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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-K/A  
Amendment No. 1**

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- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED December 31, 2023
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission file number 001-40911

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**Belpointe PREP, LLC**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**84-4412083**  
(I.R.S. Employer  
Identification No.)

**255 Glenville Road**  
**Greenwich, Connecticut 06831**  
(Address of principal executive offices)

**(203) 883-1944**  
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A units	OZ	NYSE American

**Securities registered pursuant to section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of Class A units held by non-affiliates of the registrant as of June 30, 2023 was approximately \$287,873,778, based on the closing sale price reported for such date on the NYSE American. Class A units held by each executive officer, director and holder of more than 5% of the registrant's Class A units have been excluded based on the assumption that such persons may be deemed to be affiliates. These assumptions should not be deemed to constitute an admission that such persons are affiliates, or that there are not other persons who may be deemed to be affiliates, of the registrant.

As of March 22, 2024, the registrant had 3,631,703 Class A units, 100,000 Class B units and one Class M unit outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

None.

#### EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") to Belpointe PREP, LLC's (the "Company") Annual Report on Form 10-K for the year ended December 31, 2023 ("Original Filing") is being filed solely for purposes of conforming the language in the certifications filed as Exhibit 31 to the Original Filing to the language set forth in Item 601(b)(31)(i) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

Except as expressly set forth above, this Amendment does not reflect events occurring after the filing date of the Original Filing or modify or update any of the other disclosures set forth therein. Accordingly, this Amendment should be read in conjunction with the Original Filing and the Company's other filings with the U.S. Securities and Exchange Commission filed subsequent to the Original Filing.

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### Forward-Looking Statements

This Annual Report on Form 10-K (this “Form 10-K”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which reflect the current views of Belpointe PREP, LLC, a Delaware limited liability company (together with its subsidiaries, the “Company,” “we,” “us,” or “our”) with respect to, among other things, our future results of operations and financial performance. In some cases, you can identify forward-looking statements by words such as “anticipate,” “approximately,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” and “would” or the negative version of these words or other comparable words or statements that do not relate strictly to historical or factual matters. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical fact or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify, in particular due to rising interest rates, increasing inflation and recent instability in the banking system, and the projected impact of such factors on our business, financial performance and operating results. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be No assurance that management’s expectations, beliefs and projections will result or be achieved, and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-K, including, among others, the risks set forth in [Item 1A. “Risk Factors”](#) and [Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”](#) as well as from time to time in our other filings with the U.S. Securities and Exchange Commission (“SEC”). A summary of principal risk factors that make investing in our securities risky and that may cause actual results to differ materially are set forth below:

- the impact of macroeconomic trends, such as the rate of unemployment, interest rates, the rate of inflation and the availability of credit;
- adverse developments in the availability of desirable investment opportunities whether due to competition, regulation or otherwise;
- general political, economic and competitive conditions in the United States;
- the level and volatility of prevailing interest rates and credit spreads;
- the net asset value (“NAV”) per Class A unit that we publish may not necessarily reflect changes in our NAV that are not immediately quantifiable;

- general volatility of the capital markets and the market price of our Class A units;
- adverse changes in the real estate and real estate capital markets;
- the impact of tighter credit underwriting standards for banks and financial institutions that provide construction financing;
- difficulties or delays in completing projects on budget and on schedule;
- difficulties or delays in raising sufficient proceeds in our ongoing public offering to fund our projects;
- geographic concentration of our investments;
- changes in the rules and regulations relating to the Tax Cuts and Jobs Act of 2017, including the qualified opportunity zone regulations and Section 199A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations adopted thereunder;
- our ability to comply with the rules and regulations relating to investing in qualified opportunity zones;
- limited ability to dispose of assets because of the relative illiquidity of real estate investments;
- intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space;
- defaults on or non-renewal of leases by tenants;
- increased operating costs;
- our failure to obtain necessary outside financing;
- decreased rental rates or increased vacancy rates;

- difficulties in identifying properties to acquire and in consummating real estate acquisitions, developments, joint ventures and dispositions;
  - our failure to successfully operate acquired properties and operations;
  - exposure to liability relating to environmental and health and safety matters;
  - changes in real estate and zoning laws and increases in real property tax rates;
  - any market deterioration that causes the value of our real estate investments to decline;
  - our failure to maintain our status as a publicly traded partnership and qualified opportunity fund;
  - failure of acquisitions to yield anticipated results;
  - risks associated with derivatives or hedging activity;
  - our level of debt and the terms and limitations imposed on us by our debt agreements;
  - the need to invest additional equity in connection with debt refinancings as a result of reduced asset values;
  - our ability to retain our executive officers and other key personnel of Belpointe, LLC (our “Sponsor”), Belpointe PREP Manager, LLC (our “Manager”) and their affiliates;
  - expected rates of return provided to investors;
- the ability of our Sponsor, Manager and their affiliates to source, originate and service our investments, and the quality and performance of those investments;
  - legislative or regulatory changes impacting our business or our investments;

- changes in business conditions and the market value of our investments, including changes in interest rates, prepayment risk, operator or borrower defaults or bankruptcy, and generally the increased risk of loss if our investments fail to perform as expected;
- our ability to implement effective conflicts of interest policies and procedures among the various real estate investment programs sponsored by our Sponsor;
- our compliance with applicable local, state and federal laws, including the Investment Advisers Act of 1940, as amended, the Investment Company Act of 1940, as amended, and other laws;
- difficulty in successfully managing our growth, including integrating new assets into our existing systems; and
- changes to accounting principles generally accepted in the United States of America, or policy changes from standard-setting bodies such as the Financial Accounting Standards Board, the SEC, the Internal Revenue Service, the NYSE American and other authorities that we are subject to.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. There may be other factors that cause our actual results to differ materially from any forward-looking statements, including factors discussed in [Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations”](#) of this Form 10-K, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov). You should evaluate all forward-looking statements made in this Form 10-K in the context of these risks and uncertainties. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our plans, strategies and objectives, which we consider to be reasonable, will be achieved. All forward-looking statements in this Form 10-K apply only as of the date made and are expressly qualified in their entirety by the cautionary statements included in this Form 10-K and in other filings we make with the SEC. We undertake No obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

## PART I

### Item 1. Business.

In this Annual Report on Form 10-K (this “Form 10-K”), unless context otherwise requires, references to “we,” “us,” “our,” “Belpointe” or the “Company” refer to Belpointe PREP, LLC, a Delaware limited liability company, its operating companies, Belpointe PREP OC, LLC, a Delaware limited company, and Belpointe PREP TN OC, LLC, a Delaware limited company (each an “Operating Company” and, together, the “Operating Companies”), and each of the Operating Companies’ subsidiaries, taken together.

### History and Development of the Company

We are the successor in interest to Belpointe REIT, Inc., a Maryland corporation (“Belpointe REIT”), incorporated on June 19, 2018. During the year ended December 31, 2021, we acquired all of the outstanding shares of common stock of Belpointe REIT in an exchange offer and related conversion and merger transaction.

On September 30, 2021, the U.S. Securities and Exchange Commission (the “SEC”) declared effective our initial registration statement on Form S-11, as amended (File No. 333-255424) (the “Primary Registration Statement”), registering a continuous primary offering of up to \$750,000,000 in our Class A units (our “Primary Offering”). From the period of October 7, 2021, the date of the first closing held in connection with our Primary Offering, through December 31, 2022, we issued 2,273,339 Class A units in our Primary Offering, raising net offering proceeds of \$226.0 million.

On May 9, 2023, the SEC declared effective our follow-on registration statement on Form S-11, as amended (File No. 333-271262) (the “Follow-on Registration Statement”), registering the offer and sale of up to an additional \$750,000,000 of our Class A units on a continuous “best efforts” basis by any method deemed to be an “at the market” offering pursuant to Rule 415(a) (4) under the Securities Act of 1933, as amended (the “Securities Act”), including by offers and sales made directly to investors or through one or more agents (our “Follow-on Offering” and, together with our Primary Offering, our “Public Offerings”).

In connection with the Follow-on Registration Statement, we entered into a non-exclusive dealer manager agreement with Emerson Equity LLC (the “Dealer Manager”), a registered broker-dealer, for the sale of our Class A units through the Dealer Manager. The Dealer Manager will enter into participating dealer agreements and wholesale agreements with other broker-dealers, referred to as “selling group members,” to authorize those broker-dealers to solicit offers to purchase our Class A units. We will

pay our Dealer Manager commissions of up to 0.25%, and the selling group members commissions ranging from 0.25% to 4.50%, of the principal amount of Class A unit sold in the Follow-on Offering. In addition, our Follow-on Registration Statement constitutes a post-effective amendment to our Primary Registration Statement, conforming our Primary Offering to our Follow-on Offering.

For the year ended December 31, 2023, we issued 98,950 Class A units in connection with our Public Offerings. Together with the gross proceeds raised by Belpointe REIT in its prior offerings, as of December 31, 2023, we have raised aggregate gross offering cash proceeds of \$354.3 million.

## **Overview of our Business and Operations**

We are the only publicly traded qualified opportunity fund listed on a national securities exchange. We are a Delaware limited liability company formed on January 24, 2020, and intend to operate in a manner that will allow us to qualify as a partnership for U.S. federal income tax purposes. We are focused on identifying, acquiring, developing or redeveloping and managing commercial real estate located within qualified opportunity zones. At least 90% of our assets consist of qualified opportunity zone property. We qualified as a qualified opportunity fund beginning with our taxable year ended December 31, 2020. Because we are a qualified opportunity fund certain of our investors are eligible for favorable capital gains tax treatment on their investments.

All of our assets are and will continue to be held by, and all of our operations are and will continue to be conducted through, one or more of our Operating Companies, either directly or indirectly through their subsidiaries. We are externally managed by Belpointe PREP Manager, LLC (our “Manager”), which is an affiliate of our sponsor, Belpointe, LLC (our “Sponsor”).

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## **Our Manager**

We are externally managed by our Manager, Belpointe PREP Manager, LLC, and, pursuant to the terms of a management agreement between us, our Operating Companies and our Manager (the “Management Agreement”), our Manager manages our day-to-day operations, implements our investment objectives and strategy and performs certain services for us, subject to oversight by our board of directors (our “Board”). Subject to the limitations set forth in our Amended and Restated Limited Liability Company Operating Agreement (our “Operating Agreement”), a team of investment and asset management professionals, acting through our Manager, makes all decisions regarding the origination, selection, evaluation, structuring, acquisition, financing and development of our commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses.

Our Manager also provides portfolio management, marketing, investor relations, financial, accounting and other administrative services on our behalf with the goal of maximizing our operating cash flow and preserving our invested capital.

## **Our Sponsor**

Our Sponsor, Belpointe, LLC, a leading investment firm based in Greenwich, Connecticut, operates a family office making private investments and oversees its businesses, such as wealth management, legal and real estate services. Our Sponsor’s senior executives have substantial experience in the acquisition, development and ownership of real estate and, as of December 31, 2023, its affiliates have facilitated or originated 13 real estate assets with aggregate purchase prices and construction costs of approximately \$400 million. Our Sponsor’s financial management division also currently manages over \$4 billion in public securities.

## **Our Investment Objectives and Investment Strategy**

Our primary investment objectives are:

- to preserve, protect and return your capital contribution;
- to pay attractive and consistent cash distributions over the long term;
- to grow net cash from operations so that an increasing amount of cash flow is available for distributions to investors over the long term; and
- to realize growth in the value of our investments.

We cannot assure you that we will achieve our investment objectives. See [Item 1A. “Risk Factors.”](#)

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Our initial investments consist of and are expected to continue to consist of properties located in qualified opportunity zones for the development or redevelopment of multifamily, student housing, senior living, healthcare, industrial, self-storage, hospitality, office, mixed-use, data centers and solar projects located throughout the United States and its territories. We also anticipate identifying, acquiring, developing or redeveloping and managing a wide range of commercial real estate properties located throughout the United States and its territories, including, but not limited to, real estate-related assets, such as commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as making private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, with the goal of increasing distributions and capital appreciation.

Our investment guidelines delegate to our Manager discretion and authority to execute acquisitions and dispositions of investments (including the reinvestment of capital basis and gains), provided such investments are consistent with our investment objectives and strategy and our investment guidelines. Our Manager's investment committee will periodically review our portfolio of assets and investments, our investment objectives and strategy and our investment guidelines to determine whether they remain in the best interests of our members and may recommend changes to our Board as it deems appropriate. We may, at any time and without member approval, cease to be a qualified opportunity fund and acquire assets that do not qualify as qualified opportunity zone investments. Furthermore, there are No prohibitions in our Operating Agreement on the amount or percentage of assets that may be invested in a single property.

### **Qualified Opportunity Zone Program**

The opportunity zone program is a community development program established by the Tax Cuts and Jobs Act of 2017 to encourage new long-term investment in low-income urban and rural communities nationwide. The opportunity zone program provides a tax incentive for investors to re-invest their unrealized capital gains into qualified opportunity funds dedicated to investing in "qualified opportunity zones." Qualified opportunity zones are census tracts identified and nominated by the chief executives of every state and territory of the United States (e.g., state governors) and designated by the Secretary of the Treasury.

There are more than 8,700 qualified opportunity zones throughout the United States and its territories.

A "qualified opportunity fund" is generally defined as an investment vehicle that is taxed as a corporation or partnership for U.S. federal income tax purposes and organized to invest in, and at least 90% of its assets consist of, qualified opportunity zone property (the "90% Asset Test"). A qualified opportunity fund must determine whether it meets the 90% Asset Test on each of (i) the last day of the first six-month period of its taxable year, and (ii) the last day of its taxable year (each a "Test Date").

The opportunity zone regulations allow a qualified opportunity fund to apply the 90% Asset Test without taking into account any investments received in the 6-month period preceding the Test Date, provided those investments are (i) received (a) solely in exchange for stock by a qualified opportunity fund that is a corporation, or (b) as a contribution by a qualified opportunity fund that is a partnership, and (ii) held continuously from the fifth business day after the exchange or contribution, as applicable, through the Test Date in cash, cash equivalents or debt instruments with a term of 18 months or less.

Subject to a one-time six-month cure period, for each month following a Test Date in which a qualified opportunity fund fails to meet the 90% Asset Test it will incur a penalty equal to (a) the excess of 90% of the fund's aggregate assets over the aggregate amount of qualified opportunity zone property held by the fund, multiplied by (b) the short-term federal interest rate plus 3%. However, notwithstanding a qualified opportunity fund's failure to meet the 90% Asset Test, No penalty will be imposed if the fund demonstrates that its failure is due to reasonable cause.

We initially qualified as a qualified opportunity fund beginning with our taxable year ended December 31, 2020.

An eligible investor may defer recognition of capital gains (short-term or long-term) resulting from the sale or exchange of capital assets (or business assets the gain on the sale of which is treated as capital gain) by reinvesting those gains into a qualified opportunity fund within a period of 180 days generally beginning on the date of the sale or exchange (the "Deferred Capital Gains"). The 180-day period generally begins on the day on which the gains would be recognized for U.S. federal income tax purposes had they not been reinvested into a qualified opportunity fund. Deferred Capital Gains are recognized on the earlier of December 31, 2026 or the date on which an inclusion event occurs, such as the date on which the investor sells its qualified opportunity fund investment.

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All individuals and entities that recognize capital gains for U.S. federal income tax purposes are eligible to elect to defer their capital gains by investing in a qualified opportunity fund within the applicable 180-day period. This includes natural persons as well as entities such as corporations, regulated investment companies, real estate investment trusts ("REITs"), partnerships and other pass-through entities (including, certain common trust funds, qualified settlement funds, and disputed ownership funds). Eligible investors must make deferral elections on Form 8949, *Sales and Other Dispositions of Capital Assets*, which will need to be attached to their U.S. federal income tax returns for the taxable year in which the capital gain would have been recognized had it not been deferred. In addition, Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*,

requires eligible investors holding a qualified opportunity fund investment at any point during the tax year to report: (i) qualified opportunity fund investments holdings at the beginning and end of the tax year; (ii) current tax year capital gains deferred by investing in a qualified opportunity fund; and (iii) qualified opportunity fund investments disposed of during the tax year. Eligible investors who have not properly followed the instructions for Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*, may receive a Letter 6502, *Reporting Qualified Opportunity Fund (QOF) Investments*, or a Letter 6503, *Annual Reporting of Qualified Opportunity Fund (QOF) Investments*, from the Internal Revenue Service (“IRS”) if the IRS is missing information, the investor entered invalid information, or the requirements to maintain a qualifying investment have not been followed. Eligible investors who receive a Letter 6502, *Reporting Qualified Opportunity Fund (QOF) Investments*, or a Letter 6503, *Annual Reporting of Qualified Opportunity Fund (QOF) Investments*, may need to file an amended return or an administrative adjustment request with a properly completed Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*.

An eligible investor may elect to increase the tax basis with respect to its qualified opportunity fund investment interest to the fair market value of the investment interest, and similarly may elect to exclude from income gains from sales of non-inventory assets by the qualified opportunity fund, if the investor holds the qualified opportunity fund investment interest for a period of ten years or more prior to the date of sale, up to December 31, 2047. Provided these requirements are met, for U.S. federal income tax purposes an eligible investor will not be required to pay federal income tax on a sale of its qualified opportunity fund investment interest. This benefit will not be available with respect to sales or exchanges after December 31, 2047.

## **Our Investments**

As of the date of this Form 10-K, our investment portfolio consisted of the following multifamily and mixed-use rental properties:

**1991 Main Street – Sarasota, Florida (also known as “Aster & Links”)** – 1991 Main Street (“1991 Main” or “Aster & Links”) is a 5.13-acre site which was acquired for an aggregate purchase price of \$20.7 million, inclusive of transaction costs and deferred financing fees. On August 24, 2023, we acquired an adjacent land parcel that was previously subject to a ground lease for a purchase price of \$4.9 million, inclusive of transaction costs.

1991 Main is being developed as two 10 story buildings with over 900 garage and surface-level parking spaces marketed under the name “Aster & Links.” Aster & Links will feature 424-apartments, including a mix of one-bedroom, two-bedroom and three-bedroom apartments, four-bedroom townhome-style penthouse apartments, and six guest suite apartments, with approximately 51,000 square feet of retail space located on the first level. In May 2023, we announced the signing of a definitive lease agreement with Sprouts Farmers Market (“Sprouts”), one of the fastest growing specialty retailers of fresh, natural and organic food in the United States. Sprouts will occupy approximately 23,000 square feet of retail space at Aster & Links.

Aster & Links will include a clubroom, fitness room, center courtyard with heated saltwater pool and roof top amenities including a community room and a private dining area for private events as well as outdoor grills and seating. In addition, each building will have its own leasing office.

Aster & Links is situated in downtown Sarasota, at the intersection of Main Street and Links Avenue, and is located in a high foot traffic area next to a number of popular retail establishments. Sarasota’s metro area economy is the largest of the southwest Florida markets and has had very strong gains in jobs, population, and home values over the past year. According to Oxford Economics, the Sarasota economy is expected to remain strong and grow by roughly 2.1% between 2024-2028, a stronger outlook than the U.S. at large.

### *1991 Main Construction Management Agreement*

During the year ended December 31, 2022, our indirect wholly-owned subsidiary entered into a construction management agreement for the development of 1991 Main. The construction management agreement contains terms and conditions that are customary for a project of this type and will be subject to a guaranteed maximum price (a “GMP”). We currently anticipate that the funding for construction and soft costs associated with the development will be a minimum of \$182.4 million, inclusive of the GMP, and are building to an estimated unlevered yield of greater than 6%. The property is currently under construction, and we expect initial occupancies to occur in the first half of 2024. Construction on both buildings is expected to be completed by the end of 2024.

### *1991 Main Construction Loan*

On May 12, 2023, our indirect majority-owned subsidiary (the “Mortgage Borrower”) entered into a variable-rate construction loan agreement (the “1991 Main Construction Loan Agreement”) for up to \$130.0 million in principal amount (the “1991 Main Construction Loan”) with Bank OZK (the “Mortgage Lender”), which is secured by 1991 Main and which matures on May 12, 2027, subject to a one-year extension option. Advances under the 1991 Main Construction Loan bear interest at a per annum rate equal to the one-month term Secured Overnight Financing Rate (SOFR) plus 3.45%, subject to a minimum all-in per annum rate of 8.51%, and may be used to fund the development of 1991 Main. The 1991 Main Construction Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions. As of December 31, 2023, we have drawn down \$23.1 million on the 1991 Main Construction Loan.

In connection with the 1991 Main Construction Loan, we provided a carveout guaranty to the Mortgage Lender (the



“Carveout Guaranty”) pursuant to which we guaranteed the Mortgage Borrower’s obligations to the Mortgage Lender with respect to certain non-recourse carveout events, such as “bad acts,” environmental conditions, and violations of certain provisions of the loan documents. The Carveout Guaranty also contains financial covenants requiring that we maintain liquid assets of No less than \$20.0 million and a net worth of No less than \$130.0 million. Together with the Mortgage Borrower we also provided a customary environmental indemnity agreement to the Mortgage Lender pursuant to which we agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities related to 1991 Main.

#### *1991 Main Interest Rate Cap*

As required under the terms of the 1991 Main Construction Loan Agreement, the Mortgage Borrower also entered into an interest rate cap agreement, effective July 10, 2023 (“1991 Main Interest Rate Cap”), which, as of December 31, 2023, had a notional amount of approximately \$72.2 million a one-month SOFR rate based strike price of 5.07%, and which is due to mature on July 10, 2024. The notional amount of the 1991 Main Interest Rate Cap increases in accordance with the schedule set forth in the interest rate cap agreement up to a maximum notional amount of \$112.5 million.

#### *1991 Main Mezzanine Loan*

On January 31, 2024, our indirect majority-owned subsidiary (the “Mezzanine Borrower”) entered into a mezzanine loan agreement, for up to \$56.4 million in principal amount (the “1991 Main Mezzanine Loan”) with Southern Realty Trust Holdings, LLC (the “Mezzanine Lender”). The 1991 Main Mezzanine Loan bears interest at a rate of 13.0% per annum and is secured by our investment in 1991 Main. Advances under the 1991 Main Mezzanine Loan may be used to reimburse us for certain costs and expenses incurred in relation to, and to fund the continued development of, 1991 Main. The 1991 Main Mezzanine Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions.

In connection with the 1991 Main Mezzanine Loan, we are required to maintain an interest reserve and carry reserve for purposes of paying accrued but unpaid interest on the 1991 Main Mezzanine Loan and interest, principal and other obligations under the 1991 Main Construction Loan (the “Reserves”). We also provided the Mezzanine Lender with (i) a completion guaranty, which, among other things, guarantees completion of the work on 1991 Main, and (ii) a carveout guaranty, which, among other things, indemnifies the Mezzanine Lender for losses resulting from certain “bad acts,” insolvency, environmental conditions, violations of the terms of the 1991 Main Mezzanine Loan and certain provisions of the 1991 Main Construction Loan Agreement (collectively, the “Mezzanine Guarantees”). Similar to the Carveout Guaranty we provided to the Mortgage Lender, the Mezzanine Guarantees contain financial covenants requiring that we maintain liquid assets of No less than \$20.0 million and a net worth of No less than \$130.0 million. Cash proceeds from the 1991 Main Mezzanine Loan totaled \$39.8 million, after the Reserves of \$15.0 million were held back at closing, and incurring closing costs of \$1.6 million.

**1900 Fruitville Road – Sarasota Florida** – 1900 Fruitville Road is a 1.2-acre site, consisting of a retail building and parking lot, which we acquired for an aggregate purchase price of \$4.7 million, inclusive of transaction costs. In February 2024 we commenced demolition of the building with the intention to use the property as additional parking for Sprouts, our grocery store tenant at Aster & Links.

**1000 First Avenue North and 900 First Avenue North – St. Petersburg, Florida (also known as “Viv”)** – We have consolidated several parcels, comprising 1.6-acres of land (previously referred to as 902-1020 First Avenue North, St.Petersburg, Florida), which we acquired for an aggregate purchase price of \$12.1 million, inclusive of transaction costs, into 1000 First Avenue North, St. Petersburg, Florida (“1000 First” or “Viv”).

900 First Avenue North (“900 First”) is a parcel of land with a two-tenant retail building which we acquired for an aggregate purchase price of \$2.5 million, inclusive of transaction costs. 900 First will remain a two-tenant retail building, and we have taken the additional development rights and added them to 1000 First.

