

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**  
**DATED: FEBRUARY 25, 2025**

**CONEST INVESTMENTS LLC**

**Manager:**

CoNest Management LLC  
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Scottsdale, AZ 85260  
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This Confidential Private Placement Memorandum (the “Memorandum”) relates to the sale (the “Offering”) of series membership interests (“Units”) in various designated series of CoNest Investments LLC, a Delaware series limited liability company (the “Company”). The Company intends to establish a separate series (each a “Series”) for each separate asset or groups of assets to be acquired. The Company and each Series will be managed by CoNest Management LLC, a Delaware limited liability company (the “Manager”). An investment in a Series is for that Series only and does not represent ownership in the Company or any other Series or their assets. Investment in each series will be on a first come, first served basis, subject to the required minimum investment amount for each Series and the Manager’s discretion to accept or reject an investor for a particular Series. Each Series will be structured with a minimum investment amount of either \$10,000.00 or \$500,000.00. For Series with a \$10,000.00 minimum investment, investments may be made in \$5,000.00 increments. For Series with a \$500,000.00 minimum investment, investments may be made in \$500,000.00 increments. These increments may be modified in the Manager’s discretion. Once a particular series is filled, the Company will open a new series, and investors will be admitted to the new series.

This Offering is limited to “Accredited Investors,” as that term is used in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (“Securities Act”). The Offering of Units for each Series will terminate once all Units offered for that Series have been sold or at such earlier time as determined by the Company.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR ANY STATE OR OTHER REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY STATE OR OTHER REGULATORY AUTHORITY PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND ARE BEING OFFERED IN RELIANCE ON EXEMPTIONS FROM REGISTRATION PROVIDED IN SECTION 4(A)(2) OF THE SECURITIES ACT, RULE 506(C) OF REGULATION D PROMULGATED THEREUNDER, AND PREEMPTION FROM THE REGISTRATION OR QUALIFICATION REQUIREMENTS (OTHER THAN NOTICE FILING AND FEE PROVISIONS) OF APPLICABLE STATE LAWS UNDER THE NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996 OR APPLICABLE EXEMPTIONS FROM SUCH REGISTRATION PROVISIONS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. THESE ARE SPECULATIVE SECURITIES AND INVOLVE A HIGH DEGREE OF RISK, INCLUDING THOSE RISKS CONCERNING ILLIQUIDITY, RESTRICTIONS ON TRANSFER, LEVERAGE, GOVERNMENTAL REGULATIONS, AND UNCONTROLLABLE MARKET CONDITIONS. SEE “Risk Factors” ON PAGE 8.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS EMPLOYEES, AGENTS, OR OTHER REPRESENTATIVES AS LEGAL, BUSINESS, OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISER, AND TAX ADVISER AS TO LEGAL, BUSINESS, AND TAX MATTERS RELATING TO THE OFFERING MADE PURSUANT TO THIS MEMORANDUM.

**PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING:**

This Memorandum, the Exhibits and the Subscription Documents: (a) are the only materials that have been authorized for use in connection with the Offering to sell Units; (b) reflect the only information anyone has been authorized to give in connection with the Offering to sell Units; and (c) are the only representations upon which anyone may rely in connection with the purchase of Units. See “Additional Information” on page 39.

No person has been authorized to give any information other than that contained in this Memorandum, or to make any representations, other than as expressly contained herein, in connection with the Offering made hereby, and, if given or made, such other information or representations, other than as expressly contained herein, must not be relied upon as having been authorized by the Series. The Series disclaims any and all liabilities for representations or warranties, expressed or implied, or any other written or oral communication transmitted or made available to the recipient, except as made or communicated by the Series.

Offering literature in any form whatsoever employed in connection with the Offering shall be subject to, and shall be superseded by, this Memorandum (including any exhibits, amendments, and supplements hereto). In the event of any conflict or perceived conflict between this Memorandum and any other Offering literature, unless otherwise stated, this Memorandum shall control.

The Series is offering to sell Units in reliance on exemptions from federal registration requirements and exemption or preemption from state registration requirements. Those exemptions do not change the stringent requirement that every prospective investor in every investment not purchase under any misrepresentation or omission of any material fact. In preparing this Memorandum, the Series has made reasonable efforts to present all information that the Series considers material, based upon the information available to the Series. However, every prospective investor is urged to investigate further any matter that is not set forth in this Memorandum or any fact included in this Memorandum that the prospective investor considers material but does not clearly understand.

The information contained in this Memorandum is confidential and proprietary to the Class and is being submitted to prospective investors solely for such prospective investors’ confidential use with the express understanding that, without the prior written permission of the Series, such persons will not release this document or discuss the information contained herein or make reproductions of or use this Memorandum for any purpose other than evaluating a potential purchase of Units.

This Memorandum does not purport to be all-inclusive or to contain all the information that a prospective investor may desire in investigating the Series. This Memorandum contains all of the information the Series deemed material to the evaluation of the Series and the Offering. Each prospective investor must conduct and rely on its own evaluation of the Series and the terms of the Offering, including the merits and risks involved, in making their investment decision. See “Risk Factors” on page 8.

Upon written request by any prospective investor or their representative, the Series will, prior to the completion of the Offering, answer questions concerning the terms and conditions of the Offering and will provide additional information which may be requested, to the extent it possesses such information or can obtain access thereto without unreasonable effort or expense, for purposes of verifying the accuracy of the information set forth herein.

### **Forward-Looking Statements**

This Memorandum contains statements about operating and financial plans, terms, and performance of the Series and other statements that may be deemed projections of future results. Forward-looking statements may be identified by the use of words such as “expect,” “anticipate,” “intend,” “plan,” “assume,” “will,” “may” and similar expressions. The forward-looking statements are based on various assumptions, and these assumptions may prove to be incorrect. Accordingly, such forward-looking statements might not accurately predict future events or the actual performance of an investment in Units. In addition, each prospective investor must disregard any projections and representations, written or oral, which do not conform to those contained in this Memorandum.

While the Series believes that the expectations reflected in the forward-looking statements are reasonable, the Series cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Series nor any other person assumes any responsibility for the accuracy or completeness of these statements or undertakes any obligation to revise these forward-looking statements to reflect events or circumstances after the date on the first page of this Memorandum or to reflect the occurrence of an unanticipated event.

EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY AFTER THE DATE HEREOF. IF A MATERIAL CHANGE SHOULD OCCUR, THE COMPANY WILL SUPPLEMENT THIS MEMORANDUM WITH THE RELEVANT INFORMATION REGARDING SUCH MATERIAL CHANGE. ALL SUPPLEMENTS TO THIS MEMORANDUM (WHICH WILL BE DESIGNATED AS SUCH ON THE FACE THEREOF) SHALL BE DEEMED TO BE INCORPORATED INTO AND MADE PART OF THIS MEMORANDUM.

### **NASAA UNIFORM LEGEND**

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

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

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## INVESTOR SUITABILITY CRITERIA

### Accredited Investors

The investor suitability requirements stated below represent the minimum suitability requirements established by the Series for purchasers of Units; however, the satisfaction of these requirements by a prospective investor will not necessarily mean that Units are a suitable investment for such prospective investor or that the Series will accept the prospective investor as a Member. Furthermore, the Series may modify its investor suitability requirements, and such modifications may raise the suitability standards for prospective investors. The Units may be sold to prospective investors who the Series, after taking reasonable steps, verifies are an “Accredited Investor,” as defined under Rule 501 of Regulation D under the Securities Act.

In addition to the foregoing, each prospective investor must represent in writing that they meet, among other things, all of the following requirements:

- The prospective investor has received, reviewed, and understands this Memorandum and all Exhibits hereto;
- The prospective investor is basing their decision to invest in Units on this Memorandum and all Exhibits hereto, and on the advice of their legal counsel, accountants, and financial advisors;
- The prospective investor understands that an investment in Units involves substantial risks;
- The prospective investor’s overall commitment to non-liquid investments is, and after their investment in Units will be, reasonable in relation to their Net Worth and current needs;
- The prospective investor has adequate means of providing for their financial requirements, both current and anticipated, and has no need for liquidity in this investment;
- The prospective investor can bear the economic risk of losing their entire investment in Units;
- The prospective investor has such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks of an investment in Units;
- The prospective investor is acquiring Units for their own account and for investment purposes only and has no contract, undertaking, agreement, or arrangement to sell or otherwise transfer or dispose of any Units;
- The prospective investor has had an opportunity to ask questions of and receive answers from the Series, or a person or persons acting on its behalf, concerning the Series and the terms and conditions of this investment, and all such questions have been answered to their full satisfaction;
- Except as set forth in the Subscription Documents, no representations or warranties have been made to the prospective investor by the Series or any partner, agent, employee, or Affiliate thereof, and in entering into this transaction the prospective investor is not relying upon any information, other than that contained in the Memorandum, including its Exhibits; and
- The prospective investor understands that the Units constitute “restricted securities” as that term is defined in Rule 144 of the Securities Act.

Representations with respect to the foregoing and certain other matters will be made by each prospective investor for Units in the Subscription Agreement and related documents (“Subscription Documents”) attached as Exhibit 4 hereto.

A prospective investor who meets one of the following tests will qualify as an Accredited Investor:

- the prospective investor is a natural person who had individual income in excess of \$200,000 in each of the two most recent years, or joint income with that person’s spouse or spousal equivalent in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;
- the prospective investor is a natural person whose individual Net Worth (defined herein), or joint Net Worth with that person’s spouse or spousal equivalent, exceeds \$1,000,000 at the time of purchase of Units;
- the prospective investor is a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring Units, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of an investment in Units;
- the prospective investor is a 501(c)(3), corporation, business trust, partnership, or limited liability company with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring Units;
- the prospective investor is an entity not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000;
- the prospective investor is an employee benefit plan within the meaning of ERISA, in which the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA) which is either a bank, savings and loan association, insurance company, or registered investment adviser; or the employee benefit plan has total assets in excess of \$5,000,000; or is a self-directed plan in which investment decisions are made solely by persons who are Accredited Investors;
- the prospective investor is an entity (including an Individual Retirement Account trust) in which all of the equity owners are Accredited Investors as defined above;
- the prospective investor is a natural person holding in good standing a Series 7, 65, or 82 license or one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status;<sup>1</sup>
- the prospective investor is a “family office” as defined in the Investment Advisers Act of 1940 and (i) with assets under management in excess of \$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

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<sup>1</sup> The professional certifications or designations or credentials currently recognized by the SEC as satisfying the above criteria will be posted on its website.



- the prospective investor is a “family client” of a family office whose prospective investment is directed by the family office.

For purposes of determining Accredited Investor status, “Net Worth” is computed as the difference between total assets and total liabilities while excluding any positive equity in the prospective investor’s primary residence but, if the net effect of the mortgage results in negative equity, the prospective investor should include any negative effects in calculating his/her Net Worth. The prospective investor should also subtract from their Net Worth any additional indebtedness secured by his/her primary residence incurred within the 60 days prior to his/her purchase of the Units (other than debt incurred as a result of the acquisition of the primary residence). In determining income, prospective investors should add to their adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner or member in any limited partnership or limited liability company, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income. In the case of fiduciary accounts, the Net Worth and/or income suitability requirements may be satisfied by the beneficiary of the account, or by the fiduciary if the fiduciary directly or indirectly provides funds for the purchase of Units.

The Series must take “reasonable steps” to verify the Accredited Investor status of purchasers. Such steps may include (i) verification based on income, by reviewing copies of any Internal Revenue Service form that reports income, such as Form W-2, Form 1099, Schedule K-1 of Form 1065, and a filed Form 1040; (ii) verification on net worth, by reviewing specific types of documentation dated within the prior three months, such as bank statements, brokerage statements, certificates of deposit, tax assessments and a credit report from at least one of the nationwide consumer reporting agencies, and obtaining a written representation from the investor; or (iii) a written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney or a certified public accountant stating that such person or entity has taken reasonable steps to verify that the purchaser is an Accredited Investor within the last three months and has determined that such purchaser is an Accredited Investor. Investors must be prepared to provide such information to the Series or approved third-party.

Being permitted to invest in the Offering does not necessarily mean that the purchase of its Units is a suitable investment. The purchase of Units should never be a complete investment program for any person and should represent only a small portion of any person’s or entity’s complete investment portfolio. Persons and entities should not purchase Units unless they are able to bear the risk of loss of their entire investment.

