RESPECT TO THIS OFFERING HAS ANY AUTHORITY TO GIVE ANY INFORMATION OR TO MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES, OTHER THAN THOSE WHICH MAY BE CONTAINED IN THIS MEMORANDUM AND IF GIVEN OR MADE, SUCH INFORMATION, REPRESENTATIONS, OR WARRANTIES MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CDF I.

**ACKNOWLEDGEMENT**

*The undersigned, desiring to acquire limited liability company interests in Collateralized Debt Fund I, LLC, acknowledges receipt of this PPM.*

Date: \_\_\_\_\_

<b>INDIVIDUAL:</b>  _____ Signature  _____ Printed Name of Purchaser
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<b>ENTITY:</b>  _____ Signature  _____ Company Name  _____ Printed Name of Purchaser  _____ Title
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<b>JOINT:</b>  _____ Signature  _____ Printed Name of Purchaser  _____ Signature  _____ Printed Name of Purchaser
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<b>IRA / TRUST:</b>  _____ Signature  _____ Printed Name of Purchaser  _____ Investors Initials
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**Supplement No. 1**  
**to**

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**  
**CLASS N SECURED NOTES**

**Supplement No. 1.** This is “Supplement No. 1” to that certain Confidential Private Placement Memorandum of the Collateralized Debt Fund I, LLC dated September 8, 2022 (the “PPM”). All capitalized terms used in this Supplement No. 1 and not defined herein shall have the meanings ascribed to them in the PPM.

**New Series of Notes.** This Supplement No. 1 discloses a new series of unsecured promissory notes that the Company plans to issue and designate as “Class N-ROA Notes”. The terms of the Class N-ROA Notes shall be identical to the existing Class N Notes except as expressly set forth herein, in particular the option to invest amounts due under their Class N-ROA Notes into newly issued equity securities.

**Subclasses.** The Class N-ROA Notes will be issued in subclasses yielding different interest rates, each of which will be determined by the amount of cumulative investment made and begin to be paid on the 15<sup>th</sup> day of the first month occurring 30 days after investment, as follows:

<u>Subclass</u>	<u>Minimum Investment</u>	<u>Interest Rate</u>
Class N1-ROA	\$10,000	6%
Class N2-ROA	\$50,000	7%
Class N3-ROA	\$100,000	8%
Class N4-ROA	\$250,000	9%
Class N5-ROA	\$750,000	10%

**Rollover.** The Class N-ROA Notes were created to provide a vehicle for investors (such investors, the “Class CH Investors”) in securities issued by Capital H1, LLC, Capital H2 LLC, Capital H3 LLC and Capital H4, LLC (such LLCs, the “Class CH Funds”) to invest returns received from the Class CH Funds into Class N-ROA Notes. These includes returns received by Class CH Investors in March 2023. Class CH Investors may also invest additional cash into Class N-ROA Notes.

**New Investors.** Class N-ROA Notes are also being offered to persons that are not Class CH Investors or holders of Class N Notes.

**Special Incentive.** The Company has reduced the minimum investment for both Class N3-ROA and Class N3 Notes to \$10,000, and may elect to continue this threshold reduction in 2024. As a result, the Company will not be offering Class N1-ROA, Class N2-ROA Notes, Class N1 Notes and Class N2 Notes in 2023, and may continue this practice in 2024.

**Calculation of Minimum Investments for Rollover Investors.** There is no minimum investment required for CH Investors and their investment of prior distributions from CH Funds will be invested in Class N3-ROA Notes unless the amount of their investment meets thresholds for Class N4-ROA and Class N5-ROA Notes. New investors who are not also CH Investors must meet the minimum \$10,000 investment threshold.

**Maturity.** The principal balance and all accrued and unpaid interest on each Class N-ROA Note are due and payable on the third anniversary of the date of issuance (the “Maturity Date”); provided that the Maturity Date of each Class N-ROA Note will automatically renew for one year (each a “Renewal Period”) unless the holder provides notice within 90 days of the scheduled maturity that it requires repayment at the scheduled maturity date.

**Conversion Rights.** During the first 12 months after the issuance of their Class N-ROA Notes (the “Election Period”), holders of Class N-ROA Notes will enjoy the right to convert their outstanding principal balance and accrued unpaid interest on their Class N-ROA Notes into equity securities offered by other investment funds sponsored by the Manager (“New Issuances”). The Manager will provide prompt notice of the offering of any New Issuances, and the subscription for New Issuances will be subject to all of the terms and conditions set forth in the definitive documents underlying each New Issuance other than minimum investment thresholds. There can be no assurance given that the Manager sponsor any New Issuances. The Manager may extend the Election Period as necessary given the circumstances associated with New Issuances.

**Prepayment.** Holders of Class N-ROA Notes may request pre-payment prior to the scheduled maturity date (“Requested Prepayment”). The Company will use all reasonable efforts to complete a Requested Prepayment within 90 days of the delivery of the notice. However, (i) the Company will be entitled to limit the aggregate annual Requested Prepayments to ten percent (10%) of the aggregate amount of Class N Notes and Class N-ROA Notes outstanding during any calendar year, and (ii) the Company will not be obligated to sell, finance or refinance any investments to satisfy Requested Prepayments.

The Manager will have the discretion to determine the extent to which liquid assets (which may include, but not be limited to operating income from fees, excess funds, undeployed capital and loan repayments) are available for Requested Prepayments or are necessary for the ongoing expenses (including scheduled debt payments), investments, capital expenditures or reserves. Further, the Manager may, in its discretion meet Requested Prepayments on a pari passu basis.

In addition, except during a Renewal Period, holders of Class N Notes and Class N-ROA Notes that receive Requested Prepayments will pay an early exit fee equal to 1% of their principal amount multiplied by the number of years and partial years remaining on the term of the Class N Note when repaid.

**March 28, 2022**