1000 First is being developed into a 15-story high-rise building marketed under the name “Viv.” Viv will be comprised of two 11-story residential towers above a 4-story parking garage, featuring approximately 269-apartment homes with a mix of studio, one-bedroom, two-bedroom and three-bedroom units, with approximately 15,500 square feet of retail space located on the first level. Amenities at Viv will include a clubroom, fitness center, courtyard with a swimming pool, shared working space and a leasing office.

Viv is located in the downtown district of St. Petersburg, one mile west of Tampa Bay and the downtown waterfront district and only one block away from Tropicana Field, home to the Tampa Bay Rays professional baseball team, and features direct access to downtown amenities such as public parking, restaurants, museums and cultural sites. In September of 2023, the Tampa Bay Rays, City of St. Petersburg and Pinellas County announced a joint plan to build a brand new approximately 30,000 seat ballpark on the 86-acre site where the team’s current stadium sits. The project will include nearly 8 million square feet of mixed-use development and result in over \$6.5 billion in investment in the Gas Plant District over the next 20 years.

St. Petersburg placed 44<sup>th</sup> on Niche’s 2023 Best Cities to Live in America list, earning an Overall Niche Grade of “A”. St. Petersburg is the 5th largest city in Florida and the 85th largest city in the United States and has an average annual population growth rate of approximately 0.82% since 2020. Downtown St. Petersburg is one of the fastest growing neighborhoods in the Tampa-St. Petersburg-Clearwater metropolitan statistical area (“MSA”) and has experienced increased demand in recent years because of proximity to the water, sporting events, shopping, bars and restaurants in the neighborhood. The Tampa-St. Petersburg-Clearwater MSA is home to more than 20 corporate headquarters, seven of which are Fortune 1000 companies. The St. Petersburg area also includes a branch of St. Petersburg College and the University of South Florida St. Petersburg and is home to two professional sports teams, the Tampa Bay Rays (Major League Baseball) and the Tampa Bay Rowdies (United Soccer League Championship).

#### *1000 First Construction Management Agreement*

In April 2023, our indirect majority-owned subsidiary entered into a construction management agreement in connection with the development of 1000 First. The construction management agreement contains terms and conditions that are customary for a project of this type and will be subject to a GMP of \$69.0 million.

**1701, 1702 and 1710 Ringling Boulevard – Sarasota, Florida** – 1701 Ringling Boulevard (“1701 Ringling”) and 1710 Ringling Boulevard (“1710 Ringling”) make up a 1.6-acre site, consisting of a six-story office building and a parking lot which we acquired for an aggregate purchase price of \$7.0 million, inclusive of transaction costs. We currently anticipate that 1701 Ringling will be renovated into a modern office building, consisting of approximately 80,000 square feet of rentable space, with 1710 Ringling consisting of an approximately 128-space parking lot. Upon acquiring 1701 Ringling, we entered into a new lease agreement with the existing tenant covering approximately 42,000 square feet for an initial term of 20 years, and several lease extension options.

1702 Ringling Boulevard (“1702 Ringling”) and, together with 1701 Ringling and 1710 Ringling, “1701-1710 Ringling”) is a 0.327-acre site consisting of a fully-leased, single-story 1,546 gross square foot single-tenant office building and associated parking lot, which we acquired for an aggregate purchase price of \$1.5 million, inclusive of transaction costs. We currently anticipate holding 1702 Ringling for future multifamily development.

1701-1710 Ringling is located within the historic downtown Sarasota area along Ringling Boulevard, a major two-way arterial road, with good access to the surrounding Sarasota market, as well as easy access to Interstate 75 and the greater Tampa-St Petersburg area. 1701-1710 Ringling is located in a high foot traffic area close to a number of popular restaurants and retail establishments.

**497-501 Middle Turnpike and Cedar Swamp Road – Storrs, Connecticut** – 497-501 Middle Turnpike (“497-501 Middle”) is an approximately 60.0-acre site, consisting of approximately 30 acres of former golf course and approximately 30 acres of wetlands, some of which includes walking trails. We acquired a majority ownership interest in CMC Storrs SPV, LLC (“CMC”), the holding company for 497-501 Middle, for an initial capital contribution of \$3.8 million.

We currently anticipate 497-501 Middle will be developed into an approximately 261-apartment home community and an adjacent single-family home, with amenities that will include a leasing office, clubroom with a chef’s kitchen, fitness center, game room, study/lounge area, meeting rooms, and an outside AstroTurf meadow.

Cedar Swamp Road (“Cedar Swamp Road”) is a 1.1-acre site immediately adjacent to 497-501 Middle, which we acquired for a purchase price of \$0.3 million, inclusive of transaction costs. We currently anticipate adding Cedar Swamp Road to the 497-501 Middle development.

497-501 Middle and Cedar Swamp Road are located less than a mile from the main college campus at the University of Connecticut (“UConn”) in Storrs, Connecticut (“Storrs”), approximately 30 minutes from Hartford, Connecticut, and 90 minutes from Boston, Massachusetts. UConn ranked 26th among “top public universities” nationally in the 2024 U.S. News & World Report (“U.S. News”) collegiate rankings, and, based on a fact sheet published by UConn, over 18,900 undergraduate students enrolled in college at the Storrs campus in 2022, with more than a third of those students living off campus.

**900 8th Avenue South – Nashville, Tennessee** – 900 8th Avenue South (“900 8th Avenue South”) is a 3.2-acre land assemblage, which we acquired for an aggregate purchase price of \$19.7 million, inclusive of transaction costs.

900 8th Avenue South is located in central Nashville at the north end of the 8th Avenue South District, within walking distance of a number of popular retail, dining and nightlife establishments in downtown Nashville. The parcels have received approval for a mixed-use development including residential, retail and office with a maximum of 300 residential multi-family units and a maximum of seven stories.

**1700 Main Street – Sarasota, Florida** – 1700 Main Street (“1700 Main”) is a 1.3-acre site, consisting of a former gas station, a three-story office building with parking lot and a two-story retail building, which we acquired for an aggregate purchase

price of \$6.9 million, inclusive of transaction costs. We currently anticipate that 1700 Main will be redeveloped into an expected 226-apartment home community consisting of one-bedroom, two-bedroom and three-bedroom units, with approximately 6,400 square feet of retail space located on the first two levels. We anticipate that 1700 Main will consist of a 10-story podium style building with a 3-story, 330-space garage and 7 stories of apartments above, including a clubroom, fitness center, and courtyard with a swimming pool as well as a leasing office.

U.S. News & World Report ranked Sarasota as the 5th best place to live in the United States for 2023-2024, number two among the fastest growing places in the U.S., and the number 11th best place to retire. Sarasota is headquarters to a diverse group of large companies, such as Boar's Head Provisions, CAE Healthcare, PGT Innovations, Tervis, Sun Hydraulics and Voalte. The Sarasota area also has a large number of universities including the University of Southern Florida, Florida State University's College of Medicine campus, Ringling College, State College of Florida, Keiser College and New College of Florida. According to the U.S. Department of Housing and Urban Development (HUD), the housing demand for the Northport-Sarasota-Bradenton MSA is forecasted to be 11,950 new units through August 2023, but only 3,250 housing units are expected to be delivered in that timeframe causing a short fall of 8,700 units by the completion of construction.

1700 Main is located in downtown Sarasota along Main Street and is located in a high foot traffic area next to a number of popular restaurants and retail establishments.

**690/1106 Davidson Street – Nashville, Tennessee** – Our second investment in Nashville, Tennessee 690/1106 Davidson Street (“690/1106 Davidson Street”) is an approximately 8.0-acre site, consisting of two industrial buildings and associated parking, which we acquired for an aggregate purchase price of \$21.0 million, inclusive of transaction costs. We currently anticipate that 690/1106 Davidson Street will be redeveloped into mixed-use residential community consisting of studio, one-bedroom, two-bedroom and three-bedroom apartments. The buildings will have a fitness center, game room, co-working spaces, outdoor heated saltwater swimming pool, riverfront courtyards and rooftop terraces as well as a leasing office. In September 2023, the parcels were successfully rezoned to accommodate medium to high density multi-family residential and a mix of other commercial uses including hotel, office, retail and restaurant.

**1130 Davidson Street – Nashville, Tennessee** – Our third investment in Nashville, Tennessee 1130 Davidson Street (“1130 Davidson Street”), is an approximately 1.7-acre site consisting of a single-story, 10,000 square foot retail building and associated parking lot, which we acquired for an aggregate purchase price of \$2.1 million, inclusive of transaction costs. The building is leased back to the seller through November 2024, with the ability to continue month to month thereafter. In September 2023, the parcel was successfully rezoned to accommodate medium to high density multi-family residential and a mix of other commercial uses including hotel, office, retail and restaurant.

**1400 Davidson Street – Nashville, Tennessee** – Our fourth investment in Nashville, Tennessee, 1400 Davidson Street (“1400 Davidson Street”) is an approximately 5.9-acre site consisting of an industrial building, which we acquired for an aggregate purchase price of \$16.4 million, inclusive of transaction costs. The building is leased back to the seller through June 2024. We currently anticipate that 1400 Davidson Street will be redeveloped into a mixed-use residential community consisting of studio, one-bedroom, two-bedroom and three-bedroom apartments. In September 2023, the parcel was successfully rezoned to accommodate medium to high density multi-family residential and a mix of other commercial uses including hotel, office, retail and restaurant.

**Storrs Road – Storrs, Connecticut** – Storrs Road (“Storrs Road”) is a 9.0-acre parcel of land near UConn, which we acquired for an aggregate purchase price of \$0.1 million, inclusive of transaction costs. We currently anticipate holding Storrs Road for future multifamily development.

**1750 Storrs Road – Storrs, Connecticut** – 1750 Storrs Road (“1750 Storrs”) is an approximately 19.0-acre development site near UConn, which we acquired for an aggregate purchase price of \$5.5 million, inclusive of transaction costs.

We currently anticipate that 1750 Storrs will be developed into a multifamily mixed-use development, featuring one-bedroom, two-bedroom and three-bedroom apartments. Amenities are anticipated to include a clubhouse, with state-of-the-art fitness center, chef's kitchen and more.

**901-909 Central Avenue North – St. Petersburg, Florida** – 901-909 Central Avenue North (“901-909 Central Avenue”) is a 0.13-acre site consisting of a single-story 5,328 gross square foot retail/office building comprised of 4 units located in St. Petersburg, Florida, which we acquired for an aggregate purchase price of \$2.6 million, inclusive of transaction costs.

#### **Joint Venture and Other Co-Ownership Arrangements**

Each of our assets has either an affiliate of our Sponsor or Manager, such as Belpointe SP, LLC (“Belpointe SP”), or their respective affiliates (together with Belpointe SP, the “Belpointe SP Group”), or an independent third party, or any combination of the foregoing, as the sponsor or co-sponsor, general partner or co-general partner, manager or co-manager, developer or co-developer of the investment (each an “Investment Partner”), and our role, in general, is as a passive investor.

Entering into joint venture investments aligns our interests with the interests of our Investment Partner for the benefit of the holders of our Class A units by leveraging of our capital resources and our Investment Partner's extensive industry relationships and significant acquisition, development and management expertise to: (i) achieve potentially greater returns on our invested capital; (ii) diversify our access to investment opportunities; and (iii) promote our brand and potentially increase our market share.

### **Borrowing Policy**

We intend to employ leverage in order to provide more funds available for investment. Leverage will allow us to make more investments than would otherwise be possible, resulting in a broader portfolio. We believe that careful use of conservatively structured leverage will help us to achieve our diversification goals and potentially enhance the returns on our investments. We also believe that our Sponsor's ability to obtain both competitive financing and its relationships with top tier financial institutions will allow our Manager to access and successfully employ competitively priced borrowing.

Our targeted aggregate property-level leverage, excluding any debt at the Company level or on assets under development or redevelopment, after we have acquired a substantial portfolio of stabilized commercial real estate, is between 50-70% of the greater of the cost (before deducting depreciation or other non-cash reserves) or the fair market value of our assets. During the period when we are acquiring, developing and redeveloping our investments, we may employ greater leverage on individual assets. An example of property-level leverage is a mortgage loan secured by an individual property or portfolio of properties incurred or assumed in connection with our acquisition of such property or portfolio of properties. An example of debt at the Company level is a line of credit obtained by us or our Operating Companies.

Our Manager may from time to time modify our leverage policy in its discretion in light of then-current economic conditions, relative costs of debt and equity capital, market values of our assets, general conditions in the market for debt and equity securities, growth and acquisition opportunities or other factors. For an overview of our borrowings, see [Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."](#)

### **Disposition Policies**

The period that we will hold our investments will vary depending on a number of factors, including the type of investment, interest rates and economic and market conditions. Our Manager's investment committee will develop a well-defined exit strategy for each investment we make and will periodically perform a hold-sell analysis to determine the optimal holding period for generating strong returns. As each of our investments reach what we believe to be its maximum value we will consider disposing of the investment and may do so for the purpose of either distributing the net sale proceeds to holders of our Class A units or investing the proceeds in other investments that we believe may produce a higher overall future return. However, we may sell any or all of our investments before or after their anticipated holding period if, in the judgment of our Manager's investment committee, selling the investment is in our best interest.

The determination of when a particular investment should be sold or otherwise disposed of will be made after consideration of all relevant factors, including prevailing and projected economic and market conditions, whether the value of the investment is anticipated to change substantially, whether we could apply the proceeds from the sale to make other investments consistent with our investment objectives and strategy, whether disposition of the investment would allow us to increase cash flow, and whether the sale of the investment would impact our intended qualification as a publicly traded partnership and qualified opportunity fund.

### **Taxation of the Company**

We have been treated as a partnership for U.S. federal income tax purposes since our tax year ended December 31, 2020. We currently intend to manage our affairs so that we continue to meet the requirements for classification as a partnership. If our Manager determines that it is no longer in our best interests to continue as a partnership for U.S. federal income tax purposes, our Manager may elect to treat us as an association or as a publicly traded partnership taxable as a corporation for U.S. federal (and applicable state) income tax purposes. If we elect to be taxable as a corporation for U.S. federal (and applicable state) income tax purposes, we may also elect to qualify and be taxed as a REIT.

Generally, an entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Rather, each partner is required to take into account its allocable share of items of income, gain, loss and deduction of the partnership in determining its U.S. federal income tax liability, regardless of whether cash distributions are made. Distributions of cash by a partnership to a partner are not taxable unless the amount of cash distributed to a partner is in excess of the partner's adjusted basis in its partnership interest.

Notwithstanding the foregoing, unless an exception applies, an entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nevertheless be taxable as a corporation if it is a "publicly traded partnership" within the meaning of Section 7704 of the Code. An entity that would otherwise be classified as a partnership is a publicly traded partnership within the meaning of Section 7704 of the Code if its interests are (i) traded on an established securities market, or (ii) readily

tradable on a secondary market or the substantial equivalent thereof. Our Class A units are listed on the NYSE American under the symbol "OZ." There is, however, an exception to taxation as a corporation which is available if at least 90% of a partnership's gross income for every taxable year consists of "qualifying income" and the partnership is not required to register under the Investment Company Act of 1940, as amended (the "Qualifying Income Exception"). Qualifying income includes certain interest income (other than from a financial business), dividends, real property rents, gains from the sale or other disposition of real property and any gain from the sale or disposition of a capital asset or other property held for the production of income that otherwise constitutes qualifying income. We intend to manage our affairs so that we will meet the Qualifying Income Exception in each taxable year and so that neither we nor any of our subsidiaries are required to register under the Investment Company Act of 1940, as amended.

## **Government Regulation**

Our operations are subject, in certain instances, to supervision and regulation by federal, state and local governmental authorities, and may be subject to various laws, regulations and judicial and administrative decisions imposing various requirements and restrictions, including, among others, (i) federal and state securities laws and regulations, (ii) federal, state and local tax laws and regulations, (iii) state and local laws relating to real property, (iv) federal, state and local environmental laws, ordinances and regulations, and (v) various laws relating to housing, including rent control and stabilization laws, the Fair Housing Amendment Act of 1988 and Americans with Disabilities Act of 1990, among others.

Compliance with the federal, state and local laws is not expected to have a material adverse effect on our business, assets or results of operations, and we do not expect to incur material expenditures to comply with the laws and regulations to which we are subject.

## **Competition**

We face competition from various entities for investment opportunities, including other qualified opportunity funds, REITs, Delaware statutory trusts, pension funds, insurance companies, private equity and other alternative investment funds and companies, partnerships and developers. In addition to third-party competitors, we may compete for investment opportunities with other programs sponsored by our Sponsor and its affiliates, especially those with investment strategies similar to our own.

Most of our current and potential competitors have significantly more financial, technical, marketing and other resources than we do. Larger competitors may also enjoy significant advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for investment opportunities may increase over time. Any such increase would result in a greater demand for investment opportunities and could result in our acquiring assets and investments at higher prices or using less than ideal capital structures.

In the face of such competition, we expect to greatly benefit from our Manager's access to our Sponsor's investment and operating platforms, including without limitation, our Sponsor's highly experienced management team with significant real estate and asset management expertise, extensive market knowledge and network of industry relationships, which we believe will provide us with our own competitive advantage and will help us source, evaluate and compete for investment opportunities.

## **Human Capital**

We are externally managed and currently have No employees or intention of having any employees. We rely on our Manager to manage our day-to-day operations, implement our investment objectives and investment strategy and perform certain services for us pursuant to the Management Agreement. These services are provided by individuals who are employees of our Sponsor or one or more of its affiliates. Our executive officers also serve as officers of our Sponsor and certain of its affiliates.

We, our Manager and our Sponsor are a party to an employee and cost sharing agreement (the "Employee and Cost Sharing Agreement") pursuant to which our Sponsor provides our Manager with access to portfolio management, asset valuation, risk management and asset management services, as well as administration services addressing legal, compliance, investor relations and information technologies necessary for the performance by our Manager of its duties under the Management Agreement. Pursuant to the Management Agreement, our Manager or one or more of its affiliates is entitled to receive expense reimbursements and a quarterly management fee. Pursuant to the Employee and Cost Sharing Agreement, our Sponsor or one or more of its affiliates is entitled to receive expense reimbursements and our Manager's allocable share of employment costs incurred by the Sponsor.

## **Available Information**

Holders of our Class A units may obtain copies of our filings with the SEC, free of charge, from the SEC's website, [www.sec.gov](http://www.sec.gov), or from our website, [www.belpointeoz.com](http://www.belpointeoz.com).

The contents of our website are solely for informational purposes and the information on our website is not part of or incorporated by reference into this Form 10-K.

From time to time we may use our website as a distribution channel for material company information, accordingly investors should monitor our website in addition to following our press releases and SEC filings.

## **Item 1A. Risk Factors.**

*You should carefully consider the following material risks in addition to the other information contained in this Form 10-K. The occurrence of any of the following risks might have a material adverse effect on our business and financial condition. The risks and uncertainties discussed below are not the only ones we face but do represent those risks and uncertainties that we believe are most significant to our business, operating results, prospects, and financial condition. Some statements in this Form 10-K, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Forward-Looking Statements." As used herein, the term "you" refers to our current unitholders or potential investors in our Class A units, as applicable.*

### **Risks Related to our Organizational Structure**

***We have a limited operating history, and the prior performance of our Sponsor or other real estate investment opportunities sponsored by our Sponsor may not predict our future results.***

We have a limited operating history, and we may not be able to achieve our investment objectives. As of the year ended December 31, 2023, we had 17 qualified opportunity zone investments in three states and are primarily reliant on the proceeds derived from our public offerings and any financing that might be provided by our Sponsor or its affiliates to fund our operations. We cannot assure you that the past experiences of our Sponsor or its affiliates will be sufficient to allow us to successfully achieve our investment objectives.

In addition, there can be No assurance that we will be able to successfully identify, make and realize any additional investments or generate returns for our investors. Furthermore, there can be No assurance that our investors will receive any distributions. These factors increase the risk that your investment may not generate returns comparable to other real estate investment alternatives.

***We have only held our investments for a limited period of time, and you will not have the opportunity to evaluate our future investments before we make them, which makes your investment more speculative.***

We have only held our investments for a limited period of time and are not able to provide you with any information to assist you in evaluating the merits of any specific properties or real estate-related investments that we may acquire, except for investments that may be described in one or more filings that we make with the U.S. Securities and Exchange Commission ("SEC"). We will continue to seek to invest substantially all of the net offering proceeds from our Primary Offering, and any other offerings that we may conduct, after the payment of fees and expenses, in the acquisition of or investment in real estate and real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate companies, as well as select private equity investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses. However, because you will be unable to evaluate the economic merit of our investments before we make them, you will have to rely entirely on the ability of our Manager to select suitable and successful investment opportunities. There can be No assurance that our Manager will be successful in obtaining suitable investments or that, if such investments are made, our investment objectives will be achieved. Furthermore, our Manager has broad discretion in selecting investments, and you will not have the opportunity to evaluate potential investments. These factors increase the risk that your investment may not generate returns comparable to other investment alternatives.

***Our Class A units are listed on the NYSE American, however, an active, liquid and orderly market for our Class A units may not develop or be sustained.***

Our Class A units are listed on the NYSE American under the symbol "OZ," however, an active, liquid and orderly market for our Class A units may not be sustained. Further, because we are a qualified opportunity fund eligible investors may defer recognition of capital gains (short-term or long-term) resulting from the sale or exchange of capital assets (or business assets the gain on sale of which is treated as a capital gain) by reinvesting those gains into our Class A units within a period of 180 days generally beginning on the date of the sale or exchange (the "Deferred Capital Gains"). Deferred Capital Gains are recognized on the earlier of December 31, 2026, or the date on which an inclusion event occurs, such as the date on which an investor sells their Class A units. Eligible investors may also elect to increase the tax basis of Class A units held by them to their fair market value on the date of sale or exchange if they hold our Class A units for a period of ten years or more, up to December 31, 2047. This benefit is not available with respect to sales or exchanges after December 31, 2047. Consequently, fewer Class A units may be actively traded in the public markets which would reduce the liquidity of the market for our Class A units. If an active market for our Class A units is not sustained, you may be unable to sell your Class A units at the time you desire to sell them, at a price at or above the price you paid for them, or without experiencing volatility in the price of our Class A units. An inactive market may also impair our ability to raise capital by selling Class A units and may impair our ability to make opportunistic acquisitions of other qualified

***If we are unable to raise sufficient proceeds in our ongoing Primary Offering, and any other offerings that we may conduct, we may not be able to fund all of our existing projects or find additional suitable investments, and, as a result, we may not be able to achieve our investment objectives or pay distributions.***

Our ability to achieve our investment objectives and to pay distributions depends, in part, on our ability to fund our existing projects and on the ability of our Manager to find additional suitable and successful investment opportunities for us. If we fail to raise sufficient proceeds from the sale of Class A units in our Primary Offering, and any other offerings that we may conduct, we may be unable to fund all of our existing projects or to make additional suitable investments. At the same time, the more money we raise in our Primary Offering, and any other offerings that we may conduct, the greater our challenge will be to invest all of the net offering proceeds in investments that meet our investment criteria. Our investments consist of and are expected to continue to consist of properties located in qualified opportunity zones for the development or redevelopment of multifamily, student housing, senior living, healthcare, industrial, self-storage, hospitality, office, mixed-use, data centers and solar projects (collectively, “the qualified opportunity zone investments”) located throughout the United States and its territories. We also anticipate identifying, acquiring, developing or redeveloping and managing a wide range of commercial real estate properties located throughout the United States and its territories, including, but not limited to, real estate-related assets, such as commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as making private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, with the goal of increasing distributions and capital appreciation. We cannot assure you that our Manager will be successful in locating and obtaining additional suitable qualified opportunity zone investments or that, if our Manager makes additional qualified opportunity zone investments on our behalf, our objectives will be achieved. What’s more, increased competition from other opportunity zone funds as well as any prospective legislative or regulatory changes related to qualified opportunity zone investments, may make it more difficult for our Manager to make suitable qualified opportunity zone investments. If we, through our Manager, are unable to find suitable investments promptly, we may invest in short-term, investment-grade obligations or accounts in a manner that is consistent with our qualification as a publicly traded partnership and qualified opportunity fund. If we would continue to be unsuccessful in locating suitable investments, we may ultimately decide to liquidate. In the event we are unable to timely locate suitable investments, we may be unable or limited in our ability to pay distributions and we may not be able to meet our investment objectives.