## **SERIES LLC STRUCTURE**

The Company was formed as a series limited liability company. Each Series is a series of the Company. The Company intends to establish separate Series for separate assets or groups of assets. An investment in a Series and ownership of Units in the Series is for that series only and does not represent ownership in the Company or any other series or their assets. Investment in each Series will be on a first come, first served basis, subject to the required minimum investment amounts for the Series, and the Manager’s discretion to accept or reject an investor for a particular Series. Each Series will be structured with a minimum investment amount of either \$10,000.00 or \$500,000.00.

All costs relating to an offering for a series (including each Series) of the Company, will be paid by or allocated among the series. All costs of acquiring and improving the assets for each series, all management fees relating to the series and/or the assets of the series, and operating expenses of the series shall be allocated to and paid by each series respectively. “Operating expenses” include, but are not limited to,

- fees, costs, and expenses incurred in connection with the management of the Underlying Assets and preparing any reports and accounts of the Series, including, but not limited to,

audits of the Series' annual financial statements, tax filings and the circulation of reports to investors;

- insurance premiums or expenses;
- withholding or transfer taxes imposed on the Series or the Series or any of the Members;
- governmental fees imposed on the capital of the Company or the Series;
- legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Company, the Series or Manager in connection with the affairs of the Company or the Series, or relating to legal advice directly relating to the Company's or the Series' legal affairs;
- fees, costs and expenses of a third-party registrar and transfer agent appointed by the Manager in connection with a series;
- indemnification payments;
- costs, fees, or payments related to interest or financing expenses for the Series;
- potential HOA or association fees related to the Underlying Assets;
- costs of any third parties engaged by our Manager in connection with the operations or marketing of the Company or the Series; and
- any similar expenses that may be determined to be operating expenses, as determined by our Manager in its reasonable discretion.

If any fees, costs, and expenses of the Company are not attributable to a specific series, they will be borne proportionately across all the series (which may include future series to be issued). Examples of situations where a cost would not be attributed to a specific series but rather allocated among the series include offering expenses, administrative expenses, and rent and utilities if the Series share the same office space. We will allocate fees, costs and expenses acting reasonably and in accordance with our allocation policy.

## MEMORANDUM SUMMARY

This summary highlights information contained elsewhere in this Memorandum. It is not complete and may not contain all of the information that prospective investors should consider before investing in Units. Each prospective investor is urged to read this Memorandum and the additional information it refers to directly in its entirety.

**THE COMPANY**      The Company was formed as a Delaware series limited liability company on October 29, 2024. The Company has formed one series, and will form other series which will be operated independently from each other. The Company is forming separate series to acquire and renovate, or develop, single-family residences for the purpose of leasing such properties to BananaSplit Club LLC, an affiliate of management.

**Management:**      All of the business, investments, and affairs of the Company and each Series will be managed by CoNest Management LLC (the "Manager").

**Mailing Address:**      CoNest Investments LLC  
c/o CoNest Management LLC  
15657 N Hayden Rd #1021  
Scottsdale, AZ 85260

<b>Interests/Series</b>	<b>CoNest Investments LLC</b>	<b>Number</b>
<b>Units Outstanding:</b>	Membership Interests	100

The Company currently has no outstanding Series Interests.

The Company may sell as many Units in each Series as needed to fund the Series' operations, as determined by the Manager. The Manager and its Affiliates or designees may purchase such Units on the same terms as those offered to prospective investors. Class B Units within each Series will be issued to the Manager or its affiliates.

## THE OFFERING

**Securities Offered:** This Offering is for the sale of up to 5,000,000 Units in Series of the Company. The Units will be offered pursuant to this Memorandum for \$1.00 per Unit, for a total of up to \$5,000,000.00 if all offered Units are sold. There is no minimum Offering amount. All Offering proceeds for each Series will be held in a self-managed, segregated account or escrow agent trust account until each Series purchases the underlying asset for the Series.

Investment in each Series will be on a first come, first served basis, subject to the required minimum investment amount for each Series and the Manager's discretion to accept or reject an investor for a particular Series. Each Series will be structured with a minimum investment amount of either \$10,000.00 or \$500,000.00. The Manager may waive the minimum for any Series in its discretion. The Offering for each Series will terminate once all Units for the Series have been sold or such earlier date as determined by the Company.

Once a subscription agreement is accepted and executed, an investor shall have a right to rescind their offer to purchase Units for three (3) days from the date that they receive notice that the agreement has been countersigned by the Company. Such notice shall include a disclosure describing the targeted asset for the Series.

**Investor Suitability:** This Offering is restricted to Accredited Investors, as determined in accordance with Regulation D under the Securities Act. Prospective investors should not purchase Units unless they have substantial financial means, have no need for liquidity in the investment, and can afford to bear the loss of their entire investment.

**Use of Financing:** Each Series does not intend to, but may, seek debt financing to fund Series operations. Any excess funds not kept in reserve will be distributed pursuant to the Company Agreement and Series Designations. Such debt may be obtained from banks, insurance companies, private lenders, or other commercial sources of funds. Such debt could be on a full, partial, or non-recourse basis, be at a fixed or floating interest rate, and/or make use of interest-rate swap or hedging agreements. Any debt financing obtained by the Company will be the Series' sole responsibility and not an obligation of any Member (other than, if required by a lender, the Manager, key principal(s), or one or more Affiliates). Any debt is

expected to be paid through the revenues from the Series' operations and reserves set aside through this Offering.

**Fees:** The Manager and its Affiliates and third-parties will receive reasonable, but possibly substantial, fees and compensation in connection with this Offering and the management and operations of the Company's and the Series' assets, and reimbursement for expenses incurred on behalf of the Company and Series. These expected fees and compensation will be paid out of capital contributions, revenues, reserves, and as further described in the section titled "Management Compensation and Fees" on page 23.

**Conflicts of Interest:** Each series plans to acquire and renovate or develop a single-family residence and then lease it to BananaSplit Club LLC, an affiliate of the members of the Manager. BanaSplit Club LLC intends to provide use of a room along with other benefits to its club members. The lease agreement is not being negotiated at arm's length and it is possible that each Series could receive better terms leasing its property to an unrelated third party. In addition, if BananaSplit Club LLC defaults on the lease agreement with a Series, it will leave the Series with little or no recourse as the beneficial owners of BananaSplit Club LLC are also the members of the Manager of the Company.

In addition, the Manager and its Affiliates may engage in and possess interests in other business ventures of any and every type or description, independently or with others, whether similar or dissimilar to the Series' business. Neither the Series nor any investor shall have any right, title, or interest in or to such independent ventures. The Manager and its Affiliates may conduct similar investment offerings through any such independent venture without liability to the Series for so doing. The Manager and its Affiliates are under no obligation to present any investment opportunity to the Series even if such opportunity is of a character that if presented to the Series, could be acquired by the Series for its own account.

**Company Agreement and Series Designations:** The Company will be governed by the Company Agreement and each Series will be governed by the Company Agreement and its Series Designation. They contain detailed provisions respecting the governance of each Series, accounting and financial matters, restrictions on the transfer of Units, and other important information.

**Transfer Restrictions:** Units constitute "restricted securities," as that term is defined in Rule 144, promulgated under the Securities Act, and cannot be resold unless such resale is registered under the Securities Act and applicable state securities laws or is exempt from such registration provisions. Even if Units purchased in this Offering are eligible for resale, there is no trading market for such Units, and none is likely to develop. There are also substantial transfer restrictions within our Company Agreement.

**Offering Period:** The Offering for each Series will terminate once all Units for the Series have been sold or such earlier date as determined by the Company.

**Method of Distribution:** Units will be offered through the Manager on a “best-efforts” basis. Such management will not receive commissions or other compensation for such efforts.

**How to Purchase Units:** In order to purchase Units, prospective investors must deliver signed copies of the separately bound Subscription Documents to invest to the Manager. The Manager will promptly confirm in writing either the intent to accept or reject, in whole or in part, each subscription. Once a subscription agreement is accepted and executed, an investor shall have a right to rescind their offer to purchase Units for three (3) days from the date that they receive notice that the agreement has been countersigned by the Company. Such notice shall include a copy of the Series Designation and a disclosure describing the targeted asset for the Series. All subscriptions not accepted within 30 days will be deemed rejected. All completed Subscription Documents and purchase funds should be delivered to the address below or through the Company’s portal at <https://conest.investnext.com>.

CoNest Investments LLC  
15657 N Hayden Rd #1021  
Scottsdale, AZ 85260  
[Info@conest.investments](mailto:Info@conest.investments)

Please contact Vladimir Rubinin at (928) 237-1777 for payment instructions.

## INVESTMENT OBJECTIVES

### The Company

The Company was formed as a Delaware series limited liability company on October 29, 2024. The Company has formed one Series, and will form other Series which will be operated independently from each other. The Company is forming separate Series to acquire and renovate, or develop, single-family residences. The renovated and developed properties will have a minimum of 5-bedroom, 5-bathroom units. The Company intends to lease such properties to BananaSplit Club LLC, a Wyoming limited liability company (“BananaSplit Club”), an affiliate of management. BananaSplit Club, as part of its club membership it will provide, plans to provide its members use of a room. The Company will focus on property acquisitions and development opportunities of 1,200 to 1,600 square feet with purchase prices of up to \$250,000.00, with locations focused the Phoenix, Arizona area. The Company will focus on acquiring and developing properties with no homeowners association, that have proximity to public transportation, and are located within commercial zones. The rehabilitation budget for the properties will depend on the condition of each property, but is anticipated to be around \$180,000.00 per property, with full renovation required. Each property will be acquired and held by a separate Series.

BananaSplit Club is owned and managed by Ice Cream LLC (controlled by Vladimir Rubinin), Whipped Cream LLC (controlled by Jamil Damji), and Tart Cherry LLC (controlled by Rahima Athari). It is a new company with no operating history, however, its members have real estate experience and expertise in renting individual rooms for renovated single-family residences. The lease terms between BananaSplit Club and each Series will be the same. These terms generally include the following:

- Initial 5 year lease term with the first 6 months being a probationary period where either party may terminate the lease for any reason.

- Option for BananaSplit Club to extend the lease with the mutual approval of the Series in 5-year increments for a maximum of twenty years of total extension time.
- Monthly rent calculated as 78% of all income received by BananSplit Club from operating the property less the sum of all expenses necessary or convenient to operating the property as a communal living facility.

A copy of the form of the lease agreement is attached as Exhibit 5 to this Memorandum.

### **Capitalization**

Each Series intends to fund its operations from the sale of Units, including both funds raised through this Offering and separately purchased by the Manager and its Affiliates and/or designees. Each Series does not intend to, but may, seek debt financing to fund acquisition of Series assets and its operations. Any excess funds not kept in reserve will be distributed pursuant to the Company Agreement and Series Designations.

### **Investor Reporting**

Each Series will use commercially reasonable efforts to furnish to each Member reports as follows: (i) discussion of the Series' performance periodically and (ii) all information relative to the Series necessary for the timely preparation of the Members' federal and state income tax returns.

## **RISK FACTORS**

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT PURCHASING UNITS IS A SPECULATIVE INVESTMENT AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS MEMORANDUM AND ALL EXHIBITS PRIOR TO MAKING AN INVESTMENT AND SHOULD BE ABLE TO BEAR THE COMPLETE LOSS OF THEIR INVESTMENT.

In addition to the negative implications of all information and financial data included or referred to directly in this Memorandum, prospective investors should consider the following risk factors before making an investment in Units. This Memorandum contains forward-looking statements and information concerning the Series, its investment plans, and other future events. These statements should be read together with the discussion of risk factors set forth below because those risk factors could cause actual results to differ materially from such forward-looking statements. The cautionary statements set forth under this section and elsewhere in this Memorandum identify important factors with respect to forward-looking statements.

### **Investment, Structure, and Offering Risks**

*The purchase of Units is not a diversified investment.* Because each Series intends to invest in a single asset, an investment in a Series is not a diversified investment. The poor performance of the asset or asset class could adversely affect the profitability of the Series.

*The purchase of Units is a speculative investment.* The business objectives of each Series must be considered highly speculative since they have not begun development or operations. No assurance can be given that prospective investors will realize their investment objectives or will realize a substantial return (if any) on their investment or that they will not lose their entire investment in a Series. For this reason, each prospective investor should carefully read this Memorandum and all Exhibits hereto in their entirety. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH THEIR ATTORNEYS, ACCOUNTANTS, AND BUSINESS ADVISERS PRIOR TO MAKING AN INVESTMENT.

