

# EFFICIENT INCOME FUND V, LLC

## CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

### CLASS B PREFERRED MEMBERSHIP UNITS

**Total Offering -- \$2,000,000**

Efficient Income Fund V, LLC, a Delaware limited liability company (the “Company”), hereby offers its Class B membership units (the “Class B Units”), for sale to a limited group of qualified accredited investors in one or more closings (the “Offering”). The Company seeks to raise a total of \$2,000,000 in multiple closings to purchase various machinery and equipment to generate revenues for the Company from the leasing of this equipment. The Company’s revenues will be solely generated from the lease of this equipment to several companies that are affiliated with EIF Sponsor V, LLC, a Delaware limited liability company, the manager of the Company (the “Manager”).

**THE SECURITIES INVOLVE A HIGH DEGREE OF RISK. SEE “RISK FACTORS” ON PAGE 9.** 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 Efficient Income Fund V, LLC. This Memorandum incorporates herein by reference the Company’s Limited Liability Company Operating Agreement (the “Operating Agreement”), Subscription Agreement for the purchase of the Class B Units (each a “Subscription Agreement”), and the Accredited Investor Questionnaire (the “Accredited Investor Questionnaire”, and together with the Operating Agreement and the Subscription Agreements, the “Definitive Documents”). The Definitive Documents are available upon request to the Company.

**October 3, 2023**

## **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.*

### ***Offering***

Efficient Income Fund V, LLC, a Delaware limited liability company (the “Company”), hereby offers its Class B membership units (the “Class B Units”) for sale to a limited group of qualified accredited investors in one or more closings (the “Offering”). The Company seeks to raise a total of \$2,000,000 in multiple closings to purchase various machinery and equipment and generate lease revenues for the Class B investors. The Company’s revenues will be solely generated from leases of this equipment to several companies that are affiliated to the Company. The leases will have a term limited to less than 75% of the useful lives of the assets leased.

We anticipate that an initial closing of the Offering will be consummated once we have received subscriptions for a minimum of \$100,000 of Investment Units (the “Minimum Offering Amount”). The Offering will then continue until the later of the date that the Company has completed the sale of Investment Units equal to the Maximum Offering Amount (the “Expiration Date”). The Company seeks to achieve the Expiration Date prior to December 31, 2023.

### ***Subclasses***

The Class B Units will be issued in five subclasses -- Class B1, Class B2, Class B3, Class B4, and Class B5 -- based on the following minimum investment amounts.

- Class B1 - \$10,000
- Class B2 - \$50,000
- Class B3 - \$100,000
- Class B4 - \$300,000
- Class B5 - \$500,000

For purposes of meeting the foregoing minimum investment amounts, the Company reserves the right to aggregate investments made by more than one person or entity based on affinity or other relationships among such persons or entities.

### ***Class B Terms***

Class B Units are paid an annual preferred return (the “Class B Return”), payable on a monthly basis commencing on the 15<sup>th</sup> day of the first month of the following quarter after the initial investment for a period of up to 45 months. The Class B Returns are as follows for each sub-class:

- Class B1 – 5.0%
- Class B2 – 6.0%

- Class B3 – 7.0%
- Class B4 – 8.0%
- Class B5 – 9.0%

Upon the payment of all accrued and unpaid Class B Returns and the return of the Class B capital contributions, the Class B Units shall automatically be deemed to have been redeemed and retired by the Company (the “Automatic Redemption” and such date the “Automatic Redemption Date”). It is anticipated that the Automatic Redemption Date will be on or prior to the 45<sup>th</sup> month anniversary of the initial closing of the Offering. **The Company intends to make regular payments to Class B Members that exceed the scheduled Class B Returns and, as a consequence, return capital contributions to Class B Members on an expedited basis prior to such 45<sup>th</sup> month anniversary.**

The Company can redeem Class B Units, and any class of Class B Units, at any time at its discretion.

***Class A Terms***

The Manager owns all of the Class A Units. The Class A Units are entitled to distributions only after the Automatic Redemption Date for all Class B classes has occurred, which is likely to be based on the residual value of the assets leased to the Operating Businesses

***Voting***

The Class B Units will not have voting rights. Only the Class A Units will enjoy voting rights.

***Use of Proceeds***

The machinery and equipment purchased by Company with the proceeds from this offering will include a variety of items, expected to include some or all of the following: (i) energy-efficient machinery and equipment for kitchens, HVAC systems, operating needs, and construction activities, (ii) solar energy production equipment, (iii) modular kitchens, (iv) income-generating catering equipment, (v) furnishing and display systems, (vi) vehicles, (vii) golf carts, (viii) shuttles, and (ix) other equipment which will add value to the operating companies who lease them (collectively, the “Equipment”). Solar equipment investments will depend on gaining approval from local power authorities within 2022. If a project is delayed due to the delays in obtaining such approval, then investments and tax incentives may extend to the following year.