***Our ability to deploy the capital we raise in our Primary Offering may be constrained.***

We may have difficulty identifying and purchasing suitable properties on attractive terms. In addition, increased competition from other opportunity zone funds, a lack of suitable qualified opportunity zone investment opportunities or other market-related constraints, may also make it more difficult for our Manager to deploy the capital we raise in our Primary Offering. Therefore, there could be a delay between the time we receive net proceeds from the sale of our Class A units in our Primary Offering and the time we invest the net proceeds. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash flow from operations to you. If we fail to timely invest the net proceeds of our Primary Offering, our results of operations and financial condition may be adversely affected.

***Our NAV per Class A unit may change materially from our current NAV.***

We plan to calculate the net asset value (“NAV”) of our Class A units on a quarterly basis. The per Class A unit purchase price will be adjusted within approximately 60 days of the last day of each quarter (the “Determination Date”). We will calculate our NAV as of the Determination Date (rounded to the nearest dollar) and any adjustment to our NAV will take effect as of the first business day following its public announcement. Our adjusted NAV per Class A unit will be equal to our adjusted NAV as of the Determination Date (rounded to the nearest dollar) divided by the number of Class A units outstanding on the Determination Date.

***Valuations and appraisals of our real estate and real estate assets are estimates of fair value and may not necessarily correspond to realizable value, in addition it may be difficult to reflect, fully and accurately, material events that impact our NAV.***

Our NAV will be calculated using a process that may reflect some or all of the following components: (i) estimated values of each of our assets and investments, including related liabilities (but may, in our discretion, exclude deal-level carried interest allocations), based on: (a) market capitalization rates, comparable transaction information, interest rates, adjusted net operating income; (b) with respect to debt, default rates, discount rates and loss severity rates; (c) for commercial real estate properties that have development or value add plans, progress along such development or value add plans; and (d) in certain instances, reports of the underlying assets and investments by an independent valuation expert; (ii) the price of liquid assets for which third party market quotes are available; (iii) accruals of our periodic distributions; and (iv) estimated accruals of our operating revenues and

expenses (excluding property management oversight fees).

We may engage a third party to prepare or assist with preparing the NAV of our Class A units. In addition, where we determine that an independent appraisal is necessary, including, without limitation, where our Manager is unsure of its ability to accurately determine the estimated values of our assets and investments, or where third party market values for comparable assets and investments are either nonexistent or extremely inconsistent, we may engage an appraiser that has expertise in appraising the types of assets and investments that we hold to act as our independent valuation expert. The independent valuation expert will not be responsible for, prepare or assist with preparing our NAV per Class A unit.

As with any asset valuation protocol, the conclusions reached by our Manager or any third-party firm that we engage to prepare or assist with preparing the NAV of our Class A units will involve significant judgments, assumptions, and opinions in the application of both observable and unobservable attributes that may or may not prove to be correct. The use of different judgments or assumptions would likely result in different estimates of the value of our assets and investments and, consequently, our NAV. Moreover, although we will calculate and provide our NAV on a quarterly basis, our NAV may fluctuate daily, accordingly the NAV in effect for any given fiscal quarter may not accurately reflect the amount that might otherwise be paid for your Class A units in a market transaction. Further, for any given fiscal quarter, our published NAV may not fully reflect certain material events to the extent that they are unknown or their financial impact on our assets or investments is not immediately quantifiable.

Our goal is to provide a reasonable estimate of the market value of our Class A units within approximately 60 days of the last day of each quarter.

***NAV calculations are not set by governmental or independent securities, financial or accounting rules or standards.***

It is important to note that the determination of our NAV will not be based on, nor is it intended to comply with, fair value standards under U.S. GAAP, and our NAV may not be indicative of the price that we would receive for our assets at current market conditions. In addition, we do not represent, warrant or guarantee that: (i) you will be able to realize the NAV per Class A unit for your Class A units if you attempt to sell them; (ii) you will ultimately realize distributions per Class A unit equal to the NAV per Class A units you own upon liquidation of our assets and investments and settlement of our liabilities or a sale of our company; (iii) our Class A units will trade at their NAV per Class A unit on the NYSE; or (iv) a third party would offer the NAV per Class A unit in an arm's-length transaction to purchase all or substantially all of our Class A units. Furthermore, any distributions that we make will directly impact our NAV, by reducing the amount of our assets.

***Our Sponsor does not hold a significant amount of our equity, and therefore may not be as strongly incentivized to avoid losses as a sponsor who holds a significant equity investment, and as a result you may be more likely to sustain a loss on your investment.***

Our Sponsor, Belpointe, LLC, and an affiliate of our Sponsor have acquired 100 of our Class A units in connection with our formation for net proceeds to us of \$10,000. Accordingly, our Sponsor will have very little exposure to a loss in the value of our Class A units. Without this exposure, you may be at a greater risk of loss because our Sponsor does not have as much to lose from a decrease in the value of our Class A units as a sponsor who makes a more significant equity investment would.

***Our Sponsor currently sponsors and will in the future sponsor other investment programs some of which may compete with us.***

Our Sponsor has previously sponsored two real estate funds and a qualified opportunity fund with investment criteria similar to ours. Our Sponsor and its affiliates will in the future sponsor other investment programs, some of which may compete with us or have similar investment criteria to our own, and there are No limits or restrictions on the right of our Sponsor, or any of its affiliates, including our Manager, to engage in any other business or sponsor any other investment programs of any kind.

***Our Manager and its affiliates have little or No experience managing a portfolio of assets in the manner necessary to maintain our qualification as a publicly traded partnership and qualified opportunity fund or our exclusion or exemption from registration under the Investment Company Act.***

In order to maintain our intended qualification as a publicly traded partnership and qualified opportunity fund and our exclusion or exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), our assets and investments may be subject to certain restrictions that could limit our operations meaningfully. The publicly traded partnership rules and regulations, Opportunity Zone Regulations (as hereinafter defined) and exclusions and exemptions from registration under the Investment Company Act are highly technical and complex, and our failure to comply with the requirements and limitations imposed by these rules and regulations could prevent us from qualifying as a publicly traded partnership or qualified opportunity fund or could force us to pay unexpected taxes and penalties. Our Manager and its affiliates have little or No experience managing assets and investments in the manner necessary to maintain our intended qualification as a publicly traded partnership and qualified opportunity fund or our exclusion or exemption from registration under the Investment Company Act. This inexperience may hinder our ability to achieve our objectives, result in our failing to achieve or losing of our qualification as a publicly traded partnership or qualified opportunity fund or our exclusion or exemption from registration under the Investment Company Act. As a result, we cannot assure you that we will be able to successfully operate as a publicly traded



partnership and qualified opportunity fund, comply with regulatory requirements applicable to publicly traded partnerships and qualified opportunity funds, maintain our exclusion or an exemption from registration under the Investment Company Act, or execute our business strategies.

***Any adverse changes in our Sponsor's financial health, or our Sponsor's or our relationship with our Manager or its affiliates could hinder our operating performance.***

We, our Operating Companies, and our Manager have entered into a Management Agreement pursuant to which our Manager manages our day-to-day operations, implements our investment objectives and strategy and performs certain services for us, subject to oversight by our Board.

We, our Operating Companies, our Sponsor and our Manager have also entered into an Employee and Cost Sharing Agreement pursuant to which our Manager is provided with access to, among other things, our Sponsor's and its affiliates' portfolio management, asset valuation, risk management and asset management professionals and services as well as administration professionals and services addressing legal, compliance, investor relations and information technologies necessary for the performance by our Manager of its duties under the Management Agreement.

This team of investment, asset management and other professionals, acting through our Manager, makes all decisions regarding the origination, selection, evaluation, structuring, acquisition, financing and development of our commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, subject to the limitations in our Operating Agreement. Our Manager also provides portfolio management, marketing, investor relations, financial, accounting, and other administrative services on our behalf with the goal of maximizing our operating cash flow and preserving our invested capital. As such, our ability to achieve our investment objectives and to pay distributions to the holders of our Class A units is dependent in part on our Sponsor's financial condition and our Sponsor's and our relationship with our Manager. Any adverse changes in our Sponsor's financial condition or our Sponsor's or our relationship with our Manager could hinder our ability to successfully manage our operations and our portfolio of assets and investments. In addition, our Manager and our Sponsor only have limited assets and our recourse against our Manager or our Sponsor if our Manager does not fulfill its obligations under the Management Agreement will be limited to our termination of the Management Agreement.

***If our Sponsor fails to retain its key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.***

Our future depends, in part, on our Sponsor's ability to attract and retain key personnel. Our future also depends on the continued contributions of the executive officers and other key personnel of our Sponsor acting through our Manager, each of whom would be difficult to replace. In particular, each of Brandon Lacoff and Martin Lacoff is critical to the management of our business and operations and the development of our strategic direction. The loss of the services of Brandon Lacoff, Martin Lacoff or other executive officers or key personnel of our Sponsor and the process to replace any of our Sponsor's key personnel would involve substantial time and expense and may significantly delay or prevent the achievement of our business objectives.

***The Management Agreement with our Manager was not negotiated with an unaffiliated third party on an arm's length basis and may not be as favorable to us as if it had been negotiated with an unaffiliated third party.***

Our Management Agreement with our Manager was negotiated between related parties and its terms, including fees payable, may not be as favorable to us as if it had been negotiated with an unaffiliated third party. We will pay our Manager a management fee regardless of the performance of our investments. Our Manager's entitlement to a management fee, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. This in turn could hurt both our ability to pay distributions to holders of our Class A units and the market price of our Class A units.

***We do not have an exclusive management arrangement with our Manager.***

We do not have an exclusive management arrangement with our Manager. Accordingly, our Manager and its affiliates, including our Sponsor, can and will engage in other activities, including, without limitation, managing other investment programs sponsored or organized by our Sponsor and its affiliates. Further, nothing in our Management Agreement limits or restricts the right of any manager, director, officer, employee or equity holder of our Manager, or any of its affiliates, including our Sponsor, to engage in any other business or to render services of any kind to any other person or entity.

***Terminating the Management Agreement for unsatisfactory performance by our Manager or electing not to renew the Management Agreement may be difficult, and, even if we elect not to renew or terminate the Management Agreement, our Manager will continue to hold our Class B units.***

Terminating the Management Agreement for unsatisfactory performance by our Manager is difficult and potentially

costly. The initial term of the Management Agreement commenced on October 28, 2020 and will continue through December 31, 2025. We may only terminate the Management Agreement (i) for “cause,” (ii) upon the bankruptcy of our Manager, or (iii) upon a material breach of the Management Agreement by our Manager. “Cause” is defined in the Management Agreement to mean fraud or willful malfeasance, gross negligence, the commission of a felony or a material violation of applicable law, in each case that has or could reasonably be expected to have a material adverse effect on us. Following the initial term, the Management Agreement will automatically renew for an unlimited number of three-year terms unless we elect not to renew or terminate it by providing our Manager with 180 days’ prior notice. We will review and evaluate our Manager’s performance under the Management Agreement at least 180 days prior to each renewal term.

Upon any termination or non-renewal of the Management Agreement by us or any termination of the Management Agreement by our Manager for our breach of the Management Agreement, our Manager will be entitled to receive its prorated management fee through the expiration or termination date and will be paid a termination fee equal to six times the annual management fee earned by our Manager during the 12-month period ended as of the last day of the quarter immediately preceding the termination date (the “Termination Fee”); however, if less than 12 months have elapsed as of the termination date, the Termination Fee will be calculated by annualizing the management fee earned during the most recently completed quarter prior to the termination date.

In addition, upon any termination or non-renewal of the Management Agreement, our Manager will continue to hold 100% of our Class B units, which entitle our Manager to 5% of any gain recognized by or distributed to the Company or recognized by or distributed from the Operating Companies or any subsidiary. As a result, any time we recognize operating gain (excluding depreciation) or receive a distribution, whether from continuing operations, net sale proceeds, refinancing transactions or otherwise, our Manager is entitled to receive 5% of the aggregate amount of such gain or distribution, regardless of whether the holders of our Class A units have received a return of their capital. The allocation and distribution rights that our Manager is entitled to with respect to its Class B units may not be amended, altered or repealed, and the number of authorized Class B units may not be increased or decreased, without the consent of our Manager. Accordingly, for so long as our Manager continues to hold our Class B units, it will be entitled to receive 5% of the aggregate amount of any operating gain (excluding depreciation) that we recognize or distribution that we receive.

***If we pay distributions from sources other than our cash flow from operations, we will have less funds available for investments and your overall return may be reduced. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of our Class A units.***

While our goal is to pay distributions from cash flow from operations, we may, at the discretion of our Manager, subject to Board oversight, use other sources to fund distributions, including, without limitation, the sale of assets, borrowings in anticipation of future operating cash flow, net proceeds of our Primary Offering, and any other offerings that we may conduct, cash advances by our Manager, cash resulting from a waiver of fees or reimbursements due to our Manager or the issuance of additional securities. We will only fund distributions by a return of capital following the sale of assets, unless otherwise determined by our Manager in its discretion. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of this offering will result in us having less funds available to make investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact our ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in us on a percentage basis and may impact the value of our Class A units. We can provide no assurances that future cash flow will support payment of distributions or maintaining distributions at any level, if at all.

***Your interest in us will be diluted if we issue additional units.***

Under our Operating Agreement, we have authority to issue an unlimited number of additional units and options, rights, warrants and appreciation rights relating to such units. In particular, our Board is authorized to provide for the issuance of an unlimited amount of one or more classes or series of units and to fix the number of units, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each class or series thereof by resolution authorizing the issuance of such class or series, without member approval. We may elect to issue and sell additional units in future private or public offerings or issue units to our Manager or its affiliates, including our Sponsor, in payment of outstanding fees and expenses. We also intend to seek opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses using our equity as transaction consideration. Holders of our Class A units will not have preemptive rights to any units we issue in the future. To the extent we issue additional equity interests your percentage ownership interest in us would be diluted.

***Our investment guidelines delegate broad discretion to our Manager and our Board will not approve each investment and financing decision made by our Manager.***

Our investment guidelines delegate to our Manager discretion and authority to execute acquisitions and dispositions of investments (including the reinvestment of capital basis and gains) in commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, provided such investments are consistent with our investment objectives and strategy and our investment guidelines. Our Manager’s investment committee will periodically review our portfolio of assets and investments,

our investment objectives and strategy and our investment guidelines to determine whether they remain in the best interests of our members and may recommend changes to our Board as it deems appropriate. Our Board will not, and will not be required to, review all of our proposed investments. Our Manager may use complex strategies or enter into costly transactions that are difficult or impossible to unwind by the time they are reviewed by our Board, which could result in investment returns that are below expectations or that result in losses, and which would materially and adversely affect our business operations and results.

***We may change our investment strategy and guidelines without member consent.***

Our investment guidelines delegate to our Manager discretion and authority to execute acquisitions and dispositions of investments (including the reinvestment of capital basis and gains) in commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, provided such investments are consistent with our investment objectives and strategy and our investment guidelines. Our Manager's investment committee will also periodically review our portfolio of commercial real estate assets, our investment objectives and strategy and our investment guidelines to determine whether they remain in the best interests of our members and may recommend changes to our Board as it deems appropriate. We may, at any time and without member approval, change our investment strategy and guidelines or cease to be a qualified opportunity fund and acquire assets that do not qualify as qualified opportunity zone investments, which could result in our voluntary or involuntary decertification as a qualified opportunity fund, further resulting in an inclusion event and the recognition of any tax deferred on account of your investment.

***Our Operating Agreement contains provisions that substantially limit remedies available to holders of our units for actions that might otherwise result in liability for our officers, directors, or Manager.***

While our Operating Agreement provides that our officers and directors have fiduciary duties equivalent to those applicable to officers and directors of a Delaware corporation under the Delaware General Corporation Law, our Operating Agreement also provides that our officers and directors are liable to us or holders of our units for an act or omission only if such act or omission constitutes a breach of the duties owed to us or the holders of our units, as applicable, by any such officer or director and such breach is the result of (i) willful malfeasance, gross negligence, the commission of a felony or a material violation of law, in each case that has or could reasonably be expected to have a material adverse effect on us or (ii) fraud. Furthermore, our Operating Agreement provides that our Sponsor will not have any liability to us or any holder of our units for any act or omission and is indemnified in connection therewith.

Under our Operating Agreement, we, our Board and our Manager are each entitled to take actions or make decisions in our "sole discretion" or "discretion" or that we each deem "necessary or appropriate" or "necessary or advisable." In those circumstances, we, our Board and our Manager are entitled to consider only such interests and factors as we each desire, including our own interests, and we have No duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting any others of us or any holder of the Company's units, and neither we, our Board nor our Manager will be subject to any different standards imposed by our Operating Agreement, the Delaware Limited Liability Company Act or under any other law, rule or regulation or in equity, except that we each must act in good faith at all times. These modifications of fiduciary duties are expressly permitted by Delaware law. These modifications restrict the remedies available to the holders of our units for actions that, without such modifications, may constitute breaches of duty (including fiduciary duty).

***Certain claims that may be brought against the Company or our Sponsor, Manager, directors, officers, or other agents must be resolved by final and binding arbitration, which follows a different set of procedures and may be more restrictive than litigation.***

Our Operating Agreement provides that all claims, controversies, or disputes brought by or on behalf of one or more of our members, record holders or beneficial owners of our units against the Company or our Sponsor, Manager or any of our directors, officers or other agents must be resolved by final and binding arbitration. As a result, we and our members, record holders and beneficial owners of our units will not be able to pursue litigation in federal or state court against the Company or our Sponsor, Manager or any of our directors, officers, or other agents, and instead will be required to pursue such claims through a final and binding arbitration proceeding.

Our Operating Agreement provides that such arbitration proceedings would generally be conducted in accordance with the rules and policies of the American Arbitration Association. These rules and policies may provide significantly more limited rights than litigation in a federal or state court. In addition, our Operating Agreement provides that all arbitration proceedings will be closed to the public and confidential, that discovery will be limited to matters directly relevant to issues in the proceeding, and that the parties waive the right to a jury. Our Operating Agreement also generally provides that each party to an arbitration proceeding is required to bear its own expenses, including attorneys' fees, that the arbitrator may not render an award that includes

shifting of costs or expenses or, in a derivative case, award any portion of the Company's award to any other party or other party's attorneys and that all arbitrations must take place on an individual basis. The mandatory arbitration provisions of our Operating Agreement may discourage our members, record holders or beneficial owners of our units from bringing, and attorneys from agreeing to represent such parties in, claims against the Company or our Sponsor, Manager or any of our directors, officers, or other agents. Any person or entity purchasing or otherwise acquiring or holding any interest in our units shall be deemed to have notice of and to have consented to our mandatory arbitration provisions.

The mandatory arbitration provisions of our Operating Agreement do not relieve us of our duties to comply with, and our members, record holders and beneficial owners of our units cannot waive our compliance with, the federal securities laws and the rules and regulations thereunder. We believe that the mandatory arbitration provisions in our Operating Agreement are enforceable under both federal and state law, including with respect to federal securities law claims, however, there is uncertainty as to their enforceability and it is possible that they may ultimately be determined to be unenforceable.

***Our Operating Agreement designates the United States District Court for the Southern District of New York or, if that court does not have jurisdiction, the state courts of New York located in the borough of Manhattan, City of New York, as the sole and exclusive forum for certain claims precluded from resolution pursuant to the mandatory arbitration provision of our Operating Agreement.***

Our Operating Agreement provides that all claims, controversies or disputes brought by or on behalf of one or more of our members, record holders or beneficial owners of our units against the Company or our Sponsor, Manager or any of our directors, officers or other agents that are precluded from resolution by mandatory arbitration, must be brought before the United States District Court for the Southern District of New York or, if that court does not have jurisdiction, the state courts of New York located in the borough of Manhattan, City of New York, as the sole and exclusive forum for such preclude claim.

The portion of our exclusive forum selection provision designating the state courts of New York located in the borough of Manhattan, City of New York, as the exclusive forum for certain claims precluded from arbitration would not apply to claims brought to enforce a duty or liability created by the Exchange Act, as such claims fall under the exclusive jurisdiction of the federal courts, however the portion of our forum selection provision designating the United States District Court for the Southern District of New York would apply to any such claims. Our exclusive forum selection provision would apply to claims brought to enforce a duty or liability created by the Securities Act. The exclusive forum selection provision in our Operating Agreement may discourage our members, record holders or beneficial owners of our units from bringing, and attorneys from agreeing to represent such parties in, claims against the Company or our Sponsor, Manager or any of our directors, officers, or other agents. Any person or entity purchasing or otherwise acquiring or holding any interest in our units shall be deemed to have notice of and to have consented to our exclusive forum selection provision.

The exclusive forum selection provision of our Operating Agreement does not relieve us of our duties to comply with, and our members, record holders and beneficial owners of our units cannot waive our compliance with, the federal securities laws and the rules and regulations thereunder. We believe that the exclusive forum selection provision in our Operating Agreement is enforceable under both federal and state law, including with respect to federal securities law claims, however, there is uncertainty as to its enforceability and it is possible that it may ultimately be determined to be unenforceable.

***Holders of our Class A units have limited voting rights and may be bound by a majority or supermajority vote or by a vote of the holder of our Class M unit, as applicable.***

We are owned by the holders of our Class A units, Class B units and Class M unit. Each Class A unit and each Class B unit entitles the holder thereof to one vote per unit. The Class M unit entitles the holder thereof to that number of votes equal to the product obtained by multiplying (i) the sum of aggregate number of outstanding Class A units plus Class B units, by (ii) 10, on matters on which the holder of our Class M unit has a vote.

The holders of our Class A units and Class B units have voting rights only with respect to certain matters, primarily relating to amendments to our Operating Agreement that would adversely change the rights of the Class A units or Class B units, as applicable, election of our directors (other than the Class M Director (as hereinafter defined)), removal of our directors for "cause" (other than the Class M Director), and our dissolution. Generally, matters to be voted on by the holders of our Class A units must be approved by a majority of the votes cast by all Class A units and Class B units, voting together as a single class, that are present in person or represented by proxy, although the vote to remove a director for "cause" requires a super-majority, four-fifths vote. If any vote occurs, you will be bound by the majority or supermajority vote, as applicable, even if you did not vote with the majority or supermajority.

Our Manager will hold our Class M unit for so long as it remains our manager. Accordingly, our Manager will be able to determine the outcome of all matters on which a holder of our Class M unit has a vote. Such matters include certain mergers and acquisitions, certain amendments to our Operating Agreement and the election of one Class III director (the "Class M Director"). The Class M unit does not represent an economic interest in the Company.

***associated with being self-managed.***

We are externally managed by our Manager, who is an affiliate of our Sponsor. We may in the future decide to internalize our management function and, should we elect to do so, we may acquire our Manager's or its affiliates', including our Sponsor's, assets and personnel. We, our Operating Companies, and our Manager have entered into a Management Agreement. The terms of the Management Agreement restrict us from hiring or soliciting any employee of our Manager or its affiliates, including our Sponsor, for a period of two years from termination of the Management Agreement. In addition, upon any termination or non-renewal of the Management Agreement by us our Manager will be entitled to receive its prorated management fee through the expiration or termination date and will be paid a Termination Fee equal to six times the annual management fee earned by our Manager during the 12-month period ended as of the last day of the quarter immediately preceding the termination date; however, if less than 12 months have elapsed as of the termination date, the Termination Fee will be calculated by annualizing the management fee earned during the most recently completed quarter prior to the termination date. These provisions could make it costly or difficult for us to internalize management without incurring Termination Fees or acquiring assets and personnel from our Manager and its affiliates, including our Sponsor, for consideration that would be negotiated at the time of any such acquisition. Any Termination Fees we incur would be paid in cash and any consideration we pay for acquiring assets and personnel could take many forms, including issuance of units or cash payments, which could directly impact our NAV, by reducing the amount of our assets, or result in the dilution of your interest in us. If we internalize management, we will No longer pay management fees to our Manager, however, our direct expenses, such as the compensation and benefits costs and expenses associated with having officers and other employees and consultants, would increase. In addition, we may issue equity awards to officers, employees and consultants, which awards would decrease our net income and funds from operations and may further dilute your investment.

***We will incur additional costs and expenses associated with maintaining our status as a publicly traded partnership and operating as an Exchange Act reporting company.***

We will incur additional costs and expenses associated with, maintaining our status as a publicly traded partnership and operating as an Exchange Act reporting company. Costs and expenses that we will incur, include, without limitation, those associated with the preparation and filing of annual and quarterly reports, federal and state tax returns, Schedule K-1 preparation and distribution, investor relations, registrar and transfer agent fees, director compensation, accounting and audit fees and incremental insurance costs, including director and officer liability insurance. It is possible that actual costs and expenses associated with maintain our status as a publicly traded partnership and operating as an Exchange Act reporting company will be higher than we currently estimate and we may require additional capital or future earnings to cover these costs and expenses, which could materially and adversely affect our business, results of operations, financial condition, and cash flows.