*The securities acquired in this offering may be significantly diluted as a consequence of other equity financings.* The Series' equity securities could be subject to dilution via the creation and sale of additional classes of membership interests in the Series, which may have priority over the securities offered in this offering or through the sale of additional Units in the Series. Whether such securities will ultimately be sold by the Series is uncertain at this time, and as a consequence holders of the securities offered herein could be subject to dilution in an unpredictable amount. Such dilution may reduce an Investor's economic interests in the Series.

*There is no guarantee of a return on an Investor's investment.* The business objectives of each Series must be considered highly speculative. There is no assurance that an investor will realize a return on their investment or that they will not lose their entire investment. For this reason, each investor should read this Memorandum and all exhibits carefully and should consult with their attorney and business advisor prior to making any investment decision.

*An inability to raise substantial funds in this Offering would have a substantial effect on the financing strategy of each Series.* Units will be offered and sold on a "best efforts" basis. No investor has made a firm commitment or obligation to purchase any Units. As a result, the proceeds raised in this Offering may be substantially less than the amount a Series would need to meet its investment objectives. A Series may proceed with obtaining financing or raising additional capital (potentially on more favorable terms than offered herein) in order to meet its operational goals. It is not certain a Series would be able to successfully negotiate any such alternative financing or be successful in raising additional capital, which could materially and negatively impact its investment objectives.

*The Company cannot assure potential investors that the Offering price of Units is an accurate reflection of their value.* The Offering price of Units has been determined by each Series taking into account its Offering expenses, prospects, the number of securities to be offered, and the general condition of the securities market, all as assessed by its management. Such prices are not directly correlated to the Series' assets, earnings, net tangible book value, or any other traditional criteria of value.

*An investment in an offering constitutes only an investment in that series and not in the Company or any other series of the Company.* A purchase of series interests in a Series does not constitute an investment in either the Company directly, or in any other series interest of other Series created by the Company. This results in limited voting rights of the investor, which are solely related to the Series, and are further limited by the Company Agreement of the Company and the Series Designation of the Series, described further herein. Thus, the Manager retains significant control over the management of the Company and each Series.

Furthermore, because the series interests in a Series do not constitute an investment in the Company as a whole, holders of the securities offered through this Memorandum are not expected to receive any economic benefit from, or be subject to the liabilities of, the assets of any other series of the Company. In addition, the economic interest of a holder in a series will not be identical to owning a direct undivided interest in an asset held by the series because, among other things, the Manager will make most decisions relating to the assets.

*Liability of investors between series may not be honored.* The Company is structured as a Delaware series limited liability company that issues a separate series interests represented as Units for specific assets. Each series will merely be a separate series and not a separate legal entity. Under the DLLCA, if certain conditions are met, the liability of investors holding series interests in one series is segregated from the liability of investors holding series interests in another series and the assets of one series are not available to satisfy the liabilities of other series.

Although this limitation of liability is recognized by the courts of Delaware, there is no guarantee that if challenged in the courts of another U.S. State or a foreign jurisdiction, such courts will uphold a similar interpretation of Delaware business law, and in the past certain jurisdictions have not honored such interpretation.

If the Company's series limited liability company structure is not respected, then investors may have to share any liabilities of the Series with all investors and not just those who hold the same series interests as them and account for them separately and otherwise meet the requirements of the DLLCA, it is possible a court could conclude that the methods used did not satisfy the DLLCA and thus potentially expose the assets of a series to the liabilities of another series. The consequence of this is that investors may have to bear higher than anticipated expenses which would adversely affect the value of their series interests or the likelihood of any distributions being made by a particular Series to its investors. Further, if the series structure is not respected, it could affect taxation of the Company, the Series, or any series of the Company.

In addition, the Series is not aware of any court case that has tested the limitations on inter-series liability provided by the DLLCA in federal bankruptcy courts and it is possible that a bankruptcy court could determine that the assets of one series should be applied to meet the liabilities of the other series or the liabilities of the Company generally where the assets of such other series or of the Company generally are insufficient to meet its liabilities.

If any fees, costs, and expenses of the Company are not allocable to a specific series, they will be borne proportionately across all the series (which may include future Series to be issued). Although the Manager will allocate fees, costs and expenses acting reasonably and in accordance with its allocation policy, there may be situations where it is difficult to allocate fees, costs and expenses to a specific series and therefore, there is a risk that a series may bear a proportion of the fees, costs and expenses for a service or product for which another series received a disproportionately high benefit.

*Each Series will rely on the Manager to manage its assets.* In exchange for its asset management, the Manager may be entitled to fees from each Series. Any compensation arrangements will be determined by the Manager sitting on both sides of the table and will not be an arm's length transaction.

*Restrictions on transferability of securities will limit the ability of purchasers to transfer their Units.* Units offered hereby will be "restricted securities" within the meaning of the Securities Act and, consequently, will be subject to the restrictions on transfer set forth in the Securities Act, the Securities Exchange Act, and the rules and regulations promulgated thereunder. In addition, such securities are subject to restrictions on transfer under applicable state securities laws under which such securities are sold in reliance on certain exemptions or under the provisions of certain qualifications. As restricted securities, the Units may not be sold in the absence of registration or the availability of an exemption from such registration requirements. In addition, Members may not withdraw capital from the Series. It is not contemplated that registration of Units under the Securities Act or other securities laws will be effected. There is no public market for Units, and one is not expected to develop.

*The Manager of the Series has broad discretion in how to utilize Offering proceeds.* The Manager will have considerable discretion over the use of proceeds from the Offering. You will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.

*Each Series has the right to limit individual Investor commitment amounts.* Each Series may prevent any investor from committing more than a certain amount in this Offering for any reason. This means that your desired investment amount may be limited or lowered based solely on the Series' determination in the Manager's sole discretion. This also means that other investors may receive larger allocations of the Offering based solely on the Series' determination.



*A Series may end the Offering for its Units early.* A Series may terminate this Offering at any time. This means your failure to participate in the Offering in a timely manner may prevent you from being able to invest in this Offering – it also means the Series may limit the amount of capital it can raise during the Offering by ending the Offering early.

*Units are expected to be offered under a private offering exemption, and if it were later determined that such an exemption was not available, purchasers would be entitled to rescind their purchase agreements.* Units are being offered to prospective investors pursuant to the so-called limited or private offering exemption from registration under Section 4(a)(2) and Rule 506(c) of Regulation D under the Securities Act. Unless the sale of Units should qualify for such an exemption, either pursuant to Regulation D promulgated thereunder or otherwise, the investors might have the right to rescind their purchase of Units. Since compliance with these exemptions is highly technical, it is possible that if an investor were to seek rescission, such investor would succeed. A similar situation prevails under state law in those states where Units may be offered without registration. If a number of investors were to be successful in seeking rescission, the Series would face severe financial demands that could adversely affect the Series and, thus, the non-rescinding investors. Inasmuch as the basis for relying on exemptions is factual, depending on the Series' conduct and the conduct of persons contacting prospective investors and making the Offering, the Series will not receive a legal opinion to the effect that this Offering is exempt from registration under any federal or state law. Instead, the Series will rely on the operative facts as documented as the Series' basis for such exemptions.

*This Offering has not been registered with the SEC or any state securities authorities.* This Offering will not be registered or qualified with the SEC under the Securities Act or with the securities agency of any state, and Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to investors for Units meeting the suitability requirements set forth in this Memorandum. Since this is a nonpublic Offering and, as such, is not registered under federal or state securities laws, prospective investors for Units will not have the benefit of review by the SEC or any state securities regulatory authority. The terms and conditions of the Offering may not comply with the guidelines and regulations established for offerings that are required to be registered and qualified with those agencies.

## **Operational Risks**

*The Company and each Series will experience those risks associated with an investment in and ownership of membership units in a newly formed limited liability company.* There are significant restrictions placed on each Series via the Company Agreement and the Series Designations, including, but not limited to, restrictions on transfer of Units, voting, distributions, withdrawal, management, dissolution, and dispute resolution.

*The Manager has significant flexibility with regard to operation of each Series and their investments.* The Series' agreements and arrangements with its Manager and the Manager's Affiliates have been established by the Manager and may not be on an arm's-length basis. The Manager has considerable discretion with respect to all decisions relating to the terms and timing of transactions.

*There may be significant conflicts of interest between the Manager and its Affiliates and each Series.* The Manager and its Affiliates may engage in activities other than the ownership, service, and management of the Series, some of which may compete directly with the Series. See "Related Party Transactions And Conflicts of Interest" on page 24.

*Management is entitled to fees and carried interest which will reduce returns to investors.* The Manager will charge each Series a three percent (3%) acquisition fee on the purchase price of the property, a three percent (3%) project management fee on the gross revenue for each Series and will also receive either twenty percent (20%) or fifty percent (50%) of Free Cash Flows from each Series, depending on the Series type. Furthermore, the lease rate for each property held by a Series will be seventy-eight percent (78%) of all income received by BananaSplit Club from operating the property, less the sum of all expenses necessary or convenient to operating the property as a communal living facility. The Company could possibly charge more for the lease rate if it leased the properties for each Series to an unrelated third party.

*The liability of the management is limited.* As a result of certain exculpation and indemnification provisions in the Company Agreement, the Manager and its officers, employees, agents, attorneys, and certain other parties may not be liable to the Series or its Members for errors of judgment or other acts or omissions not constituting fraud, intentional misconduct, criminal act, or gross negligence. A successful claim for such indemnification would deplete the assets of the Series by the amount paid.

*Maintenance of an Investment Company Act exemption imposes limits on the operations of the Series, and if a Series were to become subject to the Investment Company Act, it likely could not continue its business.* The Company and each Series intends to conduct its operations so that it is not required to register as an investment company under the Investment Company Act of 1940 (the “Investment Company Act”). Each Series intends to make investments that satisfy requirements that will exempt it from registration under the Investment Company Act and intends to monitor its compliance with applicable exemptions under the Investment Company Act on an ongoing basis. If it fails to comply with an exemption, it could, among other things, be required to register as an investment company or substantially change its operations and investment strategies in order to avoid being required to register as an investment company, either of which would have a material, adverse effect on a Series. If a Series is required to register as an investment company, it would become subject to substantial regulations and restrictions with respect to its capital structure, management, operations, transactions with affiliated persons, portfolio composition, and other matters. This could potentially force it to discontinue its business. The Series will face similar investment company concerns under the various blue-sky laws.

*Any projected results of operations included in this Memorandum are forward-looking statements that involve significant risks and uncertainty.* All materials or documents supplied by a Series should be considered speculative and are qualified in their entirety by the assumptions, information, and risks disclosed in this Memorandum. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur, many of which are outside the Series’ and the Manager’s control. Any projections included herein are based on assumptions made regarding future events. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not equal currently estimated approximate projections and may differ significantly. Therefore, prospective investors should consult with their tax and business advisers about the validity and reasonableness of the factual, accounting, and tax assumptions contained in this Memorandum and the Exhibits to this Memorandum. Neither the Series nor any other person or entity has been authorized to make any representation or warranty as to the future profitability of the Series or of an investment in Units.

## **Real Estate Risks**

*Each Series will be subject to those general risks relating to the ownership, improvement, and operation of real estate.* The Series’ economic success will depend upon the results of operations and sale of the properties, which will be subject to those risks typically associated with such asset class. Fluctuations in operating expenses and tax rates can adversely affect operating results or render the sale of the properties difficult or unattractive. Certain expenditures associated with the properties will be fixed and will not necessarily decrease due to events adversely affecting the Series’ income from the operation of the

properties. No assurance can be given that certain assumptions as to the future profits from such operations will be accurate, since such matters will depend on events and factors beyond the Series' and the Managing Member's control. These factors include, among others:

- adverse changes in local and national economic conditions;
- changes in the financial condition of buyers and sellers of similar properties;
- changes in the availability of debt financing and refinancing;
- changes in the relative popularity of the properties and in real estate as an investment class;
- changes in interest rates, real estate taxes, operating expenses, and other expenses;
- changes in market capitalization rates;
- changes in utility rates;
- development and improvement of competitive properties;
- ongoing development, capital improvement, and repair requirements;
- risks and operating problems arising out of the presence or scarcity of certain construction materials;
- environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which adequate reserves had not been established;
- physical destruction and depreciation of property and equipment;
- damage to and destruction of the properties, or any improvements or personal property located thereon;
- acts of God;
- changes in availability and cost of insurance;
- unexpected construction costs;
- increases in the costs of labor and materials;
- materials shortages; and
- labor strikes.