The Equipment purchased by the Company will be leased primarily to current and future entities that are affiliated with the Manager and the indirect holder of fifty percent of the Class A Units. These current entities include (i) the companies owning and managing the Renault Winery Resort and Golf complex located in Egg Harbor City, New Jersey (the “Renault Resort”), (ii) the companies owning and managing the Historic Kent Manor Inn located in Stevensville, Maryland (“Kent Manor”), (iii) the companies owning and managing the LBI National hotel and golf facility located in Little Egg Harbor Township, NJ (“LBI National”), and (iv) Hospitality Management Services, a

construction management company providing services at the Renault Resort, Kent Manor, LBI National and other properties (“HMS”, and together with the Renault Resort, Kent Manor, LBI National and any other business that subsequently become affiliated, the “Operating Businesses”).

**Under no circumstances will any of the Operating Businesses or entities that legally own any Operating Business will have any liability to the Company other than under the express terms of the Equipment leases.**

***Manager*** The Manager is the sole holder of the Class A Units and the manager of the Company. The Class A Units are beneficially owned and controlled by Joshua McCallen.

***Administrative Fee*** The Manager may be paid an annual asset management fee equal of up to two percent (2.0%) from the annual gross lease payments to the Company after all initial legal, accounting and set up fees for the Company are paid. The Manager will also be paid an initial sponsor fee of five percent (5%) of the proceeds from this Offering

***Payments*** The Company intends to make all payments to holders of Investment Units via ACH payments directly to the bank account designated by each holder. Such holders will be required to provide this information to the Company in his, her or its Subscription Agreement. The Company will assess those fees specified in the Subscription Agreement related to payments made via other methods.

***Closing Conditions*** Execution of mutually acceptable documentation, inclusive of execution of counterparts to the Definitive Documents.

## **COMPANY INFORMATION**

### **Management**

The Manager has sole responsibility for the day-to-day management and control of the Company. No Class B Member shall take part in, or interfere in any manner with the management, conduct or control of the business and affairs of the Company or have any right or authority to act for or bind the Company. The Manager shall be elected solely by the Class A Members. Since voting control of the Class A Units is controlled by Joshua McCallen, Mr. McCallen will have the sole discretion in electing the Manager and having control of all Company decisions vested in its members.

### **Related Parties**

The Operating Businesses are also indirectly controlled and managed by Joshua McCallen. The ability of the Company to make the Class B Annual Returns and repay the capital contributions made by the Class B Members is dependent on the ability of the Operating Businesses to generate sufficient cash flow to meet their obligations, including payments to senior debt holders.

## **Additional Information**

The Company 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 Manager concerning the business of the Company, details regarding the Class B Units, the terms of this Offering, and any other matters related to the Company 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 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 the Operating and Subscription Agreements for the purchase of Class B Units.

## **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 THE EFFICIENT INCOME FUND 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 THE COMPANY 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. THE COMPANY 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 THE COMPANY. 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 THE COMPANY'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. THE COMPANY 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, THE COMPANY BY ITS DULY DESIGNATED REPRESENTATIVES CONCERNING THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT THE COMPANY 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 THE COMPANY. 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.

THE OFFERING PRICE OF THE SECURITIES HAS BEEN DETERMINED ARBITRARILY. THE PRICE OF THE SECURITIES BEARS NO RELATIONSHIP TO THE ASSETS,

EARNINGS, OR BOOK VALUE OF THE COMPANY. THERE IS NO ACTIVE TRADING MARKET IN THE EQUITY OF THE COMPANY, AND THERE CAN BE NO ASSURANCE THAT AN ACTIVE TRADING MARKET IN ANY OF THE COMPANY'S SECURITIES WILL DEVELOP.

THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY PROPOSED PURCHASE IN WHOLE OR IN PART FOR ANY REASON OR FOR NO REASON. THE COMPANY 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 THE COMPANY 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 THE COMPANY'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 THE COMPANY.

### **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 Class B Units 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 the Company. 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 The Company.*

### **RISKS RELATING TO THE COMPANY'S BUSINESS**

#### ***The Company has limited operating history***

As a start-up company, we are subject to risks, expenses and difficulties associated with implementing our objectives that are not typically encountered by more mature companies. We have made our projections of paying Annual Returns and returning capital contributions on the Class B Units, based on our operating plans and estimates of future revenues from leases to the Operating Businesses. The Operating Businesses have no direct responsibility to the Company or any Class B Units except as expressly set forth in the Equipment leases.