***We are not required to comply with certain reporting and disclosure requirements that are applicable to other public companies.***

We are an "emerging growth company," as defined in the Jump Start Our Business Startups Act of 2012 ("JOBS Act"). As an emerging growth company, we have elected to take advantage of certain exemptions from various reporting and disclosure requirements that are applicable to public companies that are not emerging growth companies. For so long as we remain an emerging growth company, we will not be required to:

- have an auditor attestation report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- submit certain executive compensation matters to member advisory votes pursuant to the "say on frequency" and "say on pay" provisions (requiring a non-binding member vote to approve compensation of certain executive officers) and the "say on golden parachute" provisions (requiring a non-binding member vote to approve golden parachute arrangements for certain executive officers in connection with mergers and certain other business combinations) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; or
- disclose certain executive compensation related items, such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

In addition, the JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies. This means that an emerging growth company can delay adopting certain accounting standards until such standards are otherwise applicable to private companies. We have elected to take advantage of the extended transition period. Since we will not be required to comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies, our financial statements may not be comparable to the financial statements of companies that comply with public company effective dates. If we were to subsequently elect to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

We will remain an emerging growth company for up to five years, or until the earliest of (i) the last date of the fiscal year during which we had total annual gross revenues of \$1.07 billion or more, (ii) the date on which we have, during the previous three-year period, issued more than \$1.07 billion in non-convertible debt, or (iii) the date on which we are deemed to be a "large accelerated filer" as defined under Rule 12b-2 under the Exchange Act.

Also, even once we are No longer an emerging growth company, we still may not be subject to auditor attestation

requirements of Section 404(b) of the Sarbanes-Oxley Act unless we meet the definition of a large accelerated filer or an accelerated filer under Section 12b-2 of the Exchange Act. In addition, so long as we are externally managed by our Manager and we do not directly compensate our executive officers, or reimburse our Manager or its affiliates for the compensation paid to persons who serve as our executive officers, we do not expect to include disclosures relating to executive compensation in our periodic reports or proxy statements and, as a result, do not expect to be required to seek member approval of executive compensation and golden parachute compensation arrangements pursuant to Sections 14A(a) and (b) of the Exchange Act.

***If we fail to maintain effective disclosure controls and procedures or internal controls over financial reporting, we may not be able to accurately and timely make our required disclosures or report our financial results.***

Effective disclosure controls and procedures and internal controls over financial reporting are necessary for us to provide reliable disclosures and financial reports, adequately detect and prevent misstatements and fraud, and operate successfully. If we cannot provide reliable disclosures and financial reports or detect and prevent misstatements and fraud, our reputation and operating results may be harmed.

We are continuing to develop and refine our disclosure controls and procedures and improve our internal controls over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting. However, any disclosure controls and procedures or internal controls over financial reporting that we put into place, No matter how well designed and operated, can only provide reasonable assurance of achieving their objectives.

As a result of the inherent limitations in the design of any system of controls, our disclosure controls and procedures and internal controls over financial reporting may not detect or prevent all misstatements and fraud, and we cannot assure you that there will not be significant deficiencies or material weaknesses in our disclosure controls and procedures and internal control over financial reporting in future periods. Moreover, for so long as we are an emerging growth company, we will not be required to have an auditor attestation report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and we cannot assure you that the systems and processes that we have put into place to evaluate and test our disclosure controls and procedures and internal controls over financial reporting so as to allow management to report on their effectiveness will be consistently adequate. If our disclosure controls and procedures and internal control over financial reporting prove to be ineffective and if we are not able to adequately remediate any deficiencies, investors may lose confidence in our disclosures and reported financial information, which could materially and adversely affect our business.

***Your investment returns may be reduced if we are required to register as an investment company under the Investment Company Act.***

We will engage primarily in the business of investing in real estate and to conduct our operations such that neither we nor any of our subsidiaries are required to register as an “investment company” under the Investment Company Act.

Maintaining our exclusion from registration under the Investment Company Act will limit our ability to make certain investments. In addition, although we intend to continuously monitor our holdings, there can be No assurance that we, our Operating Companies or any of the subsidiaries of our Operating Companies will be able to maintain our exclusion from registration. A change in the value of any of our assets could negatively affect our ability to maintain our exclusion from registration and we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise want to retain. In addition, we may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to acquire assets that we would otherwise want to acquire and would be important to our investment strategy.

If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration, and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan. If we were required to register as an investment company but failed to do so, we could be prohibited from engaging in our business, and criminal and civil actions could be brought against us.

***We enter into joint ventures, partnerships, co-tenancies and other co-ownership arrangements or participations with affiliates of our Sponsor and Manager, including Belpointe SP, LLC.***

All of our assets are and will continue to be held by, and all of our operations are and will continue to be conducted through our Operating Companies, either directly or indirectly through subsidiaries. To expand our investment portfolio, we will continue to enter into joint ventures, partnerships, co-tenancies and other co-ownership arrangements or participations with affiliates of our Sponsor and Manager, such as Belpointe SP, LLC (“Belpointe SP”), or its affiliates (together with Belpointe SP, the “Belpointe SP Group”), as well as independent developers and owners.

We have and will continue to acquire interests in properties where a member of the Belpointe SP Group will act as general

partner or co-general partner, manager or co-manager, developer or co-developer, or any of the foregoing, all of which will be structured in one of the following formats:

- A member of the Belpointe SP Group will act as the general partner, manager or managing member of joint ventures in which our Operating Companies, directly or indirectly through subsidiaries, will participate as limited partners or non-managing members, to acquire stabilized cash flow generating real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate companies, select private equity investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses.
- A member of the Belpointe SP Group will act as the general partner, manager or managing member of joint ventures in which our Operating Companies, directly or indirectly through subsidiaries, will participate as limited partners or non-managing members and a member of the Belpointe SP Group will act as the developer of the projects owned by the joint ventures.
- A member of the Belpointe SP Group retain the services of a local developer to create a Belpointe satellite office, which will act as the developer for multiple joint venture projects within specific regions of the United States and its territories. These satellite offices will enable us to increase our presence and expertise in multiple regions.
- Our Manager or a member of Belpointe SP Group will set up exclusive programmatic joint ventures with experienced regional developers to co-invest and co-develop in one or more projects within specific regions of the United States and its territories. A member of the Belpointe SP Group will act as the general partner, manager or managing member of the programmatic joint ventures with subsidiaries of our Operating Companies, directly or indirectly through subsidiaries, participating as limited partners or non-managing members. These programmatic joint ventures will enable us to increase our presence and expertise in multiple regions.
- Our Manager or a member of the Belpointe SP Group will enter into joint ventures with experienced local developers to co-invest and co-develop projects on a deal-by-deal basis. A member of the Belpointe SP Group will act as the general partner, manager or managing member of the joint ventures with our Operating Companies, directly or indirectly through subsidiaries, participating as limited partners or non-managing members. A member of the Belpointe SP Group may act as the co-developer of projects with the joint venture partners and developers.

- Our Manager or a member of the Belpointe SP Group will enter into joint ventures with independent third-party experienced local developers to co-invest and co-develop on our behalf. The joint venture partners and developers will typically act as the general partner or managing member for the joint ventures with our Operating Companies, directly or indirectly through subsidiaries, participating as the limited partners or non-managing members.

Any membership interests that members of the Belpointe SP Group hold in our joint venture investments in their capacity as a general partner, manager or managing member will be exempt from paying any promotes.

Under these joint venture arrangements, members of the Belpointe SP Group, their development affiliates and co-development partners will be entitled to receive project level fees, reimbursement by the joint ventures for fees and expenses, their promoted interest on a deal-by-deal basis and other fees. If a joint venture includes third party limited partners or non-managing members, in addition to a directly or indirectly owned subsidiary of one of our Operating Companies, the general partner, manager or managing member of that joint venture, including members of the Belpointe SP Group, will receive a promoted interest on capital invested by all limited partners or non-managing members, however the promoted interest on third-party limited partners' or non-managing members' capital may be different from the promoted interest on our capital.

***We may make a substantial amount of joint venture investments, including with affiliates of our Manager and Sponsor, such as members of the Belpointe SP Group. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.***

We may co-invest in joint ventures with affiliates of our Manager and Sponsor, including members of the Belpointe SP Group, or third parties in partnerships or other entities that own real estate properties. We may acquire non-controlling interests in joint ventures. Even if we have some control in a joint venture, we would not be in a position to exercise sole decision-making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were another party not involved, including the possibility that joint venture partners might become bankrupt, fail to fund their required capital contributions or commit fraud or other bad acts. Joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or

objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Disputes between us and joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

If we have a right of first refusal to buy out a joint venture partner, we may be unable to finance such a buy-out if it becomes exercisable or we are required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase an interest of a joint venture partner subject to the buy/sell right, in which case we may be forced to sell our interest as the result of the exercise of such right when we would otherwise prefer to keep our interest. In some joint ventures we may be obligated to buy all or a portion of our joint venture partner's interest in connection with a crystallization event, and we may be unable to finance such a buy-out when such crystallization event occurs, which may result in interest or other penalties accruing on the purchase price. If we buy our joint venture partner's interest, we will have increased exposure in the underlying investment. The price we use to buy our joint venture partner's interest or sell our interest is typically determined by negotiations between us and our joint venture partner and there is No assurance that such price will be representative of the value of the underlying property or equal to our then-current valuation of our interest in the joint venture that is used to calculate our NAV. Finally, we may not be able to sell our interest in a joint venture if we desire to exit the venture for any reason or if our interest is likewise subject to a right of first refusal of our joint venture partner, our ability to sell such interest may be adversely impacted by such right. Joint ownership arrangements with affiliates of our Manager and Sponsor, including members of the Belpointe SP Group, may also entail further conflicts of interest. Some additional risks and conflicts related to our joint venture investments (including joint venture investments with our Manager, Sponsor and members of the Belpointe SP Group) include:

- the joint venture partner may have economic or other interests that are inconsistent with our interests, including interests relating to the financing, management, operation, leasing or sale of the assets purchased by such joint venture;

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- tax, Investment Company Act and other regulatory requirements applicable to the joint venture partner may cause it to want to take actions contrary to our interests;
- the joint venture partner may have joint control of the joint venture even in cases where its economic stake in the joint venture is significantly less than ours;
- under the joint venture arrangement, neither we nor the joint venture partner will be in a position to unilaterally control the joint venture, and deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition. In addition, depending on the governance structure of such joint venture partner, decisions of such vehicle may be subject to approval by individuals who are independent of us;
- under the joint venture arrangement, we and the joint venture partner may have a buy/sell right and, as a result of an impasse that triggers the exercise of such right, we may be forced to sell our investment in the joint venture, or buy the joint venture partner's share of the joint venture at a time when it would not otherwise be in our best interest to do so; and
- our participation in investments in which a joint venture partner participates will be less than what our participation would have been had such other vehicle not participated, and because there may be No limit on the amount of capital that such joint venture partner can raise, the degree of our participation in such investments may decrease over time.

Furthermore, we may have conflicting fiduciary obligations if we acquire properties with our affiliates or other related entities; as a result, in any such transaction we may not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

***Operational risks may disrupt our business, result in losses or limit our growth.***

We rely heavily on our Sponsor's financial, accounting, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks. Breaches of our Sponsor's network security systems could involve attacks that are intended to obtain unauthorized access to our proprietary information or personal identifying information of holders of our Class A units, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses, cyberattacks and other means and could originate from a wide variety of sources, including unknown third parties outside of our Sponsor. Although our Sponsor takes various measures to ensure the integrity of such systems, there can be No assurance that these measures will provide protection. If such systems are compromised, do not operate



properly or are disabled, we could suffer financial loss, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage.

In addition, we rely on third-party service providers for certain aspects of our business, including for certain information systems, technology and administration. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of our operations and could affect our reputation and hence adversely affect our business.

***If our techniques for managing risk are ineffective, we may be exposed to unanticipated losses.***

In order to manage the significant risks inherent in our business, we must maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to market, operational, legal and reputational risks. Our risk management methods may prove to be ineffective due to their design or implementation or as a result of the lack of adequate, accurate or timely information. If our risk management efforts are ineffective, we could suffer losses or face litigation and sanctions or fines from regulators.

Our techniques for managing risks may not fully mitigate the risk exposure in all economic or market environments, or against all types of risk, including risks that we might fail to identify or anticipate. Any failures in our risk management techniques and strategies to accurately quantify such risk exposure could limit our ability to manage risks or to seek positive, risk-adjusted returns. In addition, any risk management failures could cause fund losses to be significantly greater than historical measures predict.

#### **Risks Related to our Assets and Investments**

***Our success is dependent on general market and economic conditions as well as numerous other factors outside of our control.***

Our activities and investments may be adversely affected by changes in market, economic, political or regulatory conditions, such as fluctuations in real estate market prices, rising interest rates, availability of credit, credit defaults, rising inflation rates, supply chain disruptions, labor shortages, economic uncertainty, instability in the banking system, changes in laws (including laws relating to taxation of us or of our investments), and national and international political, environmental and socioeconomic circumstances (including disease outbreaks, wars, cyberattacks, terrorist acts or security operations), such as the escalating conflict between Russia and Ukraine and the severe economic sanctions and export controls imposed by the U.S. and other governments against Russia and Russian interests, as well as by numerous other factors outside of our control. In addition, our financial condition may be adversely affected by an economic downturn, related to market, economic or political instability, or otherwise. A recession, slowdown or sustained downturn in the U.S. or global economy (or any particular segment thereof), inflationary pressures or the weakening of credit markets could adversely affect the value of our investments and our profitability, impede our ability to perform under or refinance our existing obligations, and impair our ability to effectively deploy our capital or effectively exit or realize upon investments on favorable terms. It is not possible for us to predict whether or to what extent these factors may negatively impact economies around the world, including the U.S., and if any of the foregoing market, economic or political issues are not managed appropriately, they could impair our profitability or result in substantial or total losses to us in respect of certain investments, which losses may be exacerbated by our use of leverage.

***Recent disruptions in the U.S. and global banking systems may adversely affect our ability to obtain construction financing, which may negatively impact our ability to complete projects on budget and on schedule and, as a result, adversely affect our financial condition and results of operations.***

The recent failures of Silicon Valley Bank (“SVB”) and Signature Bank (“SNY”), actions by the U.S. Department of the Treasury, the Federal Reserve and the FDIC in taking over SVB and SNY and protecting uninsured depositors, the Biden administration’s call for greater regulation over the U.S. banking system and market participants’ increasingly negative outlook on the operating environment for U.S. and global banks, may make it more difficult for us to obtain, or cause delays in our obtaining construction financing from banks. The full effects of SVB and SNY failures, and the subsequent failure of Credit Suisse, remain to be seen and may not be realized for some time. There can be no assurance that these events will not negatively impact our ability to obtain construction financing, complete our development or redevelopment activities on budget and on schedule or adversely affect our financial condition and results of operations.

***The market in which we participate is competitive and, if we do not compete effectively, our operating results could be harmed.***

We face competition from various entities for investment opportunities, including other qualified opportunity funds, REITs, Delaware statutory trusts, pension funds, insurance companies, private equity and other alternative investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by our Sponsor and its

affiliates, especially those with investment strategies that are similar to our own, may compete with us for investment opportunities.

Most of our current or potential competitors have significantly more financial, technical, marketing and other resources than we do. Larger competitors may also enjoy significant advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable investments may increase over time. Any such increase would result in greater demand for investment opportunities and could result in our acquiring assets and investments at higher prices or using less-than-ideal capital structures. If we pay higher prices for our assets and investments, our returns could be lower and the value of our assets and investments may not appreciate or may decrease significantly below the prices paid, and you may experience a lower than anticipated return on your investment.

***Our performance is subject to risks associated with the real estate industry.***

The real estate industry is cyclical in nature, and a deterioration of real estate fundamentals generally, and in the areas where our properties are located in particular, will have an adverse effect on the performance of our investments. The value of real estate assets and real estate-related investments can fluctuate for various reasons. The following factors, among others, may adversely affect the real estate industry, including our properties, and could therefore adversely impact our financial condition and results of operations:

- interest rate fluctuations and lack of availability of financing;
- changes in national, regional or local economic, demographic or capital market conditions;
- persistent inflation;
- a lack of appropriate real estate investment opportunities, including appropriate qualified opportunity zone investment opportunities;
- disease outbreaks;
- acts of war, cyberattacks or terrorism;
- bank liquidity;
- increases in borrowing rates;
- changes in environmental and zoning laws;
- fluctuations in energy costs;
- overbuilding and increased competition for properties targeted by our investment strategy;
- future adverse national real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions;
- changes in supply and demand fundamentals;
- limitations, reductions or eliminations of tax benefits;
- casualty or condemnation losses;
- bankruptcy, financial difficulty or lease default of a major tenant;
- regulatory limitations on rent;
- increased mortgage defaults and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable;
- changes in laws, regulations and fiscal policies, including increases in property taxes and limitations on rental rates;
- natural disasters, severe weather patterns and similar events.
- declines in consumer confidence and spending; and
- public perception that any of the above events may occur.

All of these factors are beyond our control. Moreover, certain significant expenditures associated with real estate (such as real estate taxes, maintenance costs and, where applicable, mortgage payments) have No relationship with, and thus do not diminish in proportion to, a reduction in income from the property. Any negative changes in these factors could impair our ability to meet our obligations and make distributions to holders of our Class A units and could adversely impact our ability to effectively achieve our investment objectives and reduce the overall returns on our investments.

***Real estate investments are subject to general industry downturns as well as downturns in specific geographic regions. We cannot predict occupancy levels for a particular property or whether any tenant or mortgage or other real estate related loan borrower will remain solvent. We also cannot predict the future value of our investments. Accordingly, we cannot guarantee that you will receive cash distributions.***

Real estate investments are subject to general downturns in the industry as well as downturns in specific geographic regions. For example, as of the date of this Form 10-K, a majority of our investments are located in Florida. Historically Florida has been at greater risk of acts of nature such as hurricanes and tropical storms and has been subject to more pronounced real estate downturns than other regions. Accordingly, our business, financial condition and results of operations may be particularly susceptible to downturns or changes in the local Florida economies where we operate. Moreover, we cannot predict occupancy levels for a particular property or whether any tenant or mortgage or other real estate related loan borrower will remain solvent. We also cannot predict the future value of our investments. Accordingly, we cannot guarantee that you will receive cash distributions.

***There are significant risks associated with the development or redevelopment of our real estate investments that may prevent their completion on budget and on schedule and which may adversely affect our financial condition and results of operations.***

We may engage in extensive development or redevelopment activities with respect to our real estate investments, including, without limitation, grading and installing roads, sidewalks, gutters, utility improvements (such as storm drains, water, gas, sewer, power and communications), landscaping and shared amenities (such as community buildings, neighborhood parks, trails and open spaces). Such development and redevelopment activities entail risks that could adversely impact our financial condition and results of operations, including:

- construction costs, which may exceed our original estimates due to increases in materials, labor or other costs, which could make the project less profitable;
- permitting or construction delays, which may result in increased debt service expense and increased project costs, as well as deferred revenue;
- supply chain issues or other unavailability of raw materials when needed, which may result in project delays, stoppages or interruptions, which could make the project less profitable;
- federal, state and local grants to complete certain highways, interchange, bridge projects or other public improvements may not be available, which could increase costs and make the project less profitable;
- availability and timely receipt of zoning and other regulatory approvals to develop or redevelop our properties for a particular use or with respect to a particular improvement;
- claims for warranty, product liability and construction defects after a property has been built;
- claims for injuries that occur in the course of construction activities;
- poor performance or nonperformance by, or disputes with, any of our contractors, subcontractors or other third parties on whom we will rely;
- health and safety incidents and site accidents;
- unforeseen engineering, environmental or geological problems, which may result in delays or increased costs;

- labor shortages, slowdowns or interruptions;
- compliance with environmental planning and protection regulations and related legal proceedings;
- liabilities, expenses or project delays, stoppages or interruptions as a result of challenges by third parties in legal proceedings;

- delay or inability to acquire property, rights of way or easements that may result in delays or increased costs;
- acts of war, cyberattacks or terrorism; and
- weather-related and geological interference, including landslides, earthquakes, floods, drought, wildfires and other events, which may result in delays or increased costs.

We cannot assure you that projects will be completed on schedule or that construction costs will not exceed budgeted amounts. Failure to complete development or redevelopment activities on budget or on schedule may adversely affect our financial condition and results of operations.

***Our Manager's due diligence may not reveal all factors or risks affecting an investment.***

There can be No assurance that our Manager's due diligence processes will uncover all relevant facts that would be material to an investment decision. Before making an investment, our Manager will assess the strength of the underlying asset and any other factors that it believes are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, our Manager will rely on the resources available to it and, in some cases, investigations by third parties.

***Actual rents we receive may be less than estimated, operating expenses may be higher than anticipated and we may experience a decline in rental rates from time to time, any of which could adversely affect our financial condition, results of operations and cash flow.***

As a result of potential factors, including competitive pricing pressure in our markets, a general economic downturn and the desirability of our properties compared to other properties in our markets, we may be unable to realize our estimated market rents across the properties in our portfolio or operating expenses at properties in our portfolio may be higher than anticipated. In addition, depending on market rental rates at any given time as compared to expiring leases on properties in our portfolio, from time-to-time rental rates for expiring leases may be higher than starting rental rates for new leases. If we are unable to obtain sufficient rental rates across our portfolio, or operating expenses are higher than anticipated, our ability to generate cash flow growth will be negatively impacted.

***Properties that have significant vacancies could be difficult to sell, which could diminish the return on these properties.***

A property may incur vacancies either by the expiration of tenant leases or the continued default of tenants under their leases. If vacancies continue for a long period of time, we may suffer reduced revenues resulting in less cash available for distributions. In addition, the resale value of the property could be diminished because the market value of our properties will depend principally upon the value of the cash flow generated by the leases associated with that property. Such a reduction in the resale value of a property could also reduce the value of your investment.

Further, a decline in general economic conditions in the markets in which our investments are located or in the U.S. generally could lead to an increase in tenant defaults, lower rental rates, and less demand for commercial real estate space in those markets. As a result of these trends, we may be more inclined to provide leasing incentives to our tenants in order to compete in a more competitive leasing environment. Such trends may result in reduced revenue and lower resale value of properties.

***We may enter into long-term leases with tenants in certain properties, which may not result in fair market rental rates over time.***

We may enter into long-term leases with tenants of certain of our properties or include renewal options that specify a maximum rate increase. These leases often provide for rent to increase over time; however, if we do not accurately judge the potential for increases in market rental rates, we may set the terms of these long-term leases at levels such that, even after contractual rent increases, the rent under our long-term leases is less than then-current market rates. Further, we may have No ability to terminate those leases or to adjust the rent to then-prevailing market rates. As a result, our cash available for distributions could be lower than if we did not enter into long-term leases.

***Certain properties that we acquire may not have efficient alternative uses and we may have difficulty leasing them to new tenants or have to make significant capital expenditures to get them to do so.***

Certain properties that we acquire may be difficult to lease to new tenants, should the current tenant terminate or choose not to renew its lease. These properties will generally have received significant tenant-specific improvements and only very specific tenants may be able to use such improvements, making the properties very difficult to re-lease in their current condition. Additionally, an interested tenant may demand that, as a condition of executing a lease for the property, we finance and construct significant improvements so that the tenant could use the property. This expense may decrease cash available for distribution, as we likely would have to (i) pay for the improvements up-front or (ii) finance the improvements at potentially unattractive terms.

***We will depend on tenants for our revenue, and lease defaults or terminations could reduce our net income and limit our ability to pay distributions.***

The success of our investments materially depends on the financial stability of our tenants. A default or termination by a tenant on its lease payments to us would cause us to lose the revenue associated with such lease and require us to find an alternative source of revenue to meet mortgage payments and prevent a foreclosure if the property is subject to a mortgage. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-leasing our property. If a tenant defaults on or terminates a lease, we may be unable to lease the property for the rent previously received or sell the property without incurring a loss. These events could cause us to reduce the amount of distributions we pay.