*Real estate development and construction involves various risk factors that can impact the successful completion and profitability of a project.* Each Series will complete a full conversion of the property it acquires. Some of the related construction risks the Series will be subject include:

- **Market Risk:** Fluctuations in real estate market conditions can affect demand for the completed properties, leading to potential delays in sales or lower selling prices. Economic downturns can

reduce demand for the completed properties, which would affect the Series' ability to sell or lease the properties.

- **Financial Risk:** Insufficient funding or cash flow issues can lead to project delays, cost overruns, or even project abandonment. Interest rate fluctuations can impact borrowing costs and profitability. Inadequate financial planning and budgeting can lead to cost overruns and negatively affect a project's profitability.
- **Construction and Design Risk:** Poor project planning and design can lead to construction delays and increased costs. Design flaws or changes can result in construction rework, causing delays and cost overruns which could affect the overall profitability of a project. Availability of skilled labor and materials can also impact the construction schedule and costs.
- **Regulatory and Legal Risk:** Delays or complications in obtaining necessary permits and approvals can lead to project delays and increased costs. Zoning changes or other regulatory issues can impact the feasibility of the project. Legal disputes, such as contract disputes or litigation, can lead to delays, increased costs, and reputational damage to the Series.
- **Environmental and Sustainability Risk:** Environmental contamination or other environmental issues can lead to costly cleanup efforts and delays. Changes in environmental regulations can impact project design and construction methods, potentially leading to increased costs.
- **Political and Geopolitical Risk:** Political instability, changes in government policies, or geopolitical events can affect the project's viability and profitability.
- **Technology and Innovation Risk:** Incorporating new technologies or construction methods without proper understanding or testing can lead to implementation challenges and delays. Technological disruptions or changes can impact project timelines and costs.
- **Health and Safety Risks:** Inadequate safety measures can result in accidents, injuries, or fatalities, leading to legal and financial consequences.

*Successful ground-up construction and development depends on many independent factors, and delays or changes in plans, sometimes outside of our control, may negatively impact our business plan.* We intend to invest in ground-up construction and/or development projects that meet our underwriting criteria, but ground-up construction and development projects are subject to risks, including: delays in permitting or plat approval from governmental regulators, delays stemming from contractor or subcontractor issues, potential disputes or legal challenges from nearby residents or regulatory bodies, materials and labor shortages, potential price fluctuations in materials that negatively impact our budget, and changing market trends during construction and development. Any of these factors could negatively impact or even foreclose our ability to construct or develop a Property, which may negatively impact our profitability.

*In addition to the risk that conversion of the properties may not be successful or may exceed the expected budget, management anticipates that the success of each property will be subject to market-timing risk, or the risk that market conditions will adversely impact the Series' ability to sell a property, or that a Series will be able to generate profits from a sale of a property.* Changes in market conditions, such as a downturn in the economy or a change in consumer preferences, could affect the demand for and value of the properties. Changes in market conditions such as a downturn in the real estate market for reasons such as increases in interest rates, cyclical movement in the real estate market and depressed or unstable general economic conditions, could result in lower property values which could result in a lower than projected sale price for the properties. It could also affect leasing rates for the properties. The time it takes from start to a

in the renovation process, and the complexity involves a considerable amount of time and, as a result, a Series may lack the flexibility to respond and adjust quickly to any fluctuations in the market, which results in increased financial risk to the Series and its members. If an economic downturn substantially negatively affects the price that a Series may lease or sell a property for, the Series may be required to reduce lease rates or hold on to it for longer than anticipated or sell it for less than anticipated or at a loss which would negatively affect member returns.

*The properties will involve significant construction work, which can be disrupted by unforeseen circumstances such as delays caused by cost overruns.* Each Series intends on either developing, or acquiring and converting a property which will require a full renovation. They will hire contractors based on bids received for the cost of the conversion. A Series may hire a contractor that underestimates the material and labor costs, and in turn, the conversion project could suffer from cost overruns which could adversely affect investments by Members. In addition, if there are cost overruns or multiple unforeseen change orders, the timeline for conversion of a property could be adversely affected, which could negatively affect Members' investments.

*The profitability of a property is uncertain.* Each Series intends to acquire and convert, or develop, a single family residence and lease it to BananaSplit Club, an affiliated entity. If demand for BananaSplit Club's club membership drops due to economic or other conditions, BananaSplit Club may not be able to fulfill the lease obligations and may find it difficult to make payments to the Company, which would result in a loss to investors holding interests in the Series. In addition, it is possible that one Series will be profitable and another Series will not be. Investors will be placed in a Series based upon availability subject to a required minimum investment amount and will not have the option of deciding which Series they invest in. It is possible that you will be placed in a Series which underperforms and results in a loss of your investment, while another Series may be profitable. You will not be entitled to the profits or losses of any other Series.

*Competition could impact market rental rates.* The properties will compete with other similar properties in the area to attract tenants, which in turn could affect the lease rate between each Series and BananaSplit Club. Competitive properties in the area could adversely affect the ability of BananaSplit Club to increase its club membership which could result in a reduction in income for BananaSplit Club.

*Vacancies and club member defaults may reduce revenues.* BananaSplit Club will rely on club membership income to pay its obligations under the leases, which permits a club member license to use a room. Vacancies or defaults by club members could reduce the amount of revenue that might otherwise be available for payment to a Series. Significant Series expenditures such as increased real estate taxes, insurance and maintenance costs are generally not reduced when circumstances cause a reduction in income from the properties. A vacancy or default of a tenant on the rent due will cause BananaSplit Club to lose the revenue from that unit and if enough effective vacancies occur, it could affect its ability to make lease payments to a Series, and the Series may have to find an alternative source of revenue to meet its operating expenses. If the Series is unable to do so, it may be forced to lease the property to a different operator or it could be forced to sell the property at a loss.

*The economic success of an investment in the Series may depend in part upon the results of operations of the properties, some of which are outside the Series' control.* The properties will be subject to those risks typically associated with investments in real estate that produce income based on tenant occupancy and rental revenues. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the properties, future rental appreciation, future cost of capital improvements, or future cost of operating the properties will be accurate since such matters will depend on events and factors beyond the control of the Series. Such factors include continued validity and

enforceability of the leases, vacancy rates for properties similar to the properties, financial resources of tenants, rent levels near the properties, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, the enactment of unfavorable real estate regulations, rent control, and other risks.

*Real estate is a long-term illiquid investment that may be difficult to sell in response to changing economic conditions.* Real estate is generally a long-term investment that cannot be quickly converted to cash. Therefore, the ability to liquidate the properties promptly in response to economic or other conditions will be limited, which will affect the Series' ability to realize a return on its investment. Real estate investments are also subject to adverse changes in overall economic conditions or local conditions that may reduce the demand for real estate generally.

*The properties will be subject to additional risks that may adversely impact the operating results and the success of the Series.* The Series intend to generate income from residential leases on the properties. These leases will generally be for terms of no more than one or two years. Therefore, there are vacancy and re-letting risks associated with income producing residential properties. In addition, an economic downturn, including increased unemployment rates, may cause the residential industry to experience a significant decline in business due to a reduction in renters. Low residential mortgage interest rates could accompany and encourage potential renters to purchase residences rather than lease individual rooms. These and other factors could have a material, adverse effect on the Series' performance. There can be no assurance that any of the properties will maintain adequate levels of occupancy, or the properties will be substantially occupied. In addition, lease-up of unoccupied space may be achievable only at decreased rental rates or with the provision of substantial rental concessions, both of which would adversely affect the operating cash flow of BananaSplit Club and its ability to make lease payments to each Series. Defaults by a significant number of its club members could have a material, adverse effect on the financial performance of BananaSplit Club's operations, and in turn, a Series.

*The consideration paid for a property may exceed fair market value, which may harm our financial condition and operating results.* The consideration that a Series pays will be based upon numerous factors, and the property will be purchased in a negotiated transaction rather than through a competitive bidding process. We cannot assure anyone that the purchase price that a Series pays for a property or their appraised value will be a fair price, that we will be able to generate an acceptable return on such property. As a result, a Series' investment in the property may fail to perform in accordance with our expectations, which may substantially harm the Series' operating results and financial condition.

*Renovations completed for each property may not ultimately increase the value of the property or may increase it less if the funds were used for other purposes.* While the Company believes that the renovations completed on the properties which will be held by the Series will increase the value of the properties, it may not. The renovations could potentially reduce the values of the properties. In addition, it is possible that if funds were spent differently, the value of the properties would increase more than if the funds are used as anticipated.

*Costs associated with complying with the Americans with Disabilities Act may decrease cash available for distributions.* A property may be subject to the Americans with Disabilities Act of 1990, as amended, or the ADA. Under the ADA, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services be made accessible and available to people with disabilities. The ADA's requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties or, in some cases, an award of damages. Any funds used for ADA compliance will reduce a Series' net income and the amount of cash available for distributions to investors.

*The Series face possible risks associated with natural disasters and the physical effects of climate change, which may include more frequent or severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires, any of which could have a material adverse effect on our business, results of operations, and financial condition.* To the extent climate change causes changes in weather patterns, a property could experience increases in storm intensity which could damage the property and result in higher vacancy. Climate change may also affect our business by increasing the cost of, or making unavailable, property insurance on terms we find acceptable in areas most vulnerable to such events, increasing operating costs, including the cost of water or energy, and requiring us to expend funds to repair and protect the property in connection with such events. Any of the foregoing could have a material adverse effect on our business, results of operations, and financial condition.

*A Series may experience liability for alleged or actual harm to third parties and costs of litigation.* Owning and operating properties subjects the Series to the risk of lawsuits filed by tenants, past and present employees, contractors, competitors, business partners, and others in the ordinary course of business. As with all legal proceedings, no assurance can be provided as to the outcome of these matters, and legal proceedings can be expensive and time-consuming. A Series may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could result in substantial losses to a Series. Even if a Series is successful, there may be substantial costs associated with the legal proceeding, and the Manager may be delayed or prevented from implementing the business plan of a Series.

*Due diligence may not uncover all material facts.* Each Series will endeavor to obtain and verify material facts regarding the property it acquires; however, it is possible that a Series will not discover certain material facts about a property, because information presented by the sellers may have been prepared in an incomplete or misleading fashion, and material facts related to such property may not yet have been discovered.

*A Series' business could be negatively impacted by cyber security threats, attacks, and other disruptions.* Businesses are more frequently facing advanced and persistent attacks on information infrastructure where various proprietary information and sensitive/confidential data relating to business operations are managed and stored. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate the portfolios' network security and misappropriate or compromise confidential information, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we use from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of a Series or Series' information infrastructure systems as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect a Series' business.

*Real estate projects may suffer losses that are not covered by insurance.* Material losses to real estate properties may occur in excess of insurance proceeds with respect to any property as insurance proceeds may not provide sufficient resources to fund the losses. However, there are types of losses, generally of a catastrophic nature, such as losses due to wars, earthquakes, floods, hurricanes, pollution, environmental matters, mold, or terrorism, which are either uninsurable or not economically insurable, or may be insured subject to limitations such as large deductibles or co-payments. If an uninsured loss or a loss in excess of insured limits occurs on a property, a Series could lose anticipated future revenues.

*A property may be subject to foreclosure if a default under any mortgage loan occurs.* The Series do not intend to utilize debt financing for the acquisition and conversion of the properties but reserve the right to do so. And certain Series may finance a property after conversion is complete. Any mortgage loan secured by a property will contain various default provisions, including payment defaults, operating restrictions, reporting defaults, transfer restrictions, and capital improvement obligations. Upon an uncured default under a loan, the lender may declare the entire amount of the loan, including principal, interest, prepayment premiums, and other charges to be immediately due and payable. If a senior mortgage lender declares a loan to be immediately due and payable, a Series will have the obligation to immediately repay the loan in full. If repayment does not occur, the lender may invoke its remedies under the loan documents, including proceeding with a foreclosure sale, which is likely to result in a Series losing its entire investment.

*The properties or a portion of the properties could become subject to eminent domain or a condemnation action.* Such an action could have a material, adverse effect on the marketability of the properties and any returns therefrom.

*Future changes in land use and environmental laws and regulations, whether federal, state, or local, may impose new restrictions on the properties.* A Series' ability to sell or operate the properties as intended may be adversely affected by such regulations, which could affect returns therefrom.

*Any person who supplies services or materials to a property may have a lien against the property securing any amounts owed to such person under state law.* Therefore, even if a contractor is paid its contract fees, if that contractor fails to pay its subcontractors or materials supplier, then such subcontractor or materials supplier who was not paid will have mechanic's lien rights against a property. If one or more mechanic's liens does appear against a property, their release must be obtained or the person holding such liens will have the right to foreclose. A forced sale of a property could negatively affect returns therefrom.