#### ***The Company is dependent on the performance of the Operating Businesses***

One hundred percent of the cash flow received by the Company will be generated from lease revenues paid by the Operating Businesses. As a result, the payment of the Class B Returns and repayment of the capital contributions made by Class B Members is solely dependent on the performance by the Operating Businesses. The operating results of the Operating Businesses are difficult to forecast because they generally depend on a variety of factors, many of which are outside its control. The Operating Businesses may be unable to adjust its spending in a timely manner to compensate for any unexpected shortfalls in revenues or increases in expenses.

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

The Operating Businesses heavily on the expertise, experience, and continued services of their senior management teams and those of its other managers, particularly Joshua McCallen. The loss of the services of any one of these individuals would adversely impact the Operating Businesses' ability to make its lease payments 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 to successfully complete a project 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 our ability to complete our projected installation at the Operating Businesses and impair our projected revenue stream.

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

Our Manager 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. Neither the Manager nor its affiliates are restricted from engaging in other activities, are also directly or indirectly a principal owner of other companies that may subject to various conflicts of interest arising out of their activities. Such conflicts may involve arrangements between the Company and these companies which are established by the Manager and may not be the result of arm's length negotiations or the allocation of business opportunities between these companies.

***The institution of lockdowns from pandemics will be harmful to the business.***

The Operating Businesses realized significant shortfalls in revenue resulting from government-imposed lockdowns and general consumer hesitancy to attend group events as a result of the Covid-19 pandemic. Future lockdowns and hesitancy resulting from new variants of the Covid-19 virus or other pandemic events will affect the ability of the Operating Businesses to pay the lease payments under our lease agreements with them, which will materially harm our business, operating results and financial condition.

***Factual statements have not been independently verified.***

Except to the extent that legal counsel has been engaged solely to advise as to matters of law, no other party has been engaged to verify the accuracy or adequacy of any of the factual statements contained in this Memorandum. In particular, neither legal counsel nor any other party has been engaged to verify any statements relating to the experience, skills, contacts or other attributes of the management of the Company, or to the anticipated future performance of the Company.

***The Members will have no right to participate in the management of The Company.***

Under the Operating Agreement, the Class B Members have no right to participate in the management of The Company. Except as specifically provided in the Act, the management of the business and affairs of the Company will be vested exclusively in the Manager and the Class B Members will have no right to participate in many decisions which may materially affect the value of his, her or its investment. Moreover, the Operating Agreement provides the Class A Members with the exclusive right to appoint the Manager and to replace the Manager involuntarily. As the Class B Units consist solely of Class B Units, subscribers to this Offering will not have any of these rights. Accordingly, a subscriber should not purchase any Class B Units unless he, she or it is willing to entrust all aspects of the management of the Company to the Manager.

## **RISKS RELATING TO THE SECURITIES**

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

Purchasers of the Class B Units 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 Class B Units offered hereby.

### ***Purchasers of the Class B Units 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 Class B Units 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 Class B Units offered hereby may not sell or otherwise transfer Class B Units except pursuant to registration under the Securities Act and applicable state securities laws or pursuant to an exemption therefrom. In addition, the Subscription and Operating Agreements contains substantial restrictions on the transfer of Class B Units. By investing in the Class B Units offered hereby, you are agreeing to significant restrictions on the liquidity of your Class B Units for the foreseeable future. As a result of all of these restrictions, purchasers of the Class B Units offered hereby must bear the economic risks of their investment for an indefinite period of time. An investment in The Company is suitable only for sophisticated purchasers who can afford to bear the risk of a complete loss of such investment. A purchase of the Company's Class B Units 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 Class B Units***

The Class B Units 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 Class B Units 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.

### ***The Company has no minimum capital requirements.***

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

*There can be no assurance that The Company will have sufficient funds to make distributions of Annual Returns to the Members or to redeem their Class B Units after the optional redemption dates.*

The operating expenses of the Company may exceed its revenues, thereby resulting in no cash available for distribution by the Company to the Members. In addition, the Company is obligated to pay Annual Returns to each holder of Class B Units for as long as they own their Units. Accordingly, as the optional redemption dates pass, there can be no assurance that the Company will have adequate cash on hand to satisfy these obligations as they come due. Furthermore, the Manager has complete discretion to withhold from distribution part or all of any of the Company's net cash from operations which are otherwise available for distribution after the payment of expenses if it determines that such funds are reasonably required for working capital needs or reserves for fixed or contingent liabilities of the Company.

*You may lose your entire investment.*

The purchase of Class B Units of the Company is a highly speculative investment, subject to substantial uncertainties. The financial position of any investor should be such that a complete loss of the investment in the Class B Units will not represent a material loss to such investor.