***If any of our significant tenants were adversely affected by a material business downturn or were to become bankrupt or insolvent, our results of operations could be adversely affected.***

General and regional economic conditions may adversely affect our major tenants and potential tenants in our markets. Our major tenants may experience a material business downturn, which could potentially result in a failure to make timely rental payments or a default under their leases. In many cases, through tenant improvement allowances and other concessions, we will have made substantial up-front investments in the applicable leases that we may not be able to recover. In the event of a tenant default, we may experience delays in enforcing our rights and may also incur substantial costs to protect our investments.

The bankruptcy or insolvency of a major tenant or lease guarantor may adversely affect the income produced by our properties and may delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums altogether. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages that is limited in amount and which may only be paid to the extent that funds are available and in the same percentage as is paid to all other holders of unsecured claims.

If any of our significant tenants were to become bankrupt or insolvent, suffer a downturn in their business, default under their leases, fail to renew their leases or renew on terms less favorable to us than their current terms, our results of operations and cash flow could be adversely affected.

***We expect to acquire primarily qualified opportunity zone investments, with a focus on markets with favorable risk-return characteristics. If our investments in these geographic areas experience adverse economic conditions, our investments may lose value and we may experience losses.***

Our initial investments consist of and are expected to continue to consist of properties located in qualified opportunity zones for the development or redevelopment of multifamily, student housing, senior living, healthcare, industrial, self-storage, hospitality, office, mixed-use, data centers and solar projects located throughout the United States and its territories. These qualified opportunity zone investments will carry the risks associated with certain markets where we acquire properties. Consequently, we may experience losses as a result of being overly concentrated in certain geographic areas. A worsening of economic conditions in U.S. markets and, in particular, the markets where we end up acquiring properties, could have an adverse effect on our business and could impair the value of our collateral.

***Actions of any joint venture partners that we may have in the future could reduce the returns on joint venture investments and decrease your overall investment return.***

We enter into joint ventures to acquire properties and other assets and investments. We may also purchase and develop properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements. Such investments may involve risks not otherwise present with other methods of investment, including, for example, the risks:

- that our co-venturer, co-tenant or partner in an investment could become insolvent or bankrupt;
- that our co-venturer, co-tenant or partner in an investment could engage in certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, that would increase our expenses or result in other liabilities to us;
- that such co-venturer, co-tenant or partner may at any time have economic or business interests or goals that are or that become inconsistent with our business interests or goals;
- that such co-venturer, co-tenant or partner may be delegated certain “day-to-day” property operating procedures;
- that such co-venturer, co-tenant or partner may be in a position to act contrary to our instructions or requests or contrary to our policies or objectives; or
- that disputes between us and our co-venturer, co-tenant or partner may result in litigation or arbitration that

would increase our expenses and prevent our officers and directors from focusing their time and effort on our operations.

Any of the above might subject an investment to liabilities in excess of those contemplated and thus reduce our returns on that investment and the value of your investment.

***We intend to seek opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses.***

We intend to seek opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses using our equity as transaction consideration. These acquisitions will involve significant challenges and risks, including, without limitation, regulatory complexities associated with integrating other qualified opportunity funds and qualified opportunity zone businesses into our organizational structure in a manner that is consistent with our intended qualification as a publicly traded partnership and qualified opportunity fund, new regulatory requirements and compliance risks that we may become subject to as a result of acquisitions, unforeseen or hidden liabilities or costs that may adversely affect our NAV following such acquisitions, and the risk that any of our proposed acquisitions do not close. Any of these challenges could disrupt our ongoing operations, increase our expenses and adversely affect our results of operations and financial condition.

***Costs imposed pursuant to governmental laws and regulations may reduce our net income and the cash available for distributions.***

Real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to protection of the environment and human health. We could be subject to liability in the form of fines, penalties or damages for noncompliance with these laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, the remediation of contamination associated with the release or disposal of solid and hazardous materials, the presence of toxic building materials and other health and safety-related concerns.

Some of these laws and regulations may impose joint and several liability on the tenants, owners or operators of real property for the costs to investigate or remediate contaminated properties, regardless of fault, whether the contamination occurred prior to purchase, or whether the acts causing the contamination were legal. Activities of our tenants, the condition of properties at the time we buy them, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties may affect our properties.

The presence of hazardous substances, or the failure to properly manage, insure, bond over, or remediate these substances, may hinder our ability to sell, rent or pledge such property as collateral for future borrowings. Any material expenditures, fines, penalties or damages we must pay will reduce our ability to make distributions and may reduce the value of your investment.

***The costs of defending against claims of environmental liability, of complying with environmental regulatory requirements, of remediating any contaminated property or of paying personal injury or other damage claims could reduce the amounts available for distributions.***

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous real property owner or operator may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property. These costs could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose liens on property or restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants that may be impacted by such laws. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for the release of and exposure to hazardous substances, including asbestos-containing materials and lead-based paint. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances and governments may seek recovery for natural resource damage. The costs of defending against claims of environmental liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury, property damage or natural resource damage claims could reduce the amounts available for distribution to you.

We expect that all of our properties will be subject to Phase I environmental assessments at the time they are acquired; however, such assessments may not provide complete environmental histories due, for example, to limited available information about prior operations at the properties or other gaps in information at the time we acquire the property. A Phase I environmental assessment is an initial environmental investigation to identify potential environmental liabilities associated with the current and past uses of a given property. If any of our properties were found to contain hazardous or toxic substances after our acquisition, the value of our investment could decrease below the amount paid for such investment.

***Costs associated with complying with the Americans with Disabilities Act may decrease cash available for distributions.***

Our properties may be subject to the Americans with Disabilities Act of 1990, as amended (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 our net income and the amount of cash available for distributions to you.

***Uninsured losses relating to real property or excessively expensive premiums for insurance coverage could reduce our cash flows and the amounts available for distributions.***

There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with potential acts of terrorism could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders in some cases insist that commercial property owners purchase coverage against terrorism as a condition for providing mortgage loans. Such insurance policies may not be available at reasonable costs, if at all, which could inhibit our ability to finance or refinance our properties. In such instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. We may not have adequate coverage for such losses. If any of our properties incurs a casualty loss that is not fully insured, the value of our assets will be reduced by any such uninsured or under insured loss, which may reduce the value of your investment. In addition, other than any working capital reserve or other reserves we may establish, we have No source of funding to repair or reconstruct any uninsured or under insured property. Also, to the extent we must pay unexpectedly large amounts for insurance, we could suffer reduced earnings that would result in lower distributions to you.

***Many of our investments are illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions.***

Many factors that are beyond our control affect the market for commercial real estate, real estate-related assets and private equity investments and could affect our ability to sell assets and investments for the price, on the terms or within the time frame that we desire. These factors include general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Because commercial real estate, real estate-related assets and private equity investments are relatively illiquid, we have a limited ability to vary our portfolio in response to changes in economic or other conditions. Further, before we can sell an investment on the terms we want, it may be necessary to expend funds to improve our investments. However, we can give No assurance that we will have the funds available make such improvements. As a result, we expect many of our investments will be illiquid, and if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments and our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect our results of operations and financial condition.

***Declines in the market values of our investments may adversely affect results of operations and credit availability, which may reduce earnings and, in turn, cash available for distributions.***

A decline in the market value of our assets may adversely affect us particularly in instances where we have borrowed money based on the market value of those assets. If the market value of those assets decline, the lender may require us to post additional collateral to support the loan. If we were unable to post the additional collateral, we may have to sell assets at a time when we might not otherwise choose to do so. A reduction in credit available may reduce our earnings and, in turn, cash available for distributions.

Further, credit facility providers may require us to maintain a certain amount of cash reserves or to set aside unlevered assets sufficient to maintain a specified liquidity position, which would allow us to satisfy our collateral obligations. As a result, we may not be able to leverage our assets as fully as we would choose, which could reduce our return on equity. In the event that we are unable to meet these contractual obligations, our financial condition could deteriorate rapidly.

Market values of our investments may decline for a number of reasons, such as changes in prevailing market capitalization rates, increases in market vacancy, or decreases in market rents.

***If we sell a property by providing financing to the purchaser, we will bear the risk of default by the purchaser, which could delay or reduce the cash available for distributions.***

If we decide to sell any of our properties, we intend to use our best efforts to sell them for cash; however, in some instances, we may sell our properties by providing financing to purchasers. When we provide financing to a purchaser, we will bear the risk that the purchaser may default, which could reduce our cash available for distributions. Even in the absence of a purchaser default, the distribution of the proceeds of the sale to holders of our Class A units, or the reinvestment of the proceeds in other

assets, will be delayed until the promissory note or other property we may accept upon a sale are actually paid, sold, refinanced or otherwise disposed.

### **Risks Related to Conflicts of Interest**

*There are conflicts of interest between us, our Manager, and its affiliates.*

Our executive officers, Brandon Lacroff and Martin Lacroff, are executive officers of our Manager and its affiliates, including our Sponsor. Prevailing market rates are determined by our Manager based on industry standards and expectations of what our Manager would be able to negotiate with a third party on an arm's length basis. All of the agreements and arrangements between us and our Manager or its affiliates, including those relating to compensation, are not the result of arm's length negotiations with an unaffiliated third party. Some of the conflicts inherent in our transactions with our Manager and its affiliates, and the limitations on our Manager and its affiliates adopted to address these conflicts, are described below. We, our Manager, and its affiliates will try to balance our interests with their own. However, to the extent that our Manager and its affiliates take actions that are more favorable to other entities than us, these actions could have a negative impact on our financial performance and, consequently, on distributions to the holders of our Class A units and the NAV of our Class A units.

*The interests of our Manager, and its affiliates may conflict with your interests.*

The Management Agreement provides our Manager with broad powers and authority which may result in one or more conflicts of interest between your interests and those of our Manager and its affiliates. This risk is increased by our Sponsor and our Manager being controlled by Brandon Lacroff and Martin Lacroff, who currently participate, and are expected to sponsor and participate, directly or indirectly, in other offerings by our Sponsor and its affiliates. Potential conflicts of interest include, but are not limited to, the following:

- our Sponsor, Manager, and their affiliates may continue to offer other real estate, real estate-related and private equity investment opportunities, including additional offerings similar to this offering, and may make investments in assets for their own respective accounts, whether or not competitive with our business;
- our Sponsor, Manager, and their affiliates will not be required to disgorge any profits, fees or other compensation they may receive from any other business they own or operate separately from us, and you will not be entitled to receive or share in any of the profits, returns, fees or other compensation from any other business owned or operated by our Sponsor, Manager or their affiliates;
- we may engage our Sponsor, Manager or their affiliates to perform services at prevailing market rates. Prevailing market rates are determined by our Manager based on industry standards and expectations of what our Sponsor and our Manager would be able to negotiate with a third party on an arm's length basis; and
- our Sponsor, Manager and their affiliates are not required to devote all of their time and efforts to our business and affairs.

*Holders of our Class A units will have No right to enforce the obligations of our Sponsor, Manager, or any of their or our affiliates under the terms of any agreements with the Company.*

Any agreements between the Company, on one hand, and our Sponsor, Manager, or any of their or our affiliates, on the other, will not grant to the holders of our Class A units, separate and apart from the Company, the right to enforce the terms of such agreements or any obligations of our Sponsor, Manager or their or our affiliates in favor of the Company.

*The management fee our Manager receives will be based on our NAV and our Manager is ultimately responsible for calculating our NAV.*

We pay our Manager a quarterly management fee at an annualized rate of 0.75%. The management fee is based on our NAV, as calculated by our Manager at the end of each quarter. Our NAV will be announced within approximately 60 days of the last day of each quarter. Our NAV will be calculated using a process designed to produce a fair and accurate estimate of the price that would be received for our assets and investments in an arm's-length transaction between a willing buyer and a willing seller in possession of all material information about our assets and investments. As with any asset valuation protocol, the conclusions reached by our Manager or any third-party firm that we engage to prepare or assist with preparing the NAV of our Class A units will involve significant judgments, assumptions, and opinions in the application of both observable and unobservable attributes that may or may not prove to be correct. It is important to note that the determination of our NAV will not be based on, nor is it intended to comply with, fair value standards under U.S. GAAP, and our NAV may not be indicative of the price that we would receive for our assets at current market conditions. There can be No assurance that the judgments, assumptions, and opinions used by our Manager to calculate our NAV, or the resulting NAV, will be the same as those judgments, assumptions and opinions that would be used, or the NAV that would be calculated, by an independent third-party firm. In addition, our Manager may benefit by us retaining ownership of our assets and investments in order to avoid a reduction in our NAV at times when the holders of our



Class A units may be better served by the sale or disposition of our assets or investments. If our NAV is calculated in a way that is not reflective of our actual NAV, then the purchase price of shares of our Class A units may not accurately reflect the value of our assets and investments, and your Class A units may be worth less than the purchase price paid.

### **Risks Related to Sources of Financing and Hedging**

*We may incur significant debt, which may subject us to increased risk of loss and may reduce cash available for distributions.*

Subject to market conditions and availability, we may incur significant debt through bank credit facilities (including term loans and revolving facilities), repurchase agreements, warehouse facilities and structured financing arrangements, public and private debt issuances, and derivative instruments, in addition to transaction or asset specific funding arrangements. The percentage of leverage we employ will vary depending on our available capital, our ability to obtain and access financing arrangements with lenders, debt restrictions contained in those financing arrangements and the lenders' and rating agencies' estimate of the stability of our investment portfolio's cash flow. Our targeted aggregate property-level leverage, excluding any debt at the corporate level or on assets under development or renovation, after we have acquired a substantial portfolio of stabilized properties, is between 50-70% of the greater of cost (before deducting depreciation or other non-cash reserves) or fair market value of our assets. Our targeted aggregate property-level leverage, excluding any debt at the Company level or on assets under development or redevelopment, after we have acquired a substantial portfolio of stabilized commercial real estate, is between 50-70% of the greater of the cost (before deducting depreciation or other non-cash reserves) or fair market value of our assets. During the period when we are acquiring, developing, and redeveloping our investments, we may employ greater leverage on individual assets. Our Manager may from time to time modify our leverage policy in its discretion. Incurring substantial debt could subject us to many risks that, if realized, would materially and adversely affect us, including the risk that:

- our cash flow from operations may be insufficient to make required payments of principal of and interest on the debt or we may fail to comply with all of the other covenants contained in the debt, which is likely to result in (i) acceleration of such debt (and any other debt containing a cross-default or cross-acceleration provision) that we may be unable to repay from internal funds or to refinance on favorable terms, or at all, (ii) our inability to borrow unused amounts under our financing arrangements, even if we are current in payments on borrowings under those arrangements or pay distributions of excess cash flow held in reserve by such financing sources, or (iii) the loss of some or all of our assets to foreclosure or sale;
- our debt may increase our vulnerability to adverse economic and industry conditions with No assurance that investment yields will increase with higher financing costs;
- we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, distributions to holders of our Class A units or other purposes; and
- we are not able to refinance debt that matures prior to the investment it was used to finance on favorable terms, or at all.

There can be No assurance that a leveraging strategy will be successful.

*Any lending facilities will likely impose restrictive covenants.*

Any lending facilities which we enter into would be expected to contain customary negative covenants and other financial and operating covenants that, among other things, may affect our ability to incur additional debt, make certain investments or acquisitions, reduce liquidity below certain levels, pay distributions, redeem debt or equity securities and impact our flexibility to determine our operating policies and investment strategies. For example, such loan documents may contain negative covenants that limit, among other things, our ability to distribute more than a certain amount of our net income or funds from operations to holders of our Class A units, employ leverage beyond certain amounts, sell assets, engage in mergers or consolidations, grant liens, and enter into transactions with affiliates (including amending the Management Agreement with our Manager in a material respect). If we fail to meet or satisfy any such covenants, we would likely be in default under these agreements, and the lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral, and enforce their interests against existing collateral. We could also become subject to cross-default and acceleration rights and, with respect to collateralized debt, the posting of additional collateral and foreclosure rights upon default.

*Interest rate fluctuations could increase our financing costs and reduce our ability to generate income on our investments, each of which could lead to a significant decrease in our results of operations, cash flows and the market value of our investments.*

Our primary interest rate exposures will relate to the yield on our investments and the financing cost of our debt, as well as any interest rate derivatives that we utilize for hedging purposes. Changes in interest rates will affect our net interest income, which is the difference between the income we earn on our investments and the interest expense we incur in financing these investments. Interest rate fluctuations resulting in our interest expense exceeding income would result in operating losses for us. Changes in the level of interest rates also may affect our ability to invest in investments, the value of our investments and our ability to realize gains from the disposition of assets and investments.

To the extent that our financing costs will be determined by reference to floating rates, such as the Secured Overnight Financing Rate (SOFR) or a Treasury index, plus a margin, the amount of such costs will depend on a variety of factors, including, without limitation, (i) for collateralized debt, the value and liquidity of the collateral, and for non-collateralized debt, our credit, (ii) the level and movement of interest rates, and (iii) general market conditions and liquidity. In a period of rising interest rates, our interest expense on floating rate debt would increase, while any income we earn may not compensate for such increase in interest expense.

Our operating results will depend, in part, on differences between the income earned on our investments, net of credit losses, and our financing costs. For any period during which our investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of our borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may immediately and significantly decrease our results of operations and cash flows and the market value of our investments.

***Hedging against interest rate exposure may adversely affect our earnings, limit our gains or result in losses, which could adversely affect cash available for distributions.***

We may enter into interest rate swap agreements or pursue other interest rate hedging strategies. Our hedging activity will vary in scope based on the level of interest rates, the type and expected duration of portfolio investments held, and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability or asset;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay; and
- we may purchase a hedge that turns out not to be necessary (*i.e.*, a hedge that is out of the money).

Any hedging activity we engage in may adversely affect our earnings, which could adversely affect cash available for distributions. Therefore, while we may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss.

***Hedging instruments are often not traded on regulated exchanges or guaranteed by an exchange or its clearing house and involve risks and costs that could result in material losses.***

The cost of using hedging instruments increases as the period covered by the instrument increases and during periods of rising and volatile interest rates, we may increase our hedging activity and thus increase our hedging costs during periods when interest rates are volatile or rising and hedging costs have increased. In addition, hedging instruments involve risk since they are often not traded on regulated exchanges or guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds and positions. Furthermore, the enforceability of agreements underlying hedging transactions may depend on compliance with applicable statutory and commodity and other regulatory requirements and, depending on the identity of the counterparty, applicable international requirements. The business failure of a hedging counterparty with whom we enter into a hedging transaction will most likely result in its default. Default by a party with whom we enter into a hedging transaction may result in the loss of unrealized profits and force us to cover our commitments, if any, at the then current market price.

Although generally we will seek to reserve the right to terminate our hedging positions, it may not always be possible to

dispose of or close out a hedging position without the consent of the hedging counterparty and we may not be able to enter into an offsetting contract in order to cover our risk. We cannot assure you that a liquid secondary market will exist for hedging instruments purchased or sold, and we may be required to maintain a position until exercise or expiration, which could result in significant losses.

***Any bank credit facilities and repurchase agreements that we may use in the future to finance our assets may require us to provide additional collateral or pay down debt.***

We may utilize bank credit facilities, repurchase agreements (including term loans and revolving facilities) or guarantee arrangements to finance our assets if they become available on acceptable terms. Such financing arrangements, including any guarantees, would involve the risk that the market value of any investments pledged by us to the provider of the bank credit facility or repurchase agreement counterparty may decline in value, in which case the lender may require us to provide additional collateral or to repay all or a portion of the funds advanced. We may not have the funds available to repay our debt at that time, which would likely result in defaults unless we are able to raise the funds from alternative sources, which we may not be able to achieve on favorable terms or at all. Posting additional collateral would reduce our liquidity and limit our ability to leverage our assets. If we cannot meet these requirements, the lender could accelerate our indebtedness or enforce our guarantee, increase the interest rate on advanced funds and terminate our ability to borrow funds from it, which could materially and adversely affect our financial condition and ability to implement our investment strategy. In addition, if the lender files for bankruptcy or becomes insolvent, our loans and guarantees may become subject to bankruptcy or insolvency proceedings, thus depriving us, at least temporarily, of the benefit of these assets. Such an event could restrict our access to bank credit facilities and increase our cost of capital. The providers of bank credit facilities and repurchase agreement financing may also require us to maintain a certain amount of cash or set aside assets sufficient to maintain a specified liquidity position that would allow us to satisfy our collateral obligations. As a result, we may not be able to leverage our assets as fully as we would choose, which could reduce our return on assets. If we are unable to meet these collateral obligations, our financial condition and prospects could deteriorate rapidly.

***We may give full or partial guarantees to lenders of mortgage debt to the entities that own our properties.***

When we give a guaranty on behalf of an entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgages contain cross-collateralization or cross-default provisions, there is a risk that more than one real property may be affected by a default. If any of our properties are foreclosed upon due to a default, our ability to make distributions will be adversely affected. Accordingly, our approach to investing in properties utilizing leverage in order to accomplish our investment objectives may present more risks to investors than comparable real estate programs that do not utilize borrowing to the same degree.

***If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions.***

Some of our financing arrangements may require us to make a lump-sum or “balloon” payment at maturity. Our ability to make a balloon payment is uncertain and may depend upon our ability to obtain replacement financing or our ability to sell particular properties. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the particular property at a price sufficient to make the balloon payment. Such a refinancing would be dependent upon interest rates and lenders’ policies at the time of refinancing, economic conditions in general and the value of the underlying properties in particular. The effect of a refinancing or sale could affect the rate of return to the holders of our Class A units and the projected time of disposition of our assets.

***Our access to sources of financing may be limited and thus our ability to grow our business and to maximize our returns may be adversely affected.***

Subject to market conditions and availability, we may incur significant debt through bank credit facilities (including term loans and revolving facilities), repurchase agreements, warehouse facilities and structured financing arrangements, public and private debt issuances and derivative instruments, in addition to transaction or asset specific funding arrangements. We may also issue additional debt or equity securities to fund our growth.

Our access to sources of financing will depend upon a number of factors, over which we have little or No control, including:

- general economic or market conditions;
- the market’s view of the quality of our assets;
- the market’s perception of our growth potential; and
- our current and potential future earnings and cash distributions.

We will need to periodically access the capital and credit markets to raise cash to fund new investments. Unfavorable economic or market conditions may increase our funding costs, limit our access to the capital or credit markets or could result in a decision by potential lenders not to extend credit. An inability to successfully access the capital or credit markets could limit our ability to grow our business and fully execute our investment strategy and could decrease our earnings, if any. In addition, uncertainty in the capital and credit markets could adversely affect one or more private lenders and could cause one or more of our private lenders to be unwilling or unable to provide us with financing or to increase the costs of that financing. In addition, if regulatory capital requirements imposed on our private lenders change, they may be required to limit, or increase the cost of, financing they provide to us. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price. No assurance can be given that we will be able to obtain any such financing on favorable terms or at all.

### **Risks Relating to U.S. Federal Taxation**

***There will be No assurance that we will continue to meet the requirements for treatment as a partnership. If we fail to maintain our classification as a partnership for U.S. federal income tax purposes and No relief provisions apply, we would be subject to entity level U.S. federal income tax and, as a result, our cash available for distributions and the value of our Class A units could materially decrease.***

We have been treated as a partnership for U.S. federal income tax purposes since our tax year ended December 31, 2020. We intend to manage our affairs so that we continue to meet the requirement for classification as a partnership. The anticipated after-tax economic benefit of an investment in our Class A units depends in large part on our continued treatment as a partnership for federal income tax purposes.

Despite the fact that we are organized as a limited liability company under Delaware law, if we fail to meet any of the applicable requirements for classification as a partnership, we would be treated as a corporation pursuant to section 7704 of the Code.

If we were treated as a corporation for federal income tax purposes, holders of our Class A units would lose the tax benefits associated with investing in a partnership. We would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 21%, and would likely pay state and local income tax at varying rates. Our distributions would generally be taxed again as corporate distributions (to the extent of our current and accumulated earnings and profits), and No income, gains, losses, deductions or credits would flow through to holders of our units. Because a tax would be imposed on us as a corporation, our cash available for distributions would be substantially reduced. Therefore, our treatment as a corporation would result in a material reduction in cash flow and after-tax return to holders of our Class A units, likely causing a substantial reduction in the value of our Class A units.