*Federal, state, and local government responses to the COVID-19 pandemic have caused market uncertainty with regard to the operation of rental property.* While the Manager does not anticipate the current environment to have a long-term effect on the business or operations, in the past authorities have put in place certain restrictions on businesses, which affected the income and, ultimately, the ability of tenants to pay rent. Property owners were subject of certain restrictions, such as a temporary moratorium on evictions, which, if reinstated in the future, may limit or delay execution of the business plan of the Series. It is unknown as of the date of this Memorandum whether such restrictions will be reinstated due to some future pandemic or the economic repercussions thereof.

## **Federal Income Tax Risks**

*Possible changes in federal/local tax laws or the application of existing federal/local tax laws may result in significant variability in our results of operations and tax liability for the investor.* The Internal Revenue Code of 1986, as amended, is subject to change by Congress, and interpretations may be modified or affected by judicial decisions, by the Treasury Department through changes in regulations and by the Internal Revenue Service through its audit policy, announcements, and published and private rulings. Although significant changes to the tax laws historically have been given prospective application, no assurance can be given that any changes made in the tax law affecting an investment in any Series or interest of a Series would be limited to prospective effect. Accordingly, the ultimate effect on an investor's tax situation may be governed by laws, regulations or interpretations of laws or regulations which have not yet been proposed, passed or made, as the case may be.

*Possible changes in federal tax laws make it impossible to give certainty to the tax treatment of a Series' series interests.* The tax code is subject to change by Congress, and interpretations of the code may be modified or affected by judicial decisions, by the Treasury Department through changes in regulations and



by the Internal Revenue Service through its audit policy, announcements, and published and private rulings. Although significant changes to the tax laws historically have been given prospective application, no assurance can be given that any changes made in that law affecting an investment in any Series of the Company would be limited to prospective effect.

*An investment in a Series raises significant tax issues, and the tax treatment of an investment in the Series may vary significantly from investor to investor.* Please review carefully the risks below, among others, and consult your own tax adviser about the specific tax consequences to you before investing.

- The tax allocation of the Series' income and loss may be challenged by the Internal Revenue Service.
- An audit of the Series' return by the Internal Revenue Service may lead to adjustments to the Members' tax returns and an audit of the Members' tax returns.
- Under the Bipartisan Budget Act of 2015, which took effect in January of 2018, the Series must designate a Partnership Representative for each tax year. Federal law gives the Partnership Representative significant discretion in the event of an audit by the Internal Revenue Service, including the sole authority to make elections that bind the Series and all of the Members. While it is the intent of the Series that the Partnership Representative do what is in the best interests of the Series, actions taken by the Partnership Representative may have a negative effect on one or more current or former Members.
- Any tax benefits from ownership of Units will not be available unless the Series and the Series' Members have a profit motive.

*Neither the Company nor any Series have requested an IRS ruling as to their partnership tax status.* The Company and each Series are electing to be taxed as a partnership. Partnerships are generally pass-through entities for tax purposes, meaning that the income and deductions pass through to the individual partners rather than being taxed at the entity level. If the Company or any Series' tax status as a partnership is reclassified as a corporation by the IRS, it can have several implications and risks for them and their members including, but not limited to, the following:

- **Double Taxation:** Corporations are subject to double taxation, meaning that the corporate income is taxed at the entity level, and then any distributions or dividends to shareholders are taxed again at the individual level. This is different from partnerships, which are pass-through entities, and income is only taxed at the individual partner level.
- **Loss of Pass-Through Benefits:** Partnerships enjoy pass-through taxation, where profits and losses flow through to the individual partners. If reclassified as a corporation, the entity loses this pass-through treatment, and income is taxed at both the corporate and individual levels.
- **Change in Tax Rates:** Corporate tax rates may be different from individual tax rates. Reclassification could result in partners facing higher or lower tax rates on their share of the income.
- **Additional Compliance Requirements:** Corporations have different reporting and compliance requirements than partnerships. This includes filing corporate tax returns and adhering to corporate governance and regulatory standards.

- **Changes in Deductibility:** Some deductions and credits available to partnerships may not be available to corporations, and vice versa. The reclassification could impact the ability to claim certain tax benefits.
- **Impact on Members' Basis:** The tax basis of a partner's interest in the partnership affects the taxation of distributions and sales of partnership interests. Reclassification may alter the members' basis calculations.

*There is a material risk that in some years of operations, an investor's tax liabilities resulting from its investment in a Series may exceed the amount of cash distributions to such investor, and that to the extent of such excess the payment of any income tax liability resulting from the investment may be an out-of-pocket expense of such investor.* An allocation of taxable income may occur without a corresponding distribution of cash and it is possible that investors will not be distributed sufficient cash to pay their tax liability on their allocable share of income for a particular period. In addition, on a sale or other disposition (e.g., by gift) of an Interest or on a sale (including a foreclosure sale) or other disposition of Series property (directly or indirectly), there is a material risk that an investor's tax liabilities may exceed the cash it receives from the Series and that to the extent of such excess, the payment of such taxes will be an out-of-pocket expense of the investor. If the sale results in a gain, some of the gain may be taxed as ordinary income and some may be taxed as capital gain.

*The Company and each Series will engage in activities that constitute a U.S. trade or business, and the they expect to recognize gains from the sale of interests in U.S. real property.* Accordingly, a non-U.S. investor in the Company generally will be subject to U.S. withholding taxes, U.S. tax filing and payment obligations, and in certain cases a U.S. "branch profits" as a result of such investor's investment in the Company. Prospective non-U.S. investors should consult their own tax advisors regarding the U.S. tax implications of investing in the Company.

EACH RISK DESCRIBED ABOVE MAY AFFECT THE MANAGEMENT, INVESTMENT, OR OTHER TRANSACTIONS RELATED TO THE COMPANY. FOR ALL OF THE FOREGOING REASONS AND OTHERS SET FORTH HEREIN, AN INVESTMENT IN UNITS INVOLVES A HIGH DEGREE OF RISK. ANY PERSON OR ENTITY CONSIDERING AN INVESTMENT IN THE UNITS OFFERED HEREBY SHOULD BE AWARE OF THESE AND OTHER RISK FACTORS SET FORTH IN THIS MEMORANDUM.

## **MANAGEMENT AND CERTAIN SECURITY HOLDERS**

### **CoNest Management LLC**

CoNest Management LLC, a Delaware limited liability company is the Manager of the Company and will manage each Series. The Manager is owned and managed by Vladimir Rubinin, Rahima Athari, and Jamil Damji. The Manager shall manage all business and affairs of the Company and each Series. The Manager shall direct, manage, and control the Series to the best of its ability and shall have full and complete authority, power, and discretion to make any and all decisions and do any and all things the Manager deems to be reasonably required to accomplish the investment objectives of each Series. The Members will have little or no control over the day-to-day operations of each Series and will be able to vote only on limited matters. The Manager will make all other decisions.

### **Vladimir Rubinin**

Vladimir Rubinin is a seasoned entrepreneur with expertise in international business management and strategic growth. As a leader at a prominent European window and door manufacturer, Vladimir drove the

company to secure over 45% of the Moscow market by sales volume. In his independent venture, he established a UK-based niche stained-glass business as Russia's top supplier with a 70% market share in just five years. He has also successfully managed mergers and acquisitions of industrial assets worth over \$40 million. Alongside these ventures, Vladimir has consistently invested in real estate, acquiring, renovating, and selling properties across various regions, including Europe, Asia, and Latin America.

### ***Experience***

MD Signature | Principal  
2024 – Present

Managing independent business ventures in the U.S., focusing on identifying opportunities, overseeing operations, managing financial resources, and building partnerships to support business success.

NewMe Clinic | Founding Principal  
2017 – Present

Co-founded a leading private plastic surgery clinic, ranked among the top five in Russia by revenue. Successfully oversees daily operations and financials remotely across an 11-hour time difference.

### **Community living investor**

Co-owner of several communal living properties in Phoenix, AZ. Dedicated to rapidly scaling operations and establishing strategic partnerships to drive large-scale sustainable solutions for Phoenix's affordable housing crisis.

### ***Skills***

Strategic Alliances  
Accelerated business development  
Growth Initiative Implementation  
Financial modeling

### ***Highlights***

Global Entrepreneur, Business Strategist, Business Development Expert, M&A and Real Estate Investment Specialist.

### **Rahima Athari**

Rahima Athari is a dynamic and accomplished real estate professional with over 20 years of experience and a proven track record of success in urban community development and sustainable housing initiatives. Rahima is highly skilled in project management, community engagement, and the creation of educational programs that foster a sense of belonging. Known for executing over 310+ real estate flips and pioneering innovative housing models that address the needs of neglected neighborhoods particularly for veterans.

### ***Experience***

Keyglee | Founding Principal  
2016 – Present

Co-founded and currently leads America's largest wholesale real estate company, managing over 100+ franchises nationwide. Leverage extensive industry resources to enhance community development initiatives and improve housing access.

#### Triple Digit Flip | Television Reality Show Lead

Led the planning, acquisition, investment, and project management phases for the remodeling and sale of 10 single-family homes within a 4-month timeframe, showcasing expertise in rapid property turnaround.

#### Community housing initiatives

Actively involved in Section 8 housing initiatives, advocating for affordable housing solutions for underprivileged communities, including Veterans. Partnered with the late Senator John McCain to implement housing programs aimed at Veterans, enhancing access to needed resources and shelter.

#### Community living portfolio developer

Currently developing and managing a communal living portfolio designed to provide attractive returns for investors while simultaneously increasing the availability of affordable housing in the Phoenix community, particularly for underserved groups.

#### ***Skills***

Real Estate Investment & Management  
Community Development  
Project Planning & Execution  
Veterans Housing Advocacy  
Educational Program Development  
Strategic Partnerships  
Affiliate Partnership Builder

#### ***Highlights***

Reality Television Star, Podcaster, Real Estate Pro, Developer, Property Manager, Builder.

#### **Jamil Damji**

Internationally renowned real estate visionary, best-selling author, and podcast host Jamil Damji sparks generational wealth through education and empowerment.

Jamil Damji is a dynamic, internationally renowned real estate investor, entrepreneur, and best-selling author, dedicated to empowering others to create generational wealth through real estate. As the Co-founder of KeyGlee, a nationally franchised Real Estate wholesaling operation in 118 markets and counting, Jamil has demonstrated an exceptional ability to expand his influence and bring success to a wide array of real estate professionals.

Jamil's vision as the driving force behind Astroflipping has resulted in the establishment of the most successful community of Real Estate Wholesalers, with over 4,500 active members and tens of millions of dollars in student profits. His expertise has also made its mark on national television as the host of A&E's popular show, "Triple Digit Flip," and as the "Subject Matter Expert" for Wholesaling on the world's largest real estate online community.

Jamil's influence extends beyond television, as he is a prominent figure in the podcasting world. As a sought-after host on popular shows such as Wholesale Hotline, Title Talk, Sunday Mindset, and Straight Outta Compin', he engages audiences with his insightful discussions on real estate and wealth-building strategies. Additionally, Jamil's expertise has been showcased on numerous podcast appearances, totaling in the hundreds. His unwavering passion for education and sharing knowledge on property valuation resonates through all his engagements, making him a trusted voice in the industry.

Throughout his career, Jamil has maintained a profound commitment to teaching others how to invest and profit in real estate in a smart, strategic, and ethical way. For him, running a profitable real estate business while upholding values of integrity and honor are synonymous, and his teachings are imbued with this message.

### ***Highlights***

\$50M+ in deals  
7,000+ wholesale deals  
4,500+ Astroflipping members  
100+ Keylee franchises

### **Employees and Consultants**

None of the Company or any Series currently has employees but may hire employees and/or contractors in the future. The Manager will provide executive services to each Series and will receive compensation for services rendered, as described in each Series designation.

## **MANAGEMENT COMPENSATION AND FEES**

### **Management Fees**

The Manager will receive fees and distributions from each Series and its agents may receive reimbursement for expenses incurred on behalf of the Company as further described below. The Manager reserves the right to assign any fee, income, or compensation due. The maximum amount of fees the Manager, the other members of the Series' management, or their Affiliates may receive cannot be determined at this time. The compensation arrangements described herein have been established by the Manager and are not the result of arm's-length negotiations. Fees may be paid from capital contributions, revenues, or reserves.