*Investments by Benefit Plans are Subject to Additional Regulatory Risks.*

In considering the acquisition of Class B Units to be held as a portion of the assets of an "employee benefit plan" within the meaning of Section 3(3) of ERISA ("a Benefit Plan" or "Plan"), a Plan fiduciary, taking into account the facts and circumstances of such trust, should consider, among other things: (a) the effect of the "Plan Asset Regulations" (Labor Regulation Section 2510.3-101) including potential "prohibited transactions" under the Code and ERISA; (b) whether the investment satisfies the "exclusive purpose," "prudence," and "diversification" requirements of Sections 404(a)(1)(A), (B) and (C) of ERISA; (c) whether the investment is a permissible investment under the documents and instruments governing the plan as provided in Section 404 (a)(1)(D) of ERISA; (d) the Plan may not be able to distribute Units to participants or beneficiaries in pay status because the Manager may withhold its consent; and (e) the fact that no market will exist in which the fiduciary can sell or otherwise dispose of the Class B Units and the Company has a limited history of operations. The prudence of a particular investment must be determined by the responsible fiduciary with respect to each employee benefit plan, taking into account the facts and circumstances of the investment. Any Investor that invests funds belonging to a qualified retirement plan or IRA should carefully review the tax risks provisions of this Memorandum as well as consult with their own tax advisors. The contents hereof are not to be construed as tax, legal, or investment advice.

**PROSPECTIVE BENEFIT PLAN INVESTORS ARE URGED TO CONSULT THEIR ERISA ADVISORS WITH RESPECT TO ERISA AND RELATED TAX MATTERS, AS WELL AS OTHER MATTERS AFFECTING THE BENEFIT PLAN'S INVESTMENT IN THE COMPANY. MOREOVER, MANY OF THE TAX ASPECTS OF THE OFFERING DISCUSSED HEREIN ARE APPLICABLE TO BENEFIT PLAN INVESTORS WHICH SHOULD ALSO BE DISCUSSED WITH QUALIFIED TAX COUNSEL BEFORE INVESTING IN THE COMPANY.**

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

## **SUMMARY OF OPERATING AGREEMENT**

The Company has been organized as a limited liability company under the laws of the State of Delaware. This section contains a summary of certain key terms of the Operating Agreement. This is a summary only and is specifically not complete. You are urged to read the Operating Agreement in its entirety. There may be other terms that you believe to be key that are not highlighted or summarized in sufficient detail for you to clearly understand your rights and obligations. You are also urged to consult with your own legal and tax advisors as the implication of the terms of the Operating Agreement may likely be unique to each investor.

**Overall management:** The Company is managed by the Manager, which oversees the day-to-day management of the Company.

**Future Capital Investment.** Holders of Class A and B Units are not required to make any further capital investments through capital calls or otherwise. The liability of the Class A and Class B Unit holders is limited to the amount of their respective investments.

**Preemptive Rights:** There are no pre-emptive rights granted to any member.

**Allocations of Profits and Losses.** In any taxable year, profits shall be allocated first to each Member in proportion to and to the extent of the excess, if any, of the cumulative Annual Return distributions which each Member has received over the cumulative items of income and gain allocated to each such Member, and second to each Class B Member in proportion to and to the extent of and in the reverse order of the aggregate amount of losses (if any) previously allocated to such Member until each Member has been allocated an aggregate amount of profits in the current and all prior years equal to the aggregate amount of losses allocated to such Member in the current and all prior years. Any remaining profits shall be allocated among the Class A Members in proportion to their relative Percentage Interests. In any taxable year, losses shall be allocated first to the Members to offset any Profits allocated to the Members in prior years or debt basis from the guarantee of debt securities of The Company until the aggregate amount of Losses allocated to the Members equals the aggregate amount of Profits previously allocated to them or cumulative debt basis, and second to the Members in proportion to their positive capital account balances, until such capital account balances have been reduced to zero. Any remaining losses shall be allocated among the Members in proportion to their percentage interests.

**Distributions.** Net cash flow generated by the Company from its operations are expected to be first used to pay Annual Returns and then for redemptions of the Class B Units. Distributions will only be made to the Class A unit holders after all Class B Units have been redeemed.

**Transfers of Units:** No holder of Class B Units may transfer any such unit other than estate-type transfers without first providing the holders of the Class A Units with the right to purchase such units or join in such proposed sale, in each case proportionally based on their membership interests.

**Indemnification:** The Managers and officers are required to be indemnified for their activities as the Manager and officers of the Company.

### **PURCHASE PROCEDURES**

Purchasers electing to purchase the Class B Units 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 Class B Units being purchased to:

EIF Sponsor V, LLC  
72 N. Bremen Avenue  
Egg Harbor City, New Jersey 08215  
Phone: (215) 259-8659

The Class B Units are being offered under an exemption from registration provided in Section 4(2) of the Securities Act and 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 Class B Units 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 Class B Units 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 the Company.

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 the Company in making a private placement of the Class B Units. The Company 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 Class B Units. The Company 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 Class B Units 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 THE COMPANY.

**ACKNOWLEDGEMENT**

*The undersigned, desiring to acquire limited liability company interests in Efficient Income Fund V, 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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