***There can be No assurance that we will continue to meet the requirements for classification as a qualified opportunity fund.***

We qualified as a “qualified opportunity fund” beginning with our taxable year ended December 31, 2020. We intend to manage our affairs so that we continue to meet the requirements for classification as a “qualified opportunity fund,” pursuant to Section 1400Z-2 of the Code and the related regulations issued by the U.S. Department of the Treasury and U.S. Internal Revenue Service (the “IRS”) on December 19, 2019, together with the correcting amendments issued on April 6, 2020, additional relief issued on January 13, 2021 and further correcting amendments issued on August 5, 2021 (collectively the “Opportunity Zone Regulations”). However, qualified opportunity funds and the Opportunity Zone Regulations are relatively new and as yet untested, and our ability to be treated as a qualified opportunity fund and to operate in conformity with the requirements to continue to be treated as a qualified opportunity fund is subject to uncertainty. If we fail to continue to meet the requirements for classification as a qualified opportunity fund, holders of our Class A units would lose the tax benefits associated with investing in a qualified opportunity fund and the value of our Class A units would likely be adversely affected.

***Investors must make appropriate timely investments and elections in order to take advantage of the benefits of investing in a qualified opportunity fund.***

In order to receive the benefits of investing in a qualified opportunity fund, taxpayers must make deferral elections on Form 8949, *Sales and Other Dispositions of Capital Assets*, which will need to be attached to their U.S. federal income tax returns for the taxable year in which gain treated as capital gain (short-term or long-term) that result from the sale or exchange of capital assets would have been recognized had it not been deferred. In addition, Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*, requires eligible taxpayers holding a qualified opportunity fund investment at any point during the tax year to report: (i) qualified opportunity fund investments holdings at the beginning and end of the tax year; (ii) current tax year capital gains deferred by investing in a qualified opportunity fund; and (iii) qualified opportunity fund investments disposed of during the tax year. Taxpayers may receive a Letter 6502, *Reporting Qualified Opportunity Fund (QOF) Investments*, or a Letter 6503, *Annual Reporting of Qualified Opportunity Fund (QOF) Investments*, if they have not properly followed the instructions for Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*, and the IRS is missing information, the taxpayer entered invalid information, or the requirements to maintain a qualifying investment have not been followed. Taxpayers who receive a Letter 6502, *Reporting Qualified Opportunity Fund (QOF) Investments*, or a Letter 6503,

*Annual Reporting of Qualified Opportunity Fund (QOF) Investments*, may need to file an amended return or an administrative adjustment request with a properly completed Form 8997, *Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments*. The procedures that you will need to follow to defer your capital gains and the requirements related to maintaining a qualifying investment are highly technical and complex, accordingly, we recommend that you consult with your own tax advisor.

***The tax treatment of an investment in our Class A units could be subject to potential legislative, judicial, or administrative changes or differing interpretations, possibly applied on a retroactive basis.***

The present U.S. federal income tax treatment of an investment in our Class A units may be modified by administrative, legislative, or judicial interpretation at any time. From time to time, members of Congress propose and consider substantive changes to the existing U.S. federal income tax laws that would affect us, including a prior legislative proposal that would have eliminated the “qualifying income” exception upon which we intend to rely for our treatment as a partnership for U.S. federal income tax purposes. There can be no assurance that there will not be changes to U.S. federal income tax laws or the Department of Treasury’s or IRS’s interpretation of the qualifying income and qualified opportunity fund rules in a manner that could impact our ability to continue to qualify as a partnership or qualified opportunity fund in the future, which could negatively impact the value of an investment in our Class A units. Any changes to the U.S. federal tax laws and interpretations thereof may be applied prospectively or retroactively and could make it more difficult or impossible for us to meet the qualifying income exception or qualified opportunity fund requirements and accordingly adversely affect the tax consequences associated with an investment in our Class A units.

***If the IRS contests the U.S. federal income tax positions we take, the value our Class A units may be adversely impacted, and the cost of any IRS contest will reduce cash available for distributions.***

The IRS may adopt positions that differ from the positions we have taken or may take on tax matters. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the value of our Class A units. In addition, the costs of any contest with the IRS will be borne indirectly by the holders of our Class A units because the costs will reduce our cash available for distribution.

If the IRS makes audit adjustments to our income tax returns, the IRS (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution holders of our Class A units might be substantially reduced, and current and former holders of our Class A units may be required to indemnify us for any taxes (including applicable penalties and interest) resulting from audit adjustments paid on their behalf.

***Even if you do not receive any cash distributions from us, you will be required to pay taxes on your share of our taxable income.***

You will be required to pay U.S. federal income taxes and, in some cases, state and local income taxes, on your share of our taxable income, whether or not you receive cash distributions from us. For example, if we sell assets and reinvest the proceeds or use proceeds to repay existing debt, you may be allocated taxable income and gain resulting from the sale and our cash available for distribution would not increase. You may not receive cash distributions from us equal to your share of our taxable income or even equal to the actual tax due from you with respect to that income.

***You will likely be subject to state and local taxes and return filing requirements as a result of investing in our Class A units.***

In addition to federal income taxes, holders of our Class A units likely will be subject to other taxes, such as state and local income taxes, unincorporated business taxes and estate, inheritance, or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future. Holders of our Class A units will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions, even if they do not live in these jurisdictions. Further, holders of our Class A units may be subject to penalties for failure to comply with those requirements. It is the responsibility of the holders of our Class A units to file all federal, state, local and foreign tax returns.

***You will receive a Schedule K-1 to IRS Form 1065, which could increase the complexity of your tax circumstances.***

We will prepare and deliver a Schedule K-1 to IRS Form 1065 for each holder of our Class A units. Your Schedule K-1 will contain information regarding your allocable share of our items of income, gain, loss, deduction, credit and adjustments to the carrying value of our assets and investments. Schedule K-1s are usually complex, and you may find that preparing your own tax returns requires additional time. You may also find it necessary or advisable to engage the services of an accountant or other tax adviser, at your own cost and expense, to assist with the preparation of your tax returns.

In addition, it is possible that your income tax liability with respect your allocable share of our income for a particular taxable year, as reflected on your Schedule K-1, could exceed the amount of cash distributions, if any, that we make to you for that taxable year, thus giving rise to an out-of-pocket tax liability. Accordingly, you should consult with your own accountant or other

tax advisers concerning the tax consequences of your specific tax circumstances prior to acquiring, holding or disposing of any of our Class A units.

*We do not expect to be able to furnish definitive Schedule K-1s to IRS Form 1065 to each holder of our Class A units prior to the deadline for filing U.S. income tax returns, which means that holders of our Class A units who are U.S. taxpayers should anticipate the need to file annually a request for an extension of the due date of their income tax returns. In addition, it is possible that holders of our Class A units may be required to file amended income tax returns.*

As a partnership, we will report our operating results, including income, gains, losses, deductions, credits and adjustments to the carrying value of our assets and investments to IRS annually on Form 1065 provide a Schedule K-1 to each holder of our Class A units. Although we currently intend to distribute Schedule K-1s on or around 90 days after the end of our fiscal year, it may require a substantial period of time after the end of our fiscal year to obtain the requisite information from all lower-tier entities to enable us to prepare and deliver Schedule K-1s. For this reason, holders of Class A units should anticipate that they will need to file annually with the IRS (and certain states) a request for an extension past the due date of their income tax return.

In addition, it is possible that a holder of our Class A units will be required to file amended income tax returns or report additional income on later-year tax returns as a result of adjustments to items on income tax returns of the Company or our Operating Companies. Any obligation of a holder of our Class A units to file amended income tax returns for the foregoing or any other reason, including any costs incurred in the preparation or filing of such returns, is the responsibility of each holder of our Class A units.

#### **Item 1B. Unresolved Staff Comments.**

None.

#### **Item 1C. Cybersecurity.**

##### **Risk Management and Strategy**

We are externally managed by our Manager, and as such rely on our Manager to manage our day-to-day operations pursuant to our Management Agreement. Services provided under the Management Agreement are performed by individuals who are employees of our Sponsor or one or more of its affiliates. We, our Manager and our Sponsor are also party to an Employee and Cost Sharing Agreement. Pursuant the Employee and Cost Sharing Agreement our Sponsor provides our Manager with access to, among other things, the information technology (“IT”) systems necessary for the performance by our Manager of its duties under the Management Agreement. These IT systems include data hosting facilities and other hardware and software platforms, some of which are hosted by third-party service providers. Our Sponsor’s IT systems, like those of most other companies, may be vulnerable to cybersecurity threats, including data breaches, cyberattacks, malware and computer viruses and interruption of services.

Our Sponsor takes a risk-based approach to cybersecurity and has implemented cybersecurity and IT risk management policies and procedures designed to address cybersecurity threats and incidents, including regularly assessing risks from cyber threats, monitoring IT systems for potential vulnerabilities, and testing IT systems according to its policies and practices. Our Sponsor also uses a number of security tools and external service providers to monitor, test or otherwise assist with various aspects of its cybersecurity controls.

As of the date of this Form 10-K, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected us, our business strategy, results of operations, or financial condition.

#### **Governance**

Our Board is responsible for the oversight of our Manager, who, pursuant to the Management Agreement, is responsible for overseeing our risk management processes, including cybersecurity risks. Our Board recognizes the critical importance of maintaining effective cybersecurity measures and our Manager’s role in assessing and managing our material risks from cybersecurity threats. Our Manager provides our Board with timely updates both on a periodic basis and as new cybersecurity risks arise.

#### **Item 2. Properties.**

Our principal executive offices are located in a space owned by an affiliate of our Sponsor at 255 Glenville Road, Greenwich, Connecticut 06831. We consider these facilities to be suitable for the management of our business.

For an overview of our investments in multifamily and mixed-use rental properties, refer to [Item 7. “Management’s](#)

### **Item 3. Legal Proceedings.**

From time to time we may be involved in various claims and legal actions arising in the ordinary course of business. As of December 31, 2023, neither we nor any of our subsidiaries were subject to any material legal proceedings.

### **Item 4. Mine Safety Disclosures.**

Not applicable.

## **PART II**

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information**

Our Class A units are traded on the NYSE American under the symbol “OZ” and began trading on NYSE American on October 18, 2021. Neither our Class B units nor our Class M unit are listed or traded on any established public trading market.

#### **Holders**

As of March 22, 2024, there were 46 holders of record of our Class A units, and one holder of record of each of our Class B units and Class M unit, respectively.

#### **Distribution Policy**

We do not expect to pay any distributions until our investments are generating operating cash flow. Once we begin to pay distributions, we expect to pay them quarterly, in arrears, but may pay them less frequently as determined by us following consultation with our Manager. While we have the discretion to modify our distribution policy at any time, we currently anticipate working up to a target annual distribution rate of 6-8%. Any distributions that we do pay will be at the discretion of our Manager, subject to Board oversight, and based on, among other factors, our present and projected future earnings, cash flow, capital needs and general financial condition, as well as any requirements of applicable law. In order to participate in any distribution that we do pay, you must be a holder of record of our Class A units as of the record date for such distribution, and as of the ex-date, if applicable. We have not established a minimum distribution level, and our Operating Agreement does not require that we pay distributions to the holders of our Class A units.

#### **Use of Proceeds from Registered Sales of Securities**

We are the successor in interest to Belpointe REIT, Inc., a Maryland corporation (“Belpointe REIT”), incorporated on June 19, 2018. During the year ended December 31, 2021, we acquired all of the outstanding shares of common stock of Belpointe REIT in an exchange offer and related conversion and merger transaction.

On September 30, 2021, the U.S. Securities and Exchange Commission (the “SEC”) declared effective our initial registration statement on Form S-11, as amended (File No. 333-255424) (the “Primary Registration Statement”), registering a continuous primary offering of up to \$750,000,000 in our Class A units (our “Primary Offering”). From the period of October 7, 2021, the date of the first closing held in connection with our Primary Offering, through December 31, 2022, we issued 2,273,339 Class A units in our Primary Offering, raising net offering proceeds of \$226.0 million.

On May 9, 2023, the SEC declared effective our follow-on registration statement on Form S-11, as amended (File No. 333-271262) (the “Follow-on Registration Statement”), registering the offer and sale of up to an additional \$750,000,000 of our Class A units on a continuous “best efforts” basis by any method deemed to be an “at the market” offering pursuant to Rule 415(a) (4) under the Securities Act of 1933, as amended (the “Securities Act”), including by offers and sales made directly to investors or through one or more agents (our “Follow-on Offering” and, together with our Primary Offering, our “Public Offerings”).

In connection with the Follow-on Registration Statement, we entered into a non-exclusive dealer manager agreement with Emerson Equity LLC (the “Dealer Manager”), a registered broker-dealer, for the sale of our Class A units through the Dealer Manager. The Dealer Manager will enter into participating dealer agreements and wholesale agreements with other broker-dealers, referred to as “selling group members,” to authorize those broker-dealers to solicit offers to purchase our Class A units. We will

pay our Dealer Manager commissions of up to 0.25%, and the selling group members commissions ranging from 0.25% to 4.50%, of the principal amount of Class A unit sold in the Follow-on Offering. In addition, our Follow-on Registration Statement constitutes a post-effective amendment to our Primary Registration Statement, conforming our Primary Offering to our Follow-on Offering.

The purchase price for Class A units in our Public Offerings is the lesser of (i) the current NAV of our Class A units, and (ii) the average of the high and low sale prices of our Class A units on the NYSE American during regular trading hours on the last trading day immediately preceding the investment date on which the NYSE American was open for trading and trading in our Class A units occurred. Our Manager calculates our NAV within approximately 60 days of the last day of each quarter (the “Determination Date”). Any adjustment to our NAV will take effect as of the first business day following the public announcement of our NAV. Our adjusted NAV will be equal to our adjusted NAV as of the Determination Date (rounded to the nearest dollar) divided by the number of Class A units outstanding on the Determination Date. As of December 31, 2023, our NAV per Class A units was \$100.88.

We file a prospectus supplement with the SEC disclosing quarterly determinations of our NAV per Class A unit. Additionally, if a material event occurs in between quarterly updates of NAV that would cause our NAV to change by 10% or more from the most recently disclosed NAV, we will disclose the updated price and the reason for the change in prospectus supplement as promptly as reasonably practicable.

From the period of October 7, 2021, the date of the first closing held in connection with our Primary Offering, through December 31, 2022, we issued 2,273,339 Class A units in our Primary Offering, raising net offering proceeds of \$226.0 million. For the year ended December 31, 2023, we issued 98,950 Class A units in connection with our Public Offerings, raising net offering proceeds of \$7.5 million. Together with the gross proceeds raised in Belpointe REIT, Inc.’s prior offerings, as of December 31, 2023, we have raised aggregate gross offering cash proceeds of \$354.3 million.

The following tables summarize certain information about the Public Offering proceeds and our use of proceeds, including direct or indirect payments to our directors, officers, affiliates or to any person owning 10% or more of any class of our equity securities as of December 31, 2023:

**Offering proceeds**

Class A units sold		2,372,289
Gross offering proceeds	\$	235,265,650
Selling commissions		—
Offering costs <sup>(1) (2) (3)</sup>		1,730,669
Net offering proceeds	\$	<u>233,534,981</u>

(1) Includes \$0.3 million of reimbursements to an affiliate for costs incurred on our behalf.

(2) Direct or indirect payments of \$1.4 million have been made to others, including payments for legal, accounting, transfer agent, FINRA, and filing fees, as of December 31, 2023.

(3) Includes all offering costs incurred by the Company in connection with any offer and sale of securities by the Company.

**Uses of net offering proceeds**

Funding of loans receivable <sup>(1)</sup>	\$	34,955
Purchases and development of real estate <sup>(2)</sup>		152,701
Working capital <sup>(3) (4)</sup>		19,685
	\$	<u>207,341</u>

(1) Includes direct payment of \$30.0 million to Norpointe, an affiliate of our Chief Executive Officer. See “[Part III, Item 13—Certain Relationships and Related Transactions, and Director Independence—Our Affiliate Transactions—Our Transaction with Norpointe, LLC](#)” for additional details regarding our transactions with Norpointe.

(2) Includes direct or indirect payments of \$10.0 million to directors, officers and affiliates as of December 31, 2023 predominantly for insurance premiums and employee reimbursement expenditures (pursuant primarily to our development management agreements). See “[Part III, Item 13—Certain Relationships and Related Transactions, and Director Independence—Our Affiliate Transactions](#)” for additional information regarding fees incurred on our behalf by, and expenses reimbursable to, our Manager and its affiliates.

(3) Includes direct or indirect payments of \$9.0 million to directors, officers and affiliates as of December 31, 2023 for management fees, insurance premiums and employee cost sharing expenses (pursuant to our Management Agreement and Employee and Cost Sharing Agreement). See “[Part III, Item 13—Certain Relationships and Related Transactions, and Director Independence—Our Affiliate Transactions](#)” for additional information regarding fees incurred on our behalf by, and expenses reimbursable to, our Manager and its affiliates.

(4) Includes direct or indirect payments of \$2.8 million to others, including payments for legal, accounting, marketing, transfer agent and filing fees, as of December 31, 2023.



## Unregistered Sales of Equity Securities

In connection with our formation, on February 11, 2020, we issued 100 common units representing all of the issued and outstanding limited liability company interests of the Company to our Sponsor for an aggregate purchase price of \$10,000.00. No sales commission or other consideration was paid in connection with the sale. The offer and sale was exempt from the registration requirements of the Securities Act, in reliance on Section 4(a)(2) thereof, as a transaction by an issuer not involving any public offering. Effective October 30, 2020, our Sponsor sold one common unit to Belpointe Capital Management, LLC, an affiliate of our Sponsor, for an aggregate purchase price of \$100.00, in reliance upon the exemption from registration set forth in Section 4(a)(1) of the Securities Act, as a transaction by a person other than an issuer, underwriter or dealer not involving any public offering.

Effective September 13, 2021, we (i) amended and restated our Limited Liability Company Operating Agreement, (ii) reclassified all of our outstanding common units into an equivalent number of Class A units, and (iii) issued 100,000 Class B units and one Class M unit to our Manager. The Class B units were issued in consideration of services rendered and to be rendered by the Manager pursuant to the terms of the Management Agreement, and the Class M unit was issued in furtherance of the power and authority delegated to the Manager under the terms of the Management Agreement. No sales commission or other consideration was paid in connection with the issuance of the Class B units or the Class M unit. The issuance of the Class B units and Class M unit was exempt from the registration requirements of the Securities Act, in reliance on Section 4(a)(2) thereof, as transactions by an issuer not involving any public offering.

As of December 31, 2023, we have not sold any other equity securities that were not registered under the Securities Act.

## Item 6. [Reserved].

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K (this "Form 10-K"). This discussion contains forward-looking statements that are subject to risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. The factors listed under "Risk Factors" and "Forward-Looking Statements" in this Form 10-K provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations described in any forward-looking statements.*

### Overview

We are the only publicly traded qualified opportunity fund listed on a national securities exchange. We are a Delaware limited liability company formed to invest in and manage a portfolio consisting primarily of commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, and private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses. We currently intend to operate in a manner that will allow us to qualify as a partnership for U.S. federal income tax purposes.

We are focused on identifying, acquiring, developing or redeveloping and managing commercial real estate located within qualified opportunity zones. At least 90% of our assets consist of qualified opportunity zone property. We qualified as a qualified opportunity fund beginning with our taxable year ended December 31, 2020. Because we are a qualified opportunity fund certain of our investors are eligible for favorable capital gains tax treatment on their investments.

All of our assets are and will continue to be held by, and all of our operations are and will continue to be conducted through, one or more of our Operating Companies, either directly or indirectly through subsidiaries. We are externally managed by Belpointe PREP Manager, LLC (our "Manager"), which is an affiliate of our sponsor, Belpointe, LLC (our "Sponsor").

### History and Development of the Company

We are the successor in interest to Belpointe REIT, Inc., a Maryland corporation ("Belpointe REIT"), incorporated on June 19, 2018. During the year ended December 31, 2021, we acquired all of the outstanding shares of common stock of Belpointe REIT in an exchange offer and related conversion and merger transaction.

In connection with the Follow-on Registration Statement, we entered into a non-exclusive dealer manager agreement with Emerson Equity LLC (the "Dealer Manager"), a registered broker-dealer, for the sale of our Class A units through the Dealer Manager. The Dealer Manager will enter into participating dealer agreements and wholesale agreements with other broker-dealers,

referred to as “selling group members,” to authorize those broker-dealers to solicit offers to purchase our Class A units. We will pay our Dealer Manager commissions of up to 0.25%, and the selling group members commissions ranging from 0.25% to 4.50%, of the principal amount of Class A unit sold in the Follow-on Offering. In addition, our Follow-on Registration Statement constitutes a post-effective amendment to our Primary Registration Statement, conforming our Primary Offering to our Follow-on Offering.

For the year ended December 31, 2023, we issued 98,950 Class A units in connection with our Public Offerings. Together with the gross proceeds raised by Belpointe REIT in its prior offerings, as of December 31, 2023, we have raised aggregate gross offering cash proceeds of \$354.3 million.

On September 30, 2021, the U.S. Securities and Exchange Commission (the “SEC”) declared effective our initial registration statement on Form S-11, as amended (File No. 333-255424) (the “Primary Registration Statement”), registering a continuous primary offering of up to \$750,000,000 in our Class A units (our “Primary Offering”). From the period of October 7, 2021, the date of the first closing held in connection with our Primary Offering, through December 31, 2022, we issued 2,273,339 Class A units in our Primary Offering, raising net offering proceeds of \$226.0 million.

On May 9, 2023, the SEC declared effective our follow-on registration statement on Form S-11, as amended (File No. 333-271262) (the “Follow-on Registration Statement”), registering the offer and sale of up to an additional \$750,000,000 of our Class A units on a continuous “best efforts” basis by any method deemed to be an “at the market” offering pursuant to Rule 415(a) (4) under the Securities Act of 1933, as amended (the “Securities Act”), including by offers and sales made directly to investors or through one or more agents (our “Follow-on Offering” and, together with our Primary Offering, our “Public Offerings”).

In connection with the Follow-on Registration Statement, we entered into a non-exclusive dealer manager agreement with Emerson Equity LLC (the “Dealer Manager”), a registered broker-dealer, for the sale of our Class A units through the Dealer Manager. The Dealer Manager will enter into participating dealer agreements and wholesale agreements with other broker-dealers, referred to as “selling group members,” to authorize those broker-dealers to solicit offers to purchase our Class A units. We will pay our Dealer Manager commissions of up to 0.25%, and the selling group members commissions ranging from 0.25% to 4.50%, of the principal amount of Class A unit sold in the Follow-on Offering. In addition, our Follow-on Registration Statement constitutes a post-effective amendment to our Primary Registration Statement, conforming our Primary Offering to our Follow-on Offering. As of December 31, 2023, \$1,264,724,350 remained unsold under our Public Offerings.

The purchase price for Class A units in our Public Offerings is the lesser of (i) the NAV of our Class A units, and (ii) the average of the high and low sale prices of our Class A units on the NYSE American during regular trading hours on the last trading day immediately preceding the investment date on which the NYSE American was open for trading and trading in our Class A units occurred. Our Manager calculates our NAV within approximately 60 days of the last day of each quarter, and any adjustments take effect as of the first business day following its public announcement. As of December 31, 2023, our NAV per Class A units was \$100.88.

## Our Business Outlook

Despite expectations of the U.S. falling into recession in 2023, market conditions for multifamily and mixed-use rental properties remained strong over the past several quarters. Future economic conditions and the demand for multifamily and mixed-use rental properties are, and the real estate industry in general is, subject to uncertainty as a result of a number of factors, including, among others, the rate of rent growth, rate of new construction, rate of absorption, the rate of unemployment, increasing interest rates, higher rates of inflation, instability in the banking system, the availability of credit, financial market volatility, general economic uncertainty, increasing energy costs, supply chain disruptions and labor shortages. The potential effect of these and other factors and the projected impact of these and other events on our business, results of operations and financial performance, presents material uncertainty and risk with respect to our future performance and financial results, including the potential to negatively impact our costs of operations, our financing arrangements, the value of our investments, and the laws, regulations and governmental and regulatory policies applicable to us. As a result, our past performance may not be indicative of future results.

Given the evolving nature of certain of these factors, the extent to which they may impact our future performance and financial results will depend on future developments which remain highly uncertain and, as a result, at this time we are unable to estimate the impact that these factors may have on our future financial results. Our Manager continuously reviews our investment and financing strategies for optimization and to reduce our risk in the face of the fluidity of these and other factors.