Acquisition Fee: The Manager, its Affiliates, or its designated assigns shall earn an acquisition fee of three percent (3%) of the purchase price of each real property acquired by a Series. This fee is for their efforts in conducting due diligence on the properties and making this investment opportunity available to investors.

Project Management Fee. The Manager, its Affiliates, or its designated assigns shall earn an annual project management fee of three percent (3%) of the gross revenue from the operation of each property held by a Series, calculated and paid quarterly (0.75% per quarter) in arrears. This fee is for organizing the Series and ongoing administrative and management services provided.

Reimbursement of Expenses; Fees for Professional Services: The Series will reimburse the Manager or its Affiliates reasonable expenses paid or incurred in connection with the Series' operations. Such reimbursements may be paid from Capital Contributions, operating revenue, or reserves. In addition, the Series may retain certain of the Manager's Affiliates, for services relating to the Series or operations of the Company or the Series, including any administrative services, construction, brokerage, leasing,

development, financing, title, insurance, property oversight and other asset management services. Any such arrangements will be at market terms and rates, as determined by the Manager.

Carried Interest: The Manager will receive an ownership interest in each Series which will entitle it to receive distributions from each Series. Depending on the Series type, the Manager will receive either twenty percent (20%) of all Free Cash Flows or fifty percent (50%) of all Free Cash Flows.

### **Lease Rate Structure**

All the properties will be rented by each Series to BananaSplit Club, which is an affiliate of management. Monthly rent for each property will be calculated as seventy-eight percent (78%) of all income received by BananSplit Club from operating the property, less the sum of all expenses necessary or convenient to operating the property as a communal living facility. Therefore, what the Company receives as rent will be twenty-two percent less than BananaSplit Club will charge, less operating expenses.

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

### **Related Party Transactions**

The Manager or its Affiliates will be issued a total of 100 Class B Units in each Series of the Company and therefore will be a Member of each Series. In addition, the Manager has been issued all the membership interest in the Company. Additionally, the Manager and/or its Affiliates may advance funds to pay offering and start-up expenses which may be reimbursed with funds raised in this Offering. Furthermore, each Series will enter into a lease agreement to lease its developed or renovated real property to BananaSplit Club LLC, which is owned and managed by the members of the Manager. The form of the lease is attached as Exhibit 5.

### **Conflicts of Interest**

The proposed method of operation of the Series creates certain inherent conflicts of interest among the Series, the Manager, the Members, and their Affiliates. The Manager, the Members, and their Affiliates may act, and are acting, as managers of other limited liability companies, as general partners of partnerships, or in a managerial capacity in other businesses. The Manager and its Affiliates have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to a number of other entities, including to multiple properties. Prospective investors should carefully consider these important conflicts of interest and those described with the risk factors before investing in the Series. See “Risk Factors” on page 8. Additional conflicts of interest may be, but are not limited to, the following:

*Each series plans to acquire and renovate, or develop, a single-family residence and then lease it to BananaSplit Club LLC, an affiliate of the members of the Manager which will then provide the rooms to its club members.* The lease agreement is not being negotiated at arm’s length and it is possible that each Series could receive better terms leasing its property to an unrelated third party. In addition, if BananaSplit Club LLC defaults on the lease agreement with a Series, it will leave the Series with little or no recourse as the beneficial owners of BananaSplit Club LLC are also the members of the Manager of the Company.

*The Manager and its Affiliates may be involved with similar investments or businesses.* The Manager and its Affiliates may act as manager or be a member in other business entities engaged in making similar investments to those contemplated to be made by the Series. The Manager and its Affiliates who will raise investment funds for the Series may act in the same capacity for other investors, companies, partnerships, or entities that may compete with the Series. To the extent its time is required on these business and

management activities, they may not be available to be involved in the day-to-day monitoring of the Series' operations.

*The Manager, certain Members, and their Affiliates will receive compensation from the Series.* Payments to the Manager, the Members, and their Affiliates for services rendered to the Series have not been and will not be determined by arm's length negotiations. See "Management Compensation and Fees" on page 23. Additionally, the existence of the Manager's or its Affiliates' interest in distributions (i.e., right to participate in net proceeds from investments) may create an incentive for the Manager to make more risky business decisions than it would otherwise make in the absence of such carried interest. However, the Manager will evaluate such proposals consistent with the criteria and standards set forth herein. See "Investment Objectives" on page 7.

*The Manager and its Affiliates may not have had the benefit of separate counsel.* Attorneys, accountants, and/or other professionals representing the Series may also serve as counsel or agent to the Manager and certain of its Affiliates, and it is anticipated that such multiple representation may continue in the future. As a result, conflicts may arise, and if those conflicts cannot be resolved or the consent of the respective parties cannot be obtained to the continuation of the multiple representations after full disclosure of any such conflict, such counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved.

## **PRIOR PERFORMANCE**

The Company and each Series are newly formed specifically to pursue their proposed business and have no prior experience raising or investing funds. However, members of management do have experience as highlighted in his biography. Their experience and results of operations are not indicative of future success of the Company or its Series and are not provided. As a newly formed entities, the Company and each Series has had no material financial transactions and does not have any financial statements to provide for prospective investors' review. Investors should not invest if they are not comfortable making an investment in the absence of such information or otherwise deem such information material in their decision-making process.

## **LEGAL PROCEEDINGS**

Neither the Series nor the Manager are party to any legal proceedings nor have any legal proceedings been, to the best of the Series or Manager's knowledge, threatened against the Series or the Manager. Additionally, the Series and the Manager, to the best of their knowledge, are unaware of any prior legal proceedings that would be material to this Offering.

## **DISTRIBUTIONS**

Distributions within each Series will be made in accordance with the Series Designation for each Series. The Company expects that distributions for each Series will begin one quarter following the completion of conversion of the property and rental of its rooms. Any Free Cash Flows of each Series after (i) repayment of any amounts outstanding under Operating Expenses Reimbursement Obligations including any accrued interest as there may be and (ii) the creation of such reserves as the Manager deems necessary, in its sole discretion, to meet future Operating Expenses including the further development of and reinvestment in the Series Assets, shall be applied and distributed as described below. Free Cash Flows will be reduced by management fees paid to the Manager. In addition, each Series will receive seventy-eight percent (78%) of the income generated by the property from its operation by BananaSplit Club, less operating expenses.

### ***Standard Series Distribution Structure***

The following is the distribution structure for our standard Series. The minimum investment amount for these Series will be set at \$10,000.00, which the Manager may waive in its discretion. A Series with the following structure does not intend to return an investor's original investment until the sale of the Series asset (property).

#### Operational Cash Flow

Free Cash Flows from operational cash flow will be distributed as follows:

- Eighty percent (80%) to the Class A Members, and twenty percent (20%) to the Class B Members, ratably apportioned to each Member based upon their respective Class A and Class B Interests.

#### Cash Flow from Capital Transactions and Dissolution/Liquidation

Free Cash Flows from sale of Series assets or from dissolution and liquidation of the Series will be distributed as follows:

- First, the Class A Members shall ratably receive all Free Cash Flows, until they have been returned all their unreturned Capital Contributions.
- Thereafter, all remaining Free Cash Flows will be distributed eighty percent (80%) to the Class A Members, and twenty percent (20%) to the Class B Members, ratably apportioned to each Member based upon their Class A and Class B Interests.

#### ***Special Series Distribution Structure***

The following is the distribution structure for our special Series. The minimum investment amount for these Series will be set at \$500,000.00, which the Manager may waive in its discretion. A Series with the following structure intends to acquire and/or develop the Series asset with cash and then refinance the Series asset after conversion of the Series asset in order to return up to seventy percent (70%) or more of investor's original investment within 6 months, with the remaining being returned upon the sale of the Series asset (property). The actual amount returned to investors will depend on the ARV of a property, and there is no guarantee that the Company will be able to refinance the properties.

#### Operational Cash Flow

Free Cash Flows from operational cash flow will be distributed as follows:

- Fifty percent (50%) to the Class A Members, and fifty percent (50%) to the Class B Members, ratably apportioned to each Member based upon their respective Class A and Class B Interests.

#### Cash Flow from Capital Transactions and Dissolution/Liquidation

Free Cash Flows from capital transactions (sale or finance/refinance of the Series Asset) or from dissolution and liquidation of the Series will be distributed as follows:

- First, the Class A Members shall ratably receive all Free Cash Flows, until they have been returned all their unreturned Capital Contributions.



- Thereafter, all remaining Free Cash Flows will be distributed fifty percent (50%) to the Class A Members, and fifty percent (50%) to the Class B Members, ratably apportioned to each Member based upon their Class A and Class B Interests.

## SUMMARY OF THE COMPANY AGREEMENT

The rights and obligations of the Series' Members are governed by the Company Agreement and the Series Designation of the Series in which they hold Units, which each prospective investor will be required to execute as a condition to purchasing Units. The following summary covers certain significant provisions of the Company Agreement and is qualified in its entirety by the provisions of the Company Agreement. It is the intent that this Memorandum accurately summarize and represent the terms of the Company Agreement. However, in the event that any term of this Memorandum conflicts with the Company Agreement, the Company Agreement shall control. Each prospective investor should carefully study the Company Agreement and the applicable Series Designations. Except for references to "Company" and "Series," defined terms in this summary shall have the meaning set forth in the Company Agreement and Series Designations.

**Interests in the Series:** Interests in each Series are represented by series units and divided among Class A, and Class B Units, unless otherwise determined by the Manager. Each Series is authorized to issue as many Units as necessary to fully fund its business purpose, as determined in the sole discretion of the Manager. Un-issued Units may not be voted or allocated profits, losses, or distributions. Class B Units of each Series will be issued to the Manager or its Affiliates. Interests for Class A and Class B Units will be determined by the Series Designation for each Series.

**The Manager:** The Manager will manage all the business and affairs of the Company and will act as the manager for each Series managing all the business and affairs of each Series. The Manager will direct, manage, and control the Series to the best of its ability and will have full and complete authority, power, and discretion to make any and all decisions and to do any and all things that the Manager deems to be reasonably required to accomplish the business and objectives of the Series.

The affirmative vote of at least two thirds of the total votes that may be cast by all outstanding series interests, voting together as a class, may elect to remove the Manager at any time if our Manager is found by a non-appealable judgment of a court of competent jurisdiction to have committed fraud in connection with a series or the Company and which has a material adverse effect on the Series.

**The Members:** The Members are not permitted to take part in the management or control of the business or operations of the Company or the Series. Assuming that the Series is operated in accordance with the terms of the Company Agreement, a Member generally will not be liable for the obligations of the Series in excess of its total Capital Contributions and share of undistributed profits. However, a Member may be liable for any distributions made to the Member if, after such distribution, the remaining assets of the are not sufficient to pay its then outstanding liabilities. The Company Agreement provides that the Members will not be personally liable for the expenses, liabilities, or obligations of the Company.

**Voting Rights of the Members:** Record holders holding Class A and Class B Units collectively hold all the voting rights of the Company and each Series, unless additional classes are created by the Manager. Voting rights will either be split 50 (Class A)/50 (Class B) or 80 (Class A)/20 (Class B) depending on the specific Series.

**Term and Dissolution:** The term of the Company commenced upon the filing of the Company's Certificate of Formation with the Delaware Secretary of State and will last in perpetuity or until such time as the winding up and liquidation of the Company and its business. The Company will be dissolved upon the occurrence of any of the following events:

- An election to dissolve the Company by the Manager.
- The sale, exchange, or other disposition of all or substantially all of the assets and properties of all Series (which shall include the obsolescence of the Series Assets) and the subsequent election to dissolve the Company by the Manager.
- The entry of a decree of judicial dissolution of the Company pursuant to the provisions of the DLLCA.
- At any time that there are no Members of the Company unless the business of the Company is continued in accordance with the DLLCA.
- A vote by the Economic Members to dissolve the Company following the for-cause removal of the Manager in accordance with Article X of the Company Agreement.

Unless otherwise provided in the Series Designation, the Series shall terminate, and its affairs shall be wound up, upon the following events:

- The dissolution of the Series pursuant to Section 11.1(a).
- The sale, exchange, or other disposition of all or substantially all of the assets and properties of such Series (which shall include the obsolescence of the Series Asset) and the subsequent election to dissolve the Series by the Manager. The termination of the Series pursuant to this sub-paragraph shall not require the consent of the Economic Members.
- An event set forth as an event of termination of such Series in the Series Designation establishing such Series.
- An election to terminate the Series by the Manager.
- At any time there are no Members of such Series unless the business of such Series is continued in accordance with the DLLCA.

**Access to Series Information:** Each Member shall have the right, upon reasonable demand for any purpose reasonably related to the Members Interest as a member of the Series (as reasonably determined by the Manager) to such information pertaining to the Series as a whole and to each Series in which such Member has an Interest, as provided in subchapter M of the DLLCA; provided, that prior to such Member having the ability to access such information, the Manager shall be permitted to require such Member to enter into a confidentiality agreement in form and substance reasonably acceptable to the Manager. For the avoidance of doubt, except as may be required pursuant to Article X of the Company Agreement, a Member shall only have access to the information (including any Series Designation) referenced with respect to any Series in which such Member has an Interest and not to any Series in which such Member does not have an Interest.

**Indemnification:** Subject to other applicable provisions of this Article V including Section 5.7, the Indemnified Persons shall not be liable to the Series or any Series for any acts or omissions by any of the Indemnified Persons arising from the exercise of their rights or performance of their duties and obligations in connection with the Series or any Series, this Agreement or any investment made or held by the Series or any Series, including with respect to any acts or omissions made while serving at the request of the Series or on behalf of any Series as an officer, director, member, partner, fiduciary or trustee of another Person, other than such acts or omissions that have been determined in a final, non-appealable decision of a court of competent jurisdiction to constitute fraud, willful misconduct or gross negligence.

The Indemnified Persons shall be indemnified by the Series and, to the extent Expenses and Liabilities are associated with any Series, each such Series, in each case, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Series and counsel fees and disbursements on a solicitor and client basis) (collectively, "Expenses and Liabilities") arising from the performance of any of their duties or obligations in connection with their service to the Series or each such Series or this Agreement, or any investment made or held by the Series, each such Series, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such Person may hereafter be made party by reason of being or having been a manager of the Series or such Series under Delaware law, an Officer of the Series or associated with such Series, a member of the Advisory Board or an officer, director, member, partner, fiduciary or trustee of another Person, provided that this indemnification shall not cover Expenses and Liabilities that arise out of the acts or omissions of any Indemnified Person that have been determined in a final, non-appealable decision of a court, arbitrator or other tribunal of competent jurisdiction to have resulted primarily from such Indemnified Person's fraud, willful misconduct or gross negligence. See Section 5.5 of the Company Agreement for full details on indemnification.

**Transfers of Units:** No Transfer of any Economic Members Interest, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Economic Member, unless the written consent of the Manager has

been obtained, which consent may be withheld in its sole and absolute discretion.

Upon acceptance by the Manager of the Transfer of any Interest, Interests may be transferred only by following the procedures for transfers available to Economic Members. Each transferee of an Interest (i) shall be admitted to the Series as a Substitute Economic Member with respect to the Interests so transferred to such transferee when any such transfer or admission is reflected in the books and records of the Series maintained in book form by the Manager, (ii) shall be deemed to agree to be bound by the terms of this Agreement by completing a Form of Adherence to the reasonable satisfaction of the Manager in accordance with Section 4.2(g)(ii), (iii) shall become the Record Holder of the Interests so transferred, (iv) grants powers of attorney to the Manager and any Liquidator of the Series and each of their authorized officers and attorneys in fact, as the case may be, as specified herein, and (v) makes the consents and waivers contained in this Agreement. The Transfer of any Interests and the admission of any new Economic Member shall not constitute an amendment to this Agreement, and no amendment to this Agreement shall be required for the admission of new Economic Members.

No Transfer of any Economic Member's Interests, whether voluntary or involuntary, shall be valid or effective unless the Manager determines, after consultation with legal counsel acting for the Series that such Transfer will not, unless waived by the Manager:

- result in the transferee directly or indirectly owning in excess of the Aggregate Ownership Limit;
- result in the transferee exceeding the Investment Limit;
- result in there being 2,000 or more beneficial owners (as such term is used under the Exchange Act) or 500 or more beneficial owners that are not accredited investors (as defined under the Securities Act) of any Series of Interests, unless such Interests have been registered under the Exchange Act or the Series is otherwise an Exchange Act reporting company;
- cause all or any portion of the assets of the Series or any Series to constitute plan assets for purposes of ERISA;
- adversely affect the Series, or subject the Series, the Manager or any of their respective Affiliates to any additional regulatory or governmental requirements or cause the Series to be disqualified as a limited liability company or subject the Series, any Series, the Manager or any of their respective Affiliates to any tax to which it would not otherwise be subject;
- require registration of the Series, any Series, or any Interests under any securities laws of the United States of America, any state thereof or any other jurisdiction; or

- violate or be inconsistent with any representation or warranty made by the transferring Economic Member

For a complete description of the Transfer provisions please see Article IV of the Company Agreement.

**Applicable Law and Jurisdiction:** Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement, or the transactions contemplated hereby shall be brought in any state or federal court of competent jurisdiction located within the State of Delaware and each Member hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding, and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Each Member hereby waives the right to commence an action, suit or proceeding seeking to enforce any provisions of, or based on any matter arising out of or in connection with this Agreement, or the transactions contemplated hereby or thereby in any court outside of the State of Delaware. Section 15.8(b) of the Company Agreement shall not apply to matters arising under the federal securities laws. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any court. Without limiting the foregoing, each party agrees that service of process on such party by written notice pursuant to Section 11.1 of the Company Agreement will be deemed effective service of process on such party.

Every party to the Company Agreement and any other person who becomes a member or has rights as an assignee of any portion of any members membership interest waives any right to a jury trial as to any matter under the Company Agreement.

## **RETIREMENT TRUSTS AND OTHER BENEFIT PLAN INVESTORS**

Each respective Member that is an employee benefit plan or trust (an “ERISA Plan”) within the meaning of, and subject to, the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), or an individual retirement account (“IRA”) or Keogh Plan subject to the Internal Revenue Code, should consider the matters described below in determining whether to invest in the Series.

In addition, ERISA Plan fiduciaries must give appropriate consideration to, among other things, the role that an investment in the Series plays in such ERISA Plan's portfolio, taking into consideration (i) whether the investment is reasonably designed to further the ERISA Plan's purposes, (ii) an examination of the risk and return factors, (iii) the portfolio's composition with regard to diversification, (iv) the liquidity and current return of the total portfolio relative to the ERISA Plan's objectives and (v) the limited right of Members to withdraw all or any part of their capital accounts or to transfer their interests in the Series.

If the assets of the Series were regarded as “plan assets” of an ERISA Plan, an IRA, or a Keogh Plan, the Manager of the Series would be a “fiduciary” (as defined in ERISA) with respect to such plans and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. Moreover, other various requirements of ERISA would also be imposed on the Series. In particular, any rule restricting transactions with “parties in interest” and any rule prohibiting transactions involving conflicts of interest on the part of

fiduciaries would be imposed on the Series which may result in a violation of ERISA unless the Series obtained an appropriate exemption from the Department of Labor allowing the Series to conduct its operations as described herein.

Regulations adopted by the Department of Labor (the “Plan Regulations”) provides that when a Plan invests in another entity, the Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that, among other exceptions, the equity participation in the entity by “benefit plan investors” is not “significant.” The Pension Protection Act of 2006 amended the definition of “benefit plan investors” to include only plans and plan asset entities (i.e., entities that are themselves deemed to hold plan assets by virtue of investments in them by plans) that are subject to part 4 of Title I of ERISA or section 4975 of the Internal Revenue Code. This new definition excludes governmental, church, and foreign benefit plans from consideration as benefit plan investors.

Under the Plan Regulations, participation by benefit plan investors is “significant” on any date if, immediately after the last acquisition, twenty-five percent (25%) or more of the value of any class of equity interests in the entity is held by benefit plan investors. The Series intends to limit the participation in the class by benefit plan investors to the extent necessary so that participation by benefit plan investors will not be “significant” within the meaning of the Plan Regulations. Therefore, it is not expected that the Class Assets will constitute “plan assets” of plans that acquire interests.

It is the current intent of the Series to limit the aggregate investment by benefit plan investors to less than twenty-five percent (25%) of the value of the Members' membership interests so that equity participation of benefit plan investors will not be considered “significant.” The Series reserves the right, however, to waive the twenty-five percent (25%) limitation. In such an event, the Series would expect to seek exemption from application of “plan asset” requirements under the real estate operating company exemption.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF INDIVIDUAL RETIREMENT ACCOUNTS OR OTHER EMPLOYEE BENEFIT PLANS IS IN NO RESPECT A REPRESENTATION BY THE COMPANY OR ITS OFFICERS, DIRECTORS, OR ANY OTHER PARTY THAT THIS INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND FINANCIAL ADVISERS AS TO THE PROPRIETY OF SUCH AN INVESTMENT IN LIGHT OF THE CIRCUMSTANCES OF THAT PARTICULAR PLAN AND CURRENT TAX LAW.

## **FEDERAL AND STATE TAXES**

Each Series will be taxed as a partnership, unless otherwise determined by the Manager. If taxed as a partnership, the following provisions will apply. Investors should consult with their tax professional to determine the effects of the tax treatment of the Class A and Class B Units with respect to their individual situation.

### **Reporting Status of the Series**

The Series will elect to be treated as a partnership for Federal and State income tax purposes. By maintaining partnership tax status, the Series will not report income or loss at the Series level but will report to each Member their pro rata share of Profits and Losses from operations and disposition. This process will make the Series a pass-through entity for tax purposes.

## **Taxation of Members**

The Series will be treated as a partnership for Federal tax purposes. A partnership is not generally a taxable entity. A Member will be required to report on their federal tax return their distributable share of partnership profit, loss, gain, deductions, or credits. cash distributions may or may not be taxable, depending on whether such cash distribution is being treated as a return of capital or a return on investment. Tax treatment of the cash distributions will be treated according to appropriate tax accounting procedure as determined by the Series' tax advisor.

## **Basis of the Series**

An original tax basis will be established for the Series. The tax basis of the Series will be adjusted during the operations of the Series under applicable partnership tax principles.

## **Basis of a Member**

A Member will establish their original tax basis based on the amount of their initial Capital Contribution. Each Member's tax basis will be adjusted during operations of the Series by principles of subchapter K of the Internal Revenue Code. A Member may deduct, subject to other tax regulations and provisions, their share of Series Losses only to the extent of the adjusted basis of their Interest in the Series. Members should seek qualified tax advice regarding the deductibility of any Series Losses.

## **Cost Recovery and Recapture**

The Manager may apply the current cost recovery rules to the improved portion of any real property according to the relevant Internal Revenue Code sections, namely: straight-line, using a 27.5-year useful life for residential property and thirty-nine (39) years for non-residential property. The Manager may elect to use the cost segregation method of depreciation for any personal property associated with real property it acquires on behalf of the Series.

The annual cost recovery deductions that must be taken by the Series will be allocated to the Members based on their membership interests in the Series. The cost recovery deductions will be available to the Members to shelter the principal reduction portion of the debt service payments and part of the cash flow distributed by the Series.

According to the current tax code, cost recovery deductions taken during operations may be required to be reported on the sale of the Series Assets and may be taxed at a twenty-five percent (25%) marginal rate, not the more favorable long-term capital gains rates.

## **Deductibility of Prepaid and Other Expenses**

The Series will incur expenditures for legal fees in association with the set-up of the Series. These expenditures will be capitalized and will be deducted on dissolution of the Series based on current tax law.

The Series will incur expenditures for professional fees associated with the preparation and filing of the annual income tax and informational return and the preparation of Schedule K-1 reports to be distributed to the Members. These expenditures will be deducted on an annual basis. All other normal operating expenses will be deducted on an annual basis by the Series, which will use a calendar accounting year.

## **Taxable Gain**

Members may receive taxable income from Series operations, from the sale or other disposition of a Member's membership interests, from disposition of the Series Assets, or from phantom income. Presently, the maximum Federal tax rate on cost recovery recapture is twenty-five percent (25%). The balance of the taxable gain will be taxed at the capital gain tax rate in effect at that time. Investors should check with their tax professional for information as to what capital gains tax rate applies to them.

### *From Operations*

The Manager is projecting that there will be taxable income to distribute to the Members on the Schedule K-1 report provided to each Member annually.

### *From Disposition, Dissolution and Termination*

On disposition of the Series Assets or on dissolution and termination of the Series, which will likely be caused by the sale of the Series Assets, the Members may be allocated taxable income that may be treated as ordinary income or capital gain.

In addition, the Members may receive an adjustment in their Capital Account(s) that will either increase or decrease the capital gain to be reported. The Agreement describes the operation of Capital Accounts for the Series and the Members.