## Results of Operations

The following table sets forth information regarding our consolidated results of operations during the years ended December 31, 2023 and 2022 (amounts in thousands):

<b>Year Ended December 31,</b>		<b>\$ Change</b>	<b>% Change</b>
<b>2023</b>	<b>2022</b>		

<b>Revenue</b>					
Rental revenue	\$ 2,254	\$ 1,391	\$ 863	62%	
<b>Total revenue</b>	<b>2,254</b>	<b>1,391</b>	<b>863</b>	<b>62%</b>	
<b>Expenses</b>					
Property expenses	4,179	3,809	370	10%	
General and administrative	6,335	5,798	537	9%	
Depreciation and amortization	2,067	1,291	776	60%	
Impairment of real estate	4,060	—	4,060	100%	
<b>Total expenses</b>	<b>16,641</b>	<b>10,898</b>	<b>5,743</b>	<b>53%</b>	
<b>Other income</b>					
Interest income	113	1,850	(1,737)	(94)%	
Other expense	(87)	(469)	382	(81)%	
<b>Total other income</b>	<b>26</b>	<b>1,381</b>	<b>(1,355)</b>	<b>(98)%</b>	
Loss before income taxes	(14,361)	(8,126)	(6,235)	77%	
Provision for income taxes	(1)	(112)	111	(99)%	
<b>Net loss</b>	<b>(14,362)</b>	<b>(8,238)</b>	<b>(6,124)</b>	<b>74%</b>	
Net income attributable to Belpointe PREP, LLC		11	555	(544)	(98)%
<b>Net loss attributable to Belpointe PREP, LLC</b>		<b>\$ (14,351)</b>	<b>\$ (7,683)</b>	<b>\$ (6,668)</b>	<b>87%</b>

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## *Revenue*

### *Rental Revenue*

For the year ended December 31, 2023 as compared to the same period in 2022, rental revenue increased by \$0.9 million. This increase is primarily related to the amortization of below-market lease intangibles. During the year ended December 31, 2023 one of our tenants vacated our 901-909 Central Avenue investment, therefore, we accelerated the unamortized below-market lease liability in connection with termination of the lease. Additionally, the increase is related to acquisition of our 1400 Davidson investment in December 2022, whereby the year ended December 31, 2023 reflects a full year of amortization of below-market lease intangibles.

### *Property Expenses*

Property expenses primarily consists of management fees, property operational expenses, real estate taxes, and utilities and insurance expenses incurred in relation to our operating properties.

For the year ended December 31, 2023, as compared to the same period in 2022, property expenses increased by \$0.4 million. This increase is primarily due an increase in real estate tax expenses at certain investments and an increase in third-party property management fees.

### *General and Administrative*

General and administrative expenses primarily consists of employee cost sharing expenses (pursuant to our Management Agreement and Employee and Cost Sharing Agreement), marketing expenses, legal, audit, tax and accounting fees. See "[Certain Relationships and Related Transactions, and Director Independence—Our Management Agreement](#)" for additional details regarding our Management Agreement and "[Certain Relationships and Related Transactions, and Director Independence—Our Employee and Cost Sharing Agreement](#)" for additional details regarding our employee and cost sharing agreement.

For the year ended December 31, 2023 as compared to the same period in 2022, general and administrative expenses increased by \$0.5 million. This increase is primarily due to higher allocation of costs incurred by our Manager and its affiliates to us, as well as dead deal costs incurred during the current year period. These increases were partially offset by a lower marketing expenses.

### *Depreciation and Amortization*

For the year ended December 31, 2023 as compared to the same period in 2022, depreciation and amortization increased by \$0.8 million. This increase is primarily due to the acquisition of properties during the year ended December 31, 2022, and due to the acceleration of unamortized in-place lease intangible assets at our 901-909 Central Avenue investment as a result of three tenants vacating during the year ended December 31, 2023.

### *Impairment of Real Estate*

During the year ended December 31, 2023, we recorded impairment charges of \$4.1 million, in relation to one of our real estate assets located in Nashville, Tennessee, based on our conclusion that the estimated fair market value of the real estate asset was lower than the carrying value, and as a result, we reduced the carrying value to the fair market value.

### ***Other income***

#### *Interest Income*

On September 30, 2021, we lent approximately \$3.5 million to CMC (the “CMC Loan”) pursuant to the terms of a secured promissory note bearing interest at an annual rate of 12.0% and due and payable on June 27, 2022. On June 28, 2022, the CMC Loan was repaid in full, including accrued interest of \$0.3 million.

On January 3, 2022, we lent \$30.0 million (the “Norpointe Loan”) to Norpointe, LLC (“Norpointe”), an affiliate of our Chief Executive Officer, pursuant to the terms of a promissory note secured by a first mortgage lien on certain real property located at 41 Wolfpit Avenue, Norwalk, Connecticut 06851 (the “Norpointe Property”). On June 28, 2022, for purposes of complying with the qualified opportunity fund requirements under the Internal Revenue Code of 1986, as amended, and related Treasury Regulations, we restructured the Norpointe Loan (the “Restructured Norpointe Loan”). The Restructured Norpointe Loan was evidenced by a promissory note and was secured by a first mortgage lien on the Norpointe Property. On December 13, 2022, the Restructured Norpointe Loan was repaid in full. See [“Certain Relationships and Related Transactions, and Director Independence—Our Affiliate Transactions—Our Transaction with Norpointe, LLC”](#) for additional details regarding our transactions with Norpointe.

On February 23, 2022, we lent approximately \$5.0 million to Visco Propco, LLC (the “Visco Loan”), pursuant to the terms of a promissory note secured by a first lien deed of trust on certain real property located at 801 Visco Drive, Nashville, Tennessee 37210. On December 2, 2022, the Visco Loan was repaid in full, including accrued interest of \$0.2 million.

For the year ended December 31, 2022, interest income was \$1.9 million and is primarily related to interest of \$0.7 million earned on the Norpointe Loan, \$0.7 million earned on the Restructured Norpointe Loan, \$0.2 million earned on the CMC Loan, and \$0.2 million on the Visco Loan.

Further information regarding our commercial real estate loan transactions is provided in [“Note 7 – Loans Receivable”](#) in the Notes to Consolidated Financial Statements included elsewhere in this Form 10-K.

#### *Other expense*

On July 10, 2023, our indirect majority-owned subsidiary (the “Mortgage Borrower”) entered into an interest rate cap agreement (the “1991 Main Interest Rate Cap”) as required under the terms of the variable rate construction loan agreement (the “1991 Main Construction Loan Agreement”) for up to \$130.0 million in principal amount that the Mortgage Borrower previously entered into, on May 12, 2023, with Bank OZK, and which is secured by 1991 Main. During the year ended December 31, 2023, we recognized a net unrealized loss of \$0.1 million on the 1991 Main Interest Rate Cap. See [“Part I, Item 1—Our Investments—1991 Main Street – Sarasota, Florida \(also known as “Aster & Links”\)—1991 Main Interest Rate Cap”](#) for additional information regarding our 1991 Main Construction Loan Agreement and 1991 Main Interest Rate Cap.

On June 28, 2022, through an indirect majority-owned subsidiary of our Operating Company, we acquired a 70.2% controlling interest in CMC (the “CMC Interest”), for an initial capital contribution of \$3.8 million. As part of the transaction two unaffiliated joint venture partners (the “CMC JV Partners”) were deemed to have made a combined initial capital contribution of \$3.1 million. Following our acquisition of the CMC Interest, we discovered that one of the CMC JV Partners had misappropriated cash from the other CMC JV Partner’s cash account. As a result, the CMC JV Partner agreed to forfeit its interest in CMC as of March 24, 2023. Other expense for the year ended December 31, 2022, primarily relates to a loss of \$0.4 million recorded in connection with the misappropriated cash.

### ***Provision for Income Taxes***

For the year ended December 31, 2022, provision for income taxes relates to taxes incurred (including interest) in connection with our acquisition of Belpointe REIT. As a result of the conversion of Belpointe REIT from a corporation into a limited liability company, Belpointe REIT was deemed to have been liquidated and its tax year ended on October 1, 2021. Belpointe REIT’s deemed liquidation resulted in a taxable gain for the year ended October 1, 2021. In connection with the conversion, we filed an extension for the time to file Belpointe REIT’s 2021 tax returns, however, we did not make an estimated payment at that time as we had not yet calculated Belpointe REIT’s 2021 tax liability. As of the date of this Form 10-K, we have paid the outstanding income tax liability, including interest.

### *Net Loss Attributable to Noncontrolling Interests*

Net loss attributable to noncontrolling interests represents the share of earnings generated in entities we consolidate in which we do not own 100% of the equity. For the year ended December 31, 2023 as compared to the same period in 2022, net losses attributable to noncontrolling interests decreased by \$0.5 million. This decrease primarily relates to losses allocated to noncontrolling interest holders on our CMC and 900 8th Avenue South investments in the prior year period which was based upon an allocation of each investment's net assets at book value as if the investments were hypothetically liquidated at the end of each reporting period.

### **Liquidity and Capital Resources**

Our primary needs for liquidity and capital resources are to fund our investments, including construction and development costs, pay our offering and operating fees and expenses, pay any distributions that we make to the holders of our units and pay interest on any outstanding indebtedness that we incur.

Our offering and operating fees and expenses include, among other things, legal, audit and valuation fees and expenses, federal and state filing fees, SEC, FINRA and NYSE American filing fees, printing expenses, administrative fees, transfer agent fees, marketing and distribution fees, the management fee that we pay to our Manager, and fees and expenses related to acquiring, financing, appraising, and managing our commercial real estate properties. We do not have office or personnel expenses as we do not have any employees.

Where our Manager and its affiliates, including our Sponsor, have funded, and in the future if they continue to fund, our liquidity and capital resource needs by advancing us offering and operating fees and expenses, we reimburse our Manager and its affiliates, including our Sponsor, pursuant to the terms of our Management Agreement and Employee and Cost Sharing Agreement. Fees payable and expenses reimbursable to our Manager and its affiliates, including our Sponsor, may be paid, at the election of the recipient, in cash, by issuance of our Class A Units at the then-current NAV, or through some combination of the foregoing. There were No organization or Public Offering costs incurred by our Manager and its affiliates during the years ended December 31, 2023 and 2022. During the years ended December 31, 2023 and 2022, our Manager and its affiliates, including our Sponsor, incurred operating expenses of \$2.9 million and \$2.9 million, respectively, on our behalf.

During the year ended December 31, 2022, our indirect wholly-owned subsidiary entered into a construction management agreement for the development of 1991 Main. For additional details regarding our 1991 Main investment, see [“Part I, Item 1—Our Investments—1991 Main Street – Sarasota, Florida \(also known as “Aster & Links”\).”](#) The construction management agreement contains terms and conditions that are customary for a project of this type and will be subject to guaranteed maximum price. As of December 31, 2023, we had an unfunded capital commitment of \$61.8 million under the terms of this agreement. As of the date of this Form 10-K, we currently anticipate that the remaining funding for construction and soft costs associated with the development of 1991 Main will be a minimum of \$84.8 million (inclusive of the aforementioned unfunded capital commitment).

During the year ended December 31, 2023, our indirect majority-owned subsidiary (the “Mortgage Borrower”) entered into a variable-rate construction loan agreement for up to \$130.0 million in principal amount (the “1991 Main Construction Loan”) to fund the development of 1991 Main. Advances under the construction loan bear interest at a per annum rate equal to the one-month term Secured Overnight Financing Rate (SOFR) plus 3.45%, subject to a minimum all-in per annum rate of 8.51%. The 1991 Main Construction Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions. As of December 31, 2023, we have drawn down \$23.1 million on the 1991 Main Construction Loan.

As discussed in [“Part I, Item 1—Our Investments—1991 Main Street – Sarasota, Florida \(also known as “Aster & Links”\)—1991 Main Mezzanine Loan”](#), on January 31, 2024, our indirect majority-owned subsidiary (the “Mezzanine Borrower”) entered into a mezzanine loan agreement for up to \$56.4 million in principal amount (the “1991 Main Mezzanine Loan”). The 1991 Mezzanine Loan bears interest at a rate of 13.0% per annum, and is secured by 1991 Main.

In connection with the 1991 Mezzanine Loan, we are required to maintain an interest reserve and carry reserve for purposes of paying accrued but unpaid interest on the 1991 Mezzanine Loan and interest, principal and other obligations under the 1991 Main Construction Loan (the “Reserves”). Cash proceeds from the 1991 Mezzanine Loan totaled \$39.8 million, after Reserves of \$15.0 million were held back at closing, and incurring closing costs of \$1.6 million.

Proceeds under the 1991 Mezzanine Loan may be used to reimburse the Company for certain costs and expenses incurred in relation to, and to fund the continued development of, 1991 Main. The 1991 Mezzanine Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions. See [“Part I, Item 1—Our Investments—1991 Main Street – Sarasota, Florida \(also known as “Aster & Links”\).”](#) for additional information regarding the 1991 Main Construction Loan and the 1991 Mezzanine Loan.

During the year ended December 31, 2023, our indirect majority-owned subsidiary entered into a construction management agreement in connection with the development of 1000 First. For additional details regarding our acquisition of 1000 First, see [“Part I, Item 1—Our Investments—1000 First Avenue North and 900 First Avenue North – St. Petersburg, Florida \(also known as “Viv”\).”](#) The construction management agreement contains terms and conditions that are customary for a project of this type and will be subject to guaranteed maximum price. As of December 31, 2023, we had an unfunded capital commitment of \$40.3 million under the terms of this agreement. We currently anticipate that the remaining funding for construction and soft costs

associated with the development of 1000 First will be a minimum of approximately \$119.2 million (inclusive of the aforementioned unfunded capital commitment).

We expect to obtain the liquidity and capital resources that we need over the short and long-term from the proceeds of our Public Offerings and any future offerings that we may conduct, from the advancement of reimbursable fees and expenses by our Manager and its affiliates, including our Sponsor, from secured or unsecured financings from banks and other lenders and from any undistributed funds from operations. For additional details regarding our Public Offering, see [“Part II, Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Use of Proceeds from Registered Sales of Securities”](#)

We currently anticipate that our available capital resources, including the proceeds from our Public Offerings and the proceeds from any construction or other loans that we may incur, when combined with cash flow generated from our operations, will be sufficient to meet our anticipated working capital and capital expenditure requirements over the next 12 months and beyond.

### **Leverage**

We employ leverage in order to provide more funds available for investment. We believe that careful use of conservatively structured leverage will help us to achieve our diversification goals and potentially enhance the returns on our investments.

Our targeted aggregate property-level leverage, excluding any debt at the Company level or on assets under development or redevelopment, after we have acquired a substantial portfolio of stabilized commercial real estate, is between 50-70% of the greater of the cost (before deducting depreciation or other non-cash reserves) or fair market value of our assets. During the period when we are acquiring, developing and redeveloping our investments, we may employ greater leverage on individual assets. An example of property-level leverage is a mortgage loan secured by an individual property or portfolio of properties incurred or assumed in connection with our acquisition of such property or portfolio of properties. An example of debt at the Company level is a line of credit obtained by us or our Operating Companies.

Our Manager may from time to time modify our leverage policy in its discretion in light of then-current economic conditions, relative costs of debt and equity capital, market values of our assets, general conditions in the market for debt and equity securities, growth and acquisition opportunities or other factors. There is No limit on the amount we may borrow with respect to any individual property or portfolio.

### **Cash Flows**

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash (amounts in thousands):

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash flows used in operating activities	\$ (6,945)	\$ (6,651)
Cash flows used in investing activities	(145,123)	(63,530)
Cash flows provided by financing activities	30,686	22,802
Net decrease in cash and cash equivalents and restricted cash	<u>\$ (121,382)</u>	<u>\$ (47,379)</u>

As of December 31, 2023 and 2022, cash and cash equivalents and restricted cash totaled approximately \$23.6 million and \$145.0 million, respectively.

Cash flows used in operating activities for the year ended December 31, 2023 primarily relates to the payment of management fees and employee cost sharing expenses as well as payments for marketing, legal, tax and accounting fees. Cash flows used in operating activities for the year ended December 31, 2022 primarily relates to the payment of management fees and employee cost sharing expenses as well as payments for marketing, legal, tax and accounting fees. These outflows were partially offset by interest received on our Norpointe Loan, Restructured Norpointe Loan and CMC Loan during the period.

Cash flows used in investing activities for the year ended December 31, 2023 primarily relates to the funding of development properties. For additional details regarding our development properties, see [“Part I, Item 1—Our Investments.”](#) Cash flows used in investing activities for the year ended December 31, 2022 primarily relates to the funding of loans receivable in addition to funding costs for our development properties and investments in real estate. These outflows were partially offset by inflows from the repayment of the CMC and Restructured Norpointe Loans during the period as well as cash acquired as part of the acquisition of CMC ([Note 7](#)).

Cash flows provided by financing activities for the year ended December 31, 2023 primarily relates to the net proceeds

from 1991 Main Construction Loan, proceeds from our Primary Offering, and proceeds from our short-term loan from an affiliate. Cash flows provided by financing activities for the year ended December 31, 2022 primarily relates to net proceeds received from the Primary Offering partially offset by the repayment of the Acquisition Loan.

### Critical Accounting Policies

Our audited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

Our significant accounting policies are described in “[Note 2 — Summary of Significant Accounting Policies](#).” Many of these accounting policies require judgment and the use of estimates and assumptions when applying these policies in the preparation of our consolidated financial statements. On a quarterly basis, we evaluate these estimates and judgments based on historical experience as well as other factors that we believe to be reasonable under the circumstances. These estimates are subject to change in the future if underlying assumptions or factors change. Certain accounting policies, while significant, may not require the use of estimates. The recent accounting changes that may potentially impact our business are described under “Recent Accounting Pronouncements” in “[Note 2 — Summary of Significant Accounting Policies](#).”

### Off-Balance Sheet Arrangements

We currently have No off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company, as defined in Item 10(f)(1) of Regulation S-K, as a result are not required to provide the information required by this Item.

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### Item 8. Financial Statements and Supplementary Data.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and

Members of Belpointe PREP, LLC

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Belpointe PREP, LLC (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in members’ capital and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express No such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Citrin Cooperman & Company, LLP

We have served as the Company's auditor since 2020.

New York, New York

March 28, 2024

## Belpointe PREP, LLC

### Consolidated Balance Sheets (in thousands, except unit and per unit data)

	December 31,	
	2023	2022
<b>Assets</b>		
Real estate		
Land	\$ 38,741	\$ 38,741
Building and improvements	17,939	17,843
Intangible assets	9,172	9,495
Real estate under construction	291,130	133,898
Total real estate	356,982	199,977
Accumulated depreciation and amortization	(3,441)	(1,719)
Real estate, net	353,541	198,258
Cash and cash equivalents	20,125	143,467
Other assets	8,451	12,270
<b>Total assets</b>	<b>\$ 382,117</b>	<b>\$ 353,995</b>
<b>Liabilities</b>		
Debt, net	\$ 19,678	\$ —
Short-term loan from affiliate	4,000	—
Due to affiliates	10,370	5,803
Lease liabilities	1,324	7,126
Accounts payable	12,584	1,686
Accrued expenses and other liabilities	9,097	6,728
<b>Total liabilities</b>	<b>57,053</b>	<b>21,343</b>
Commitments and contingencies	—	—
<b>Members' Capital</b>		
Class A units, unlimited units authorized, 3,622,399 and 3,523,449 units issued and outstanding at December 31, 2023 and 2022, respectively	322,626	329,482





<b>2021</b>	3,382,149	\$323,683	100,000	\$	—	1	\$	—	\$	323,683	\$	192	\$	323,875
Issuance of units	141,300	14,130	—	—	—	—	—	—	—	14,130	—	—	—	14,130
Contribution from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	433	—	433
Acquisition of ownership in CMC Storrs SPV, LLC (Note 5)	—	—	—	—	—	—	—	—	—	—	—	3,100	—	3,100
Offering Costs	—	(648)	—	—	—	—	—	—	—	(648)	—	—	—	(648)
Net loss	—	(7,683)	—	—	—	—	—	—	—	(7,683)	—	(555)	—	(8,238)
<b>Balance at December 31, 2022</b>	<b>3,523,449</b>	<b>329,482</b>	<b>100,000</b>	<b>\$</b>	<b>—</b>	<b>1</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>329,482</b>	<b>\$</b>	<b>3,170</b>	<b>\$</b>	<b>332,652</b>
Issuance of units	98,950	7,932	—	—	—	—	—	—	—	7,932	—	—	—	7,932
Contribution from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	266	—	266
Return of capital	—	—	—	—	—	—	—	—	—	—	—	(24)	—	(24)
Acquisition of noncontrolling interests (Note 5)	—	—	—	—	—	—	—	—	—	—	—	(963)	—	(963)
Offering costs	—	(437)	—	—	—	—	—	—	—	(437)	—	—	—	(437)
Net loss	—	(14,351)	—	—	—	—	—	—	—	(14,351)	—	(11)	—	(14,362)
<b>Balance at December 31, 2023</b>	<b>3,622,399</b>	<b>\$322,626</b>	<b>100,000</b>	<b>\$</b>	<b>—</b>	<b>1</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>322,626</b>	<b>\$</b>	<b>2,438</b>	<b>\$</b>	<b>325,064</b>

See accompanying notes to consolidated financial statements.

## Belpointe PREP, LLC

### Consolidated Statements of Cash Flows (in thousands)

	Year Ended December 31,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss	\$ (14,362)	\$ (8,238)
Adjustments to net loss:		
Amortization of rent-related intangibles and straight-line rent adjustments	(820)	(231)
Depreciation and amortization	2,067	1,291
Impairment of real estate	4,060	—
Unrealized loss on interest rate derivative, net	66	—
Changes in operating assets and liabilities:		
Increase in due to affiliates	1,896	39
(Increase) decrease in other assets	(228)	676
Increase (decrease) in accounts payable	479	(186)
Decrease in accrued expenses and other liabilities	(103)	(2)
<b>Net cash used in operating activities</b>	<b>(6,945)</b>	<b>(6,651)</b>
<b>Cash flows from investing activities</b>		
Development of real estate	(139,733)	(39,596)
Acquisitions of real estate	(5,190)	(27,254)
Purchase of interest rate cap	(159)	—
Other investing activity	(41)	(225)
Repayment of loans receivable	—	38,413
Funding of loans receivable	—	(34,955)

Cash acquired from CMC (Note 5)	—	87
<b>Net cash used in investing activities</b>	<b>(145,123)</b>	<b>(63,530)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt	21,874	—
Proceeds from units issued	7,932	14,130
Short-term loan from affiliate	5,500	—
Payment of debt issuance costs	(2,618)	—
Repayment of short-term loan from affiliate	(1,500)	—
Payment of offering costs	(373)	(731)
Payment of financing deposits	(225)	—
Contributions from noncontrolling interests	216	268
Other financing activities, net	(96)	(360)
Return of capital from noncontrolling interests	(24)	—
Proceeds from subscriptions receivable	—	20,295
Repayment of debt	—	(10,800)
<b>Net cash provided by financing activities</b>	<b>30,686</b>	<b>22,802</b>
Net decrease in cash cash equivalents and restricted cash	(121,382)	(47,379)
Cash and cash equivalents and restricted cash, beginning of year	144,967	192,346
Cash and cash equivalents and restricted cash, end of year	<u>\$ 23,585</u>	<u>\$ 144,967</u>

*See accompanying notes to consolidated financial statements.*

**BELPOINTE PREP, LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Organization, Business Purpose and Capitalization**

***Organization and Business Purpose***

Belpointe PREP, LLC (together with its subsidiaries, the “Company,” “we,” “us,” or “our”) is focused on identifying, acquiring, developing or redeveloping and managing commercial real estate located within “qualified opportunity zones.” We were formed on January 24, 2020 as a Delaware limited liability company and qualify as a partnership and qualified opportunity fund for U.S. federal income tax purposes.

At least 90% of our assets consist of qualified opportunity zone property, and all of our assets are held by, and all of our operations are conducted through, one or more operating companies (each an “Operating Company” and collectively, our “Operating Companies”), either directly or indirectly through their subsidiaries. We are externally managed by Belpointe PREP Manager, LLC (our “Manager”), an affiliate of our sponsor, Belpointe, LLC (our “Sponsor”). Subject to the oversight of our board of directors (our “Board”), our Manager is responsible for managing our affairs on a day-to-day basis and for identifying and making acquisitions and investments on our behalf.

***Capitalization***

On May 9, 2023, the U.S. Securities and Exchange Commission (the “SEC”) declared effective our registration statement on Form S-11, as amended (File No. 333-271262) (the “Follow-on Registration Statement”), registering the offer and sale of up to \$750,000,000 of our Class A units on a continuous “best efforts” basis by any method deemed to be an “at the market” offering pursuant to Rule 415(a)(4) under the Securities Act of 1933, as amended (the “Securities Act”), including by offers and sales made directly to investors or through one or more agents (our “Follow-on Offering”).

In connection with the Follow-on Registration Statement, we entered into a non-exclusive dealer manager agreement with Emerson Equity LLC (the “Dealer Manager”), a registered broker-dealer, for the sale of our Class A units through the Dealer Manager. The Dealer Manager will enter into participating dealer agreements and wholesale agreements with other broker-dealers, referred to as “selling group members,” to authorize those broker-dealers to solicit offers to purchase our Class A units. We will pay our Dealer Manager commissions of up to 0.25%, and the selling group members commissions ranging from 0.25% to 4.50%, of the principal amount of Class A unit sold in the Follow-on Offering. As of December 31, 2023, we have not sold any Class A units in connection with the Follow-on Offering.

In addition, the Follow-on Registration Statement constitutes a post-effective amendment to the registration statement on Form S-11, as amended (File No. 333-255424), registering the offer and sale of our ongoing initial public offering of up to \$750,000,000 of our Class A units, declared effective by the SEC on September 30, 2021, of which \$514,724,350 remained unsold

as of December 31, 2023 (our “Primary Offering” and, together with our Follow-on Offering, our “Public Offerings”).

The purchase price for Class A units in the Public Offerings will be the lesser of (i) the current net asset value (the “NAV”) of our Class A units, and (ii) the average of the high and low sale prices of our Class A units on the NYSE American (the “NYSE”) during regular trading hours on the last trading day immediately preceding the investment date on which the NYSE was open for trading and trading in our Class A units occurred. Our Manager calculates our NAV within approximately 60 days of the last day of each quarter, and any adjustments take effect as of the first business day following its public announcement. On February 29, 2024, we announced that our NAV as of December 31, 2023 was equal to \$100.88 per Class A unit.

## Note 2 – Summary of Significant Accounting Policies

### *Basis of Presentation*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and Article 8 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

In the opinion of management, all adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows have been included and are of a normal and recurring nature.

### *Basis of Consolidation*

The accompanying consolidated financial statements reflect all of our accounts, including those of our controlled subsidiaries. The portion of members’ capital (deficit) in controlled subsidiaries that are not attributable, directly or indirectly, to us are presented in noncontrolling interests. All significant intercompany accounts and transactions have been eliminated.

We have evaluated our economic interests in entities to determine if they are deemed to be variable interest entities (“VIEs”) and whether the entities should be consolidated. An entity is a VIE if it has any one of the following characteristics: (i) the entity does not have enough equity at risk to finance its activities without additional subordinated financial support; (ii) the at-risk equity holders, as a group, lack the characteristics of a controlling financial interest; or (iii) the entity is structured with non-substantive voting rights. The distinction between a VIE and other entities is based on the nature and amount of the equity investment and the rights and obligations of the equity investors. Fixed price purchase and renewal options within a lease, as well as certain decision-making rights within a loan or joint-venture agreement, can cause us to consider an entity a VIE. Limited partnerships and other similar entities that operate as a partnership will be considered VIEs unless the limited partners hold substantive kick-out rights or participation rights.

Significant judgment is required to determine whether a VIE should be consolidated. We review all agreements and contractual arrangements to determine whether (i) we or another party have any variable interests in an entity, (ii) the entity is considered a VIE, and (iii) which variable interest holder, if any, is the primary beneficiary of the VIE. Determination of the primary beneficiary is based on whether a party (a) has the power to direct the activities that most significantly impact the economic performance of the VIE, and (b) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE.

The following table presents the financial data of the consolidated VIEs included in the consolidated balance sheets as of December 31, 2023 and 2022, respectively (amounts in thousands):

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Real estate		
Land	\$ 26,059	\$ 24,967
Building and improvements	12,953	11,297
Intangible assets	6,816	6,725
Real estate under construction	290,627	133,773
Total Real estate	336,455	176,762
Accumulated depreciation and amortization	(2,161)	(672)
Real estate, net	334,294	176,090
Cash and cash equivalents	8,204	124,159
Other assets	7,841	11,773
<b>Total assets</b>	<b>\$ 350,339</b>	<b>\$ 312,022</b>
<b>Liabilities</b>		
Debt, net	\$ 19,678	\$ —

Due to affiliates	7,292	4,399
Lease liabilities	25	5,350
Accounts payable	12,374	1,679
Accrued expenses and other liabilities	8,595	6,064
<b>Total liabilities</b>	<b>\$ 47,964</b>	<b>\$ 17,492</b>

An interest in a VIE requires reconsideration when an event occurs that was not originally contemplated. At each reporting period we will reassess whether there are any events that require us to reconsider our determination of whether an entity is a VIE and whether it should be consolidated.

### ***Emerging Growth Company Status***

We are an “emerging growth company,” as defined in the Jump Start Our Business Startups Act of 2012 (“JOBS Act”). Under Section 107 of the JOBS Act, emerging growth companies are permitted to use an extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for complying with new or revised accounting standards that have different effective dates for public and private companies. We have elected to use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company, or (ii) affirmatively and irrevocably opt out of the extended transition period provided in Section 7(a)(2)(B). By electing to extend the transition period for complying with new or revised accounting standards, our consolidated financial statements may not be comparable to the consolidated financial statements of companies that comply with public company effective dates.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and the accompanying notes to the consolidated financial statements. Actual results could materially differ from those estimates.

### ***Segment Reporting***

We operate in a single reportable segment which includes the development, redevelopment and managing of commercial real estate properties located within qualified opportunity zones. Therefore, we aggregate all of our real estate assets into one reportable segment.

### ***Allocation of Purchase Price of Acquired Assets and Liabilities***

Upon the acquisition of real estate properties we determine whether a transaction is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, we account for the transaction as an asset acquisition. We capitalize acquisition-related costs and fees associated with our asset acquisitions, and expense acquisition-related costs and fees associated with business combinations.

It is our policy to allocate the purchase price of properties to acquired tangible assets, consisting of land, buildings, fixtures and improvements, and identified intangible lease assets and liabilities, consisting of the value of above-market and below-market leases, as applicable, the other value of in-place leases, certain development rights and the value of tenant relationships, based in each case on their fair values. The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, which value is then allocated to land, buildings and improvements based on management’s determination of the fair values of these assets. We measure the aggregate value of other intangible assets acquired based on the difference between the property valued (i) with existing in-place leases, adjusted to market rental rates, and (ii) as if vacant. Other factors considered include an estimate of carrying costs during hypothetical expected lease-up periods considering current market conditions and costs to execute similar leases.

We consider information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired. In estimating carrying costs, we include real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods. We estimate costs to execute similar leases including leasing commissions and legal and other related expenses to the extent that such costs have not already been incurred in connection with a new lease origination as part of the transaction. In connection with the purchase of real property for development use, development rights are often transferred from one party to another to provide additional density. This transfer of rights allows an entity to permit, construct and develop additional dwelling units. Accordingly, we allocate a portion of the purchase price to these development right intangible assets based on the value attributed to the land of which we do not hold title to but are provided density transfer rights over. These rights are amortized to amortization expense over the useful life based on the respective contract. If the rights are transferred in perpetuity and there are no legal, regulatory, contractual, competitive, economic or other factors that limit its useful life, we consider the intangible asset indefinite-lived and therefore do not amortize.

The total amount of other intangible assets acquired are further allocated to in-place lease values and customer relationship intangible values based on management's evaluation of the specific characteristics of each tenant's lease and our overall relationship with that respective tenant. We consider the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals (including those existing under the terms of the lease agreement), among other factors. We amortize the value of in-place leases to depreciation and amortization expense over the remaining term of the respective leases (as well as any applicable below market renewal options). The value of customer relationship intangibles will be amortized to expense over the initial term in the respective leases, but in No event will the amortization periods for the intangible assets exceed the remaining depreciable life of the building. Should a tenant terminate its lease, the unamortized portion of the in-place lease value and customer relationship intangibles would be charged to expense in that period.

The values of acquired above-market and below-market leases are determined based on our experience and the relevant facts and circumstances that existed at the time of the acquisitions and are recorded based on the present values (using discount rates which reflect the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the leases negotiated and in place at the time of acquisition of the properties, and (ii) our estimate of fair market lease rates for the properties or equivalent properties. Such valuations include consideration of the non-cancellable terms of the respective leases (as well as any applicable below market renewal options). The values of above and below-market leases associated with the original non-cancelable lease term are amortized to rental revenue over the terms of the respective non-cancelable lease periods. The portion of the values of the leases associated with below-market renewal options, that are likely to be exercised, are amortized to rental revenue over the respective renewal periods.

When we acquire leveraged properties, the fair value of the related debt instruments is determined using a discounted cash flow model with rates that take into account the credit of the tenants, where applicable, and interest rate risk. Such resulting premium or discount is amortized over the remaining term of the obligation and is included in Other expense in our consolidated statements of operations. We also consider the value of the underlying collateral taking into account the quality of the collateral, the credit quality of the tenant, the time until maturity and the current interest rate.

The determination of the fair value of the assets and liabilities acquired requires the use of significant assumptions with regard to current market rental rates, discount rates and other variables.

### ***Real Estate***

Real estate is carried at cost, less accumulated depreciation. Expenditures which improve or extend the useful life of the assets are capitalized, while expenditures for maintenance and repairs, which do not extend lives of the assets, are charged to expense.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the respective assets (not to exceed 40 years).

Project costs directly related to the construction and development of real estate projects (including but not limited to interest and related loan fees, property taxes, insurance and legal costs) are capitalized as a cost of the project. Indirect project costs that relate to projects are capitalized and allocated to the projects to which they relate. Pertaining to assets under development, capitalization begins when both direct and indirect project costs have been made and it is probable that development of the future asset is probable. If we suspend substantially all activities related to the project, we will cease cost capitalization of indirect costs until activities are resumed. We will not suspend cost capitalization for brief interruptions, interruptions that are externally imposed, or delays that are inherent in the development process unless there are other circumstances involved that warrant a judgmental decision to cease capitalization. In addition, capitalization of project costs will cease when the project is considered substantially completed and occupied, or ready for its intended use (but No later than one year from cessation of major construction activity). Upon substantial completion, depreciation of these assets will commence. If discrete portions of a project are substantially completed and occupied and other portions have not yet reached that stage, the substantially completed portions are accounted for separately. We allocate costs incurred between the portions under construction and the portions substantially completed and only capitalize those costs associated with the portions under construction.

### ***Impairment of Long-Lived Assets***

We evaluate our tangible and identifiable intangible real estate assets for impairment when events such as delays or changes in development, declines in a property's operating performance, deteriorating market conditions, or environmental or legal concerns bring recoverability of the carrying value of one or more assets into question. When qualitative factors indicate the possibility of impairment, the total undiscounted cash flows of the property, including proceeds from disposition, are compared to the net book value of the property. If the carrying value of the asset exceeds the undiscounted cash flows of the asset, an impairment loss is recorded in earnings to reduce the carrying value of the asset to fair value, calculated as the discounted net cash flows of the property. In circumstances where the highest and best use of a property is the fee simple value of vacant land, we compare book value of the property to the appraised value of the land. If the carrying value of the asset exceeds the appraised value of the land, an impairment loss is recorded to reduce the carrying value to the appraised value.

### ***Abandoned Pursuit Costs***

Pre-development and due diligence costs incurred in pursuit of new development and acquisition opportunities, which we deem to be probable, will be capitalized in Other assets in our consolidated balance sheets. If the development or acquisition opportunity is not probable or the status of the project changes such that it is deemed No longer probable, the costs incurred will be expensed.

### ***Initial Direct Costs***

Initial direct costs are incremental costs of a lease that would not have been incurred had the lease not been executed. Such costs include lease incentives and leasing commissions. Costs incurred to obtain tenant leases are amortized using the straight-line method over the term of the related lease agreement. If the lease is terminated early, the remaining unamortized deferred leasing cost is written off. Initial direct costs are capitalized in Other assets in our consolidated balance sheets.

### ***Deferred Financing Costs***

Deferred financing costs include fees and other expenditures necessary to obtain debt financing and are amortized on a straight-line basis, which approximates the effective interest method, over the term of the loan. In situations where financing is in place, deferred financing costs are generally presented as a direct deduction from the related debt liability and any unamortized financing costs are generally charged to earnings when debt is retired before the maturity date. Deposits for pending financings are presented within Other assets in our consolidated balance sheets.

### ***Derivative Instruments***

Our derivative instruments are measured at fair value and are recorded as either assets or liabilities in our consolidated balance sheets depending on the pertinent rights or obligations under the applicable derivative contract. The derivative contracts that we may enter into are generally concurrent with obtaining floating rate debt and are intended to manage the economic risk of increases in benchmark interest rates. Our derivative instruments are not designated as hedges for accounting purposes, and therefore we account for changes in the fair value of the derivative instruments as either a gain or loss in the consolidated statements of operations.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash held in major financial institutions, cash on hand and liquid investments with original maturities of three months or less. Cash balances may at times exceed federally insurable limits per institution, however, we deposit our cash and cash equivalents with high credit-quality institutions to minimize credit risk exposure.

### ***Restricted Cash***

Restricted cash consists of amounts required to be reserved pursuant to contractual obligations and lender agreements for debt service. The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within our consolidated balance sheets to our consolidated statements of cash flows (amounts in thousands):

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 20,125	\$ 143,467
Restricted cash <sup>(1)</sup>	3,460	1,500
Total cash and cash equivalents and restricted cash	<u>\$ 23,585</u>	<u>\$ 144,967</u>

(1) Restricted cash is included within Other assets in our consolidated balance sheets.

### ***Subscriptions Receivable***

Subscriptions receivable consists of units that have been issued with subscriptions that have not yet settled. Subscriptions receivable are carried at cost which approximates fair value. As of December 31, 2023 and 2022, there was no subscriptions that had not yet settled.

### ***Non-controlling Interest***

A non-controlling interest in a subsidiary (minority interest) is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements and separate from the parent company's equity. In addition, consolidated net loss is required to be reported at amounts that include the amounts attributable to both the parent and the

noncontrolling interest and the amount of consolidated net loss attributable to the parent and the noncontrolling interests are required to be disclosed on the face of the consolidated statements of operations.

### ***Organization, Primary Offering and Other Operating Costs***

Organization costs are expensed as incurred. Offering expenses include, without limitation, legal, accounting, printing, mailing and filing fees and expenses, fees and expenses of our escrow agent and transfer agent. Offering costs, when incurred, will be charged to members' equity against the gross proceeds of an offering. Our Primary Offering costs for the years ended December 31, 2023, and 2022, were \$0.4 million, and \$0.6 million, respectively. We became liable to reimburse our Manager and its affiliates, including our Sponsor, when the first closing was held in connection with our Primary Offering, which occurred in October 2021.

Pursuant to a management agreement by and among the Company, our Operating Companies and our Manager (the "Management Agreement"), we reimburse our Manager, Sponsor, and their respective affiliates, for actual expenses incurred on our behalf in connection with the selection, acquisition or origination of an investment, whether or not we ultimately acquire or originate the investment. We also reimburse our Manager, Sponsor, and their respective affiliates, for out-of-pocket expenses paid to third parties in connection with providing services to us. Pursuant to the employee and cost sharing agreement by and among the Company, our Operating Companies, our Manager and our Sponsor (the "Employee and Cost Sharing Agreement"), we reimburse our Sponsor and our Manager for expenses incurred for our allocable share of the salaries, benefits and overhead of personnel providing services to us. The expenses are payable, at the election of the recipient, in cash, by issuance of our Class A units at the then-current NAV, or through some combination of the foregoing.

### ***Reclassifications***

Certain prior period amounts have been reclassified to conform to the current period presentation.

### ***Risks and Uncertainties***

Demand for multifamily and mixed-use rental properties is subject to uncertainty as a result of a number of factors, including, among others, increasing interest rates, the availability of credit, higher rates of inflation, the rate of unemployment, and ongoing supply chain disruptions. The potential effect of these and other factors presents material uncertainty and risk with respect to our future performance and financial results, including the potential to negatively impact our costs of operations, our financing arrangements, the value of our investments, and the laws, regulations, and government and regulatory policies applicable to us. We are closely monitoring the potential impact of these and other factors on all aspects of our investments and operations.

### ***Other Assets and Liabilities***

Other assets in our consolidated balance sheets include our transaction costs pertaining to our deal pursuits, restricted cash, interest on loan receivables, property deposits, capitalized leasing commissions, corporate fixed assets, utility deposits, prepaid expenses, and accounts receivable. We include accrued expenses, straight-line lease liabilities, prepaid rent, leasing commission payables and security deposits payable in Accrued expenses and other liabilities in our consolidated balance sheets.

### ***Income Taxes***

We intend to operate in a manner that will allow us to qualify as a partnership for U.S. federal income tax purposes. Generally, an entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs No U.S. federal income tax liability. Accordingly, No provision for U.S. federal income taxes has been made in our consolidated financial statements. If we fail to qualify as a partnership for U.S. federal income tax purposes in any taxable year, and if we are not entitled to relief under the Code for an inadvertent termination of our partnership status, we will be subject to federal and state income tax on our taxable income at regular corporate income tax rates.

### ***Loss Per Unit***

Loss per unit represents both basic and dilutive per-unit amounts for the period presented in our consolidated financial statements. Basic and diluted loss per unit is calculated by dividing Net loss attributable to the Company by the weighted-average number of Class A units outstanding during the year.

### ***Recent Accounting Pronouncements***

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, and requires single reporting entities to comply with the expanded reportable segment disclosures outlined in the ASU. The expanded reportable segment disclosures are intended to enhance certain disclosures surrounding significant



### Recently Adopted Accounting Pronouncements

June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). ASU 2016-13 introduces a new model for estimating credit losses based on current expected credit losses for certain types of financial instruments, including loans receivable, held-to-maturity debt securities, and net investments in direct financing leases, amongst other financial instruments. ASU 2016-13 also modifies the impairment model for available-for-sale debt securities and expands the disclosure requirements regarding an entity’s assumptions, models, and methods for estimating the allowance for losses. ASU 2016-13 does not apply to receivables arising from operating leases, which are within the scope of ASU 2016-02, *Leases (Topic 842)*.

We adopted ASU 2016-13 on January 1, 2023 using the modified retrospective method. The adoption of this standard did not have a material impact on our consolidated financial statements, and No cumulative-effect adjustment was recorded to retained earnings.

### Note 3 – Leases

#### Lessors Accounting

We own rental properties which are leased to tenants under operating leases with current expirations ranging from 2024 to 2040, with options to extend or terminate the leases. Revenues from such leases are reported as Rental revenue in our consolidated statements of operations, and are comprised of (i) lease components, which includes fixed and variable lease payments and (ii) non-lease components which includes reimbursements of property level operating expenses. We do not separate non-lease components from the related lease components as the timing and pattern of transfer are the same and account for the combined component.

Fixed lease revenues represent the base rent that each tenant is required to pay in accordance with the terms of their respective leases reported on a straight-line basis over the non-cancelable term of the lease. Variable lease revenues include payments based on (i) tenant reimbursements, (ii) changes in the index or market-based indices after the inception of the lease, (iii) percentage rents, or (iv) the operating performance of the property. Variable lease revenues are not recognized until the specific events that trigger the variable payments have occurred.

The following table summarizes the components of lease revenues (amounts in thousands):

	Years Ended December 31,	
	2023	2022
Fixed lease revenues	\$ 1,019	\$ 878
Variable lease revenues <sup>(1)</sup>	415	282
Lease revenues <sup>(2) (3)</sup>	<u>\$ 1,434</u>	<u>\$ 1,160</u>

(1) Includes reimbursements for property taxes, insurance, and common area maintenance services.

(2) Excludes lease intangible amortization of \$0.8 million, and \$0.3 million, for the years ended December 31, 2023, and 2022, respectively.

(3) Excludes straight-line rent of less than \$0.1 million for the years ended December 31, 2023, and 2022, respectively.

In certain of our leases, the tenant is obligated to pay the real estate taxes, insurance, and certain other expenses directly to the vendor. These obligations, which have been assumed by the tenants, are not reflected in our consolidated financial statements. To the extent any such tenant defaults on its lease or if it is deemed probable that the tenant will fail to pay for such obligations, a liability for such obligations would be recorded.

We assess the collectability of substantially all lease payments due by reviewing a tenant’s payment history or financial condition. Changes to collectability are recognized as a current period adjustment to rental revenue. We have assessed the collectability of all recorded lease revenues as probable as of December 31, 2023.

#### Minimum Future Lease Payments

The following table summarizes the minimum future contractual rents to be received (exclusive of expenses paid by

tenants, and percentage of sales rents) on non-cancellable operating leases as of December 31, 2023 (amounts in thousands):

For the year ended December 31,

2024	\$	931
2025		1,198
2026		1,103
2027		1,087
2028		1,108
Thereafter		11,030
Total <sup>(1)</sup>	\$	<u>16,457</u>

(1) Excludes \$0.1 million of straight-line rent and \$1.3 million of lease intangible amortization.

We assess the collectability of unbilled rent receivable balances by reviewing a tenant's payment history and financial condition. We have assessed the collectability of all unbilled rent receivable balances as probable as of December 31, 2023.

### ***Lessee Accounting***

#### *Ground Lease*

As further described in Note 5 – Real Estate, Net, on August 24, 2023, through an indirect majority-owned subsidiary of our Operating Company, we purchased land located in Sarasota, Florida, which we previously leased. Therefore, there is no longer a right of use (“ROU”) asset or lease liabilities in our consolidated balance sheets as of December 31, 2023. As of December 31, 2022, we were a lessee under the aforementioned ground lease which was classified as a financing lease. Accordingly, a finance lease liability of \$5.0 million is included in Lease liabilities in our consolidated balance sheets as of December 31, 2022, which represented our obligation to make payments under this ground lease, and a ROU asset of \$5.0 million is included in Other assets in our consolidated balance sheets as of December 31, 2022, which represented our right to use the underlying asset during the lease term. During the years ended December 31, 2023, and 2022 we capitalized \$0.3 million and \$0.3 million, respectively, of ground rent expense related to this ground lease on one of our development investments, which is included in Real estate under construction in our consolidated balance sheets.

There are No operating leases for which we are the lessee; therefore, there are No related ROU assets or lease liabilities in our consolidated balance sheets as of December 31, 2023 and 2022.

### **Note 4 – Related Party Arrangements**

#### ***Our Transactions with Belpointe Investment Holding, LLC***

In furtherance of the Merger, Belpointe REIT sold its interest (the “1991 Main Interest”) in the holding company for 1991 Main Street (“1991 Main”) to Belpointe Investment Holding, LLC (“BI Holding”), an affiliate of our Chief Executive Officer. As part of the transaction, BI Holding assumed a \$10.8million secured loan (the “Acquisition Loan”), and Belpointe REIT provided BI Holding with a \$24.8million loan, which was evidenced by a secured promissory note bearing interest at an annual rate of 5.0% and due and payable at maturity on September 14, 2022 (the “BI Secured Note”). Upon consummation of the Merger, we acquired the BI Secured Note as successor in interest to Belpointe REIT. Effective November 30, 2021, we acquired the 1991 Main Interest from BI Holding in consideration of its payment to us of \$0.3million in interest that had accrued under the terms of the BI Secured Note through November 30, 2021, and in satisfaction of its remaining obligations under the BI Secured Note. On April 22, 2022, we repaid the Acquisition Loan in full.

#### ***Our Transaction with Norpointe, LLC***

On January 3, 2022, through an indirect wholly-owned subsidiary, we provided a commercial mortgage loan in the principal amount of \$30.0 million (the “Norpointe Loan”) to Norpointe, LLC (“Norpointe”), an affiliate of our Chief Executive Officer. Norpointe is the owner of certain real property located at 41 Wolfpit Avenue, Norwalk, Connecticut 06851 (the “Norpointe Property”). The Norpointe Loan was evidenced by a promissory note bearing interest at an annual rate of 5.0%, due and payable on December 31, 2022, and was secured by a first mortgage lien on the Norpointe Property.

On June 28, 2022, for purposes of complying with the qualified opportunity fund requirements under the Code and related Treasury Regulations, we restructured the Norpointe Loan through an indirect majority owned subsidiary (the “Restructured Norpointe Loan”). The Restructured Norpointe Loan was evidenced by a promissory note bearing interest at an annual rate of 5.0%, due and payable on June 28, 2023, and was secured by a first mortgage lien on the Norpointe Property. On December 13, 2022, the Restructured Norpointe Loan including