### *From Sale or Other Disposition of a Member's Interests*

A Member may be unable to sell their membership interests in the Series, as there may be no market. If there is a market, it is possible that the price received will be less than the market value. It is possible that the taxes payable on any sale may exceed the cash received on the sale.

Upon the sale of a Member's membership interest, the Member will report taxable gain to the extent that the sale price of the Interest exceeds the Member's adjusted tax basis. A portion of taxable gain may be reported as a recapture of the cost recovery deduction allocated to the Member and will be taxed at the cost recovery tax rate in effect at that time. Members should seek advice from their qualified tax professional in the event of the sale of the Member's interest.

### *Phantom Income*

It may occur that in any year the Members will receive an allocation of taxable income and not receive any cash distributions. This event is called receiving phantom income as the Member has taxable income to report but receives no cash. In this event, the Members may owe tax on the reportable income, which the Member will need to pay out of pocket.

### *Unrelated Business Income Tax (UBIT)*

An Investor who is tax exempt (such as a charitable organization), or who acquires Units through a tax-exempt vehicle (such as an Individual Retirement Account) may be subject to Unrelated Business Income Tax (UBIT). The Manager recommends that Investors contact their qualified tax advisor to determine how/whether the application of UBIT may apply to them.



## **Audits**

### *Election Out of Bipartisan Budget Act Audit Rules*

Effective for partnership returns for tax years beginning on or after January 1, 2018, partnerships will be subject to the audit rules of sections 6221 through 6241 of the Internal Revenue Code, as amended by Bipartisan Budget Act of 2015 (BBA). Under the previous rules, partnership audits (subject to certain exceptions for small partnerships) were conducted at the partnership level, through interaction with a Tax Matters Partner (TMP) authorized to bind all partners (subject to participation in some instances by Notice Partners). Tax adjustments were made at the partnership level, but the adjustments would flow through to the partners who were partners during the year(s) under audit. Collection would then occur at the partner level.

Under the BBA audit rules, the IRS will assess and collect tax deficiencies directly from the partnership at the entity level. Generally, the tax is imposed on and paid by the partnership in the current year, calculated at the highest individual rate. The result is that the underlying tax burden of the underpayment may be shifted from the partners who were partners during the year(s) under audit to current partners.

In addition, the positions of TMP and Notice Partners have been eliminated and replaced with a Partnership Representative, which must be designated annually on the partnership's timely filed return. The Partnership Representative has the sole authority to act on behalf of the partnership and the partners in an audit, and those powers cannot be limited.

A partnership may elect out of the BBA audit rules if certain conditions are met. In order to elect out, the partnership must issue 100 or fewer K-1s each year with respect to its partners. Moreover, each partner must be either an individual, a C corporation, a foreign entity that would be treated as a C corporation if it were domestic, an S corporation, or the estate of a deceased partner. Thus, a partnership is ineligible to elect out if any partner is a trust (including a grantor trust), a partnership, or a disregarded entity, such as an LLC where the social security number of the individual member is used for income tax reporting purposes. The election must be made annually on the partnership's timely filed return and must include a disclosure of the name and taxpayer identification number of each partner. In the case of a partner that is an S corporation, each K-1 issued by the S corporation partner counts toward the limit of 100 K-1s. The partnership must notify each partner of the election .

It is the intent of the Series to elect out of the BBA audit rules, if possible. By electing out of the BBA audit rules, the Series will be subject to audit procedures similar to the TEFRA and pre-TEFRA rules, but the IRS will be required to assess and collect any tax that may result from the adjustments at the individual partner level. However, this opt-out provision likely will not be available to the Series based on the tax classification of the Members.

Members will be required timely to furnish the Series with the information necessary to make the annual election, and the Series will be authorized to provide such information to the IRS.

### *Push Out Election (Audit)*

The "push out" election of Internal Revenue Code section 6226 provides an alternative to the general rule that the partnership must pay any tax resulting from an adjustment made by the IRS. Under section 6226, a partnership may elect to have its reviewed year partners consider the adjustments made by the IRS and pay any tax due as a result of those adjustments. The partnership must make the "push out" election no later than 45 days after the date of the notice of final partnership adjustment and must furnish the Secretary and each partner for the reviewed year a statement of the partner's share of the adjustment.

If a Series fails to make a valid election out of the BBA audit rules or is otherwise disqualified from electing out of their application, the Series intends to elect the application of the “push out” procedures. In the event of a push out, a former Member may owe additional tax if they were a Member during the reviewed year.

## **TERMS OF THE OFFERING**

### **The Offering**

Subject to the terms and conditions set forth in this Memorandum and the Subscription Documents described below, the Series is offering to sell Units to specified purchasers who are Accredited Investors, as that term is defined in Regulation D, Rule 501 who each meet the Series’ suitability criteria.

### **Method of Placement**

Units will be offered exclusively through the Series’ management, including the Manager and its Affiliates, who will not be compensated directly or indirectly for such efforts. Units will be offered on a “best-efforts” basis. There is no assurance that all or any Units will be sold. The Series’ Affiliates may purchase Units on the same terms and conditions as other prospective investors. The Series intends to indemnify the Series’ Manager and other persons and entities against certain Series actions and civil liabilities, including liabilities under the Securities Act. In the opinion of the SEC, the foregoing indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

The Manager will decide whether to accept or reject a subscription within a reasonable time after the receipt of the completed subscription booklet and investment amount. If a subscription is not accepted, any related collected funds will be returned to the subscriber promptly, but in any event within 5 business days of non-acceptance of the prospective investor.

### **Restricted Securities**

There are significant restrictions under the securities laws on the transfer of Units. Units are offered in reliance on exemptions and preemption from the registration provisions of the Securities Act and various state securities laws. Units constitute “restricted securities,” as that term is defined in Rule 144 promulgated under the Securities Act and cannot be resold unless such resale is registered under the Securities Act and applicable state securities laws (which may be prohibitively expensive and may not be possible in any event) or sold pursuant to an exemption therefrom. In some states, specified conditions must be met, or approval of a state authority may be required. Even if Units purchased in this Offering are eligible for resale, there is no trading market for such Units, and none is likely to develop.

In an effort to meet the conditions of such exemptions or preemption, the Series will file such notices and reports as may be required by the states in which the purchasers of Units in this Offering reside at the time of purchase of such Units from the Series and will otherwise utilize commercially reasonable efforts to satisfy the conditions of an exemption or preemption from registration in each of such states.

Units offered hereby must be acquired for investment purposes only and not with a view to or for resale in connection with any distribution thereof. Units will not be registered under the Securities Act or under the securities acts of any state where offered and will be sold and issued in reliance on exemptions and preemption from such registration. Such exemption or preemption depends in part on the investment intent of the investors. Among other things, such restrictions require the investors to bear the economic risk of the investment by holding the securities acquired for an indefinite period of time. These restrictions are set forth

in detail in the separately bound Subscription Documents, which must be signed and agreed to by persons and entities purchasing Units. Prospective investors are urged to review the specific restrictions carefully.

The Series may refuse to transfer any securities to any transferee that does not furnish, in writing to the Series, the same representations and warranties and agree to the same conditions with respect to such securities as are set forth herein. The Series may further refuse to transfer the securities if circumstances are present reasonably indicating that the proposed transferee's representations are not accurate. In any event, the Series may refuse to consent to any transfer in the absence of an opinion of legal counsel, satisfactory to, and independent of, the Series' counsel that such proposed transfer is consistent with the above conditions.

In addition to the foregoing restrictions under applicable securities laws, there are also significant restrictions on the transfer of Units as set forth in the Company Agreement.

### **Acceptance Guidelines of the Series**

Based on the representations contained in the Subscription Documents and other information of which the Series has actual knowledge, the Series' Manager will make the determination of whether to proceed with the sale of Units to the prospective investor. The Series has an absolute right to accept or reject prospective investors and may do so on the basis of factors not related to the suitability of the prospective investor. In making the determination, the Series' Manager will follow guidelines appropriate for reliance on exemptions and preemption from registration under applicable securities laws. Once a subscription agreement is accepted and executed, an investor shall have a right to rescind their offer to purchase Units for three (3) days from the date that they receive notice that the agreement has been countersigned by the Company. Such notice shall include a disclosure describing the targeted asset for the Series.

If the subscription offer is not accepted, appropriate notice thereof will be transmitted promptly to the prospective investor, the Subscription Documents will be appropriately marked, and the subscription proceeds will be returned, without interest or deduction of expenses, to the prospective investor. Regardless of the date of execution, investors whose subscriptions are accepted will not become Members of the Series until the Series "breaks impounds" and begins to deploy investor funds.

### **How to Purchase Units**

In order to purchase Units described in this Memorandum, prospective investors are required to tender to the principal office address, or the Company's investor portal at <https://conest.investnext.com> signed copies of the separately bound Subscription Documents, delivered together with a cashier's check, ACH, or bank wire in the amount of the subscription. On acceptance, the subscription agreement automatically becomes a binding bilateral agreement for the purchase of the number of Units specified, subject to the (3) day right of rescission.

Deliveries of Subscription Documents and Capital Contributions may be delivered to:

Please contact Vladimir Rubinin at (928) 237-1777 for payment information.

CoNest Investments LLC  
Attn: Vladimir Rubinin  
15657 N Hayden Rd #1021  
Scottsdale, AZ 85260  
Info@conest.investments

## DEFINED TERMS

In addition to those capitalized and otherwise defined terms contained herein and therein the Company Agreement, the following terms shall have the definitions ascribed hereunder.

“Accredited Investor” means those individuals that meet the criteria established by the SEC pursuant to the Securities Act, Regulation D, Section 230.501 (“Rule 501”).

“Affiliate” has the definition provided in the SEC’s Regulation D, Section 230.501(b), i.e., “a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.”

“Company” refers to CoNest Investments LLC, a Delaware series limited liability company.

“Company Agreement” means the written Company Agreement of CoNest Investments LLC, a Delaware series limited liability company, as may be amended from time to time.

“DLLCA” means the Delaware Business Organizations Code.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Plan” means an employee benefit plan or trust within the meaning of, and subject to, the provisions of ERISA.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“IRA” means an individual retirement account.

“Manager” means CoNest Management LLC, a Delaware limited liability company, or any other person or persons, or entity that becomes a managing member pursuant to the Company Agreement and Series Designation.

“Member” means a party holding membership interests in the Series. The term “Member” as used herein will include a Manager to the extent it has purchased or received such membership interests in the Series.

“Memorandum” means this Confidential Private Placement Memorandum and all of its Exhibits, each of which are incorporated herein by reference.

“Net Worth” means the difference between total assets and total liabilities while excluding any positive equity in the prospective investor’s primary residence, but, if the net effect of the mortgage results in negative equity, the prospective investor should include any negative effects in calculating their Net Worth. The prospective investor should also subtract from their Net Worth any additional indebtedness secured by his/her primary residence incurred within the 60 days prior to his/her purchase of the Units (other than debt incurred as a result of the acquisition of the primary residence).

“Offering” means the sale of Units in the Series, whose purchasers, if accepted by the Manager, will become Members of the Series pursuant to the terms of this Memorandum.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Series Designation” means the series designations attached as Exhibit 5, Exhibit 6, and Exhibit 7 to this Memorandum which establishes each Series as a series of the Company as such term is used under the DLLCA.

“Subscription Documents” means the Subscription Agreement and related documents attached as Exhibit 4 hereto.

“Units” means membership units in a Series purchased in this Offering or otherwise issued to persons and entities.

### **ADDITIONAL INFORMATION**

Prospective investors may request additional information concerning the Series and other matters relating thereto that is necessary to verify the information in this Memorandum, and the Series will undertake to provide such information to the extent the Series possesses the information or can acquire such information without unreasonable effort or expense. All questions or comments should be directed to the Manager of the Series. Information about the Series is contained in the following documents, which may be included in electronic format accompanying this Memorandum, each of which is incorporated herein by reference:

**Exhibit 1** contains the Certificate of Formation

**Exhibit 2** contains the Company Agreement

**Exhibit 3** contains the Series Designations

**Exhibit 4** contains the Subscription Documents

**Exhibit 5** contains the Form of Lease Agreement

No person is authorized to give any information or to make any representation in connection with this Offering other than those contained in this Memorandum, the Exhibits, and the additional information that is available to prospective investors as provided herein. Information or representations not contained herein or in such Exhibits or other information must not be relied on as having been authorized by any Series. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer, solicitation, or any sale may not be lawfully made. The statements in this Memorandum are made as of the date hereof unless another time is specified.

**CoNest Investments LLC**  
**February 25, 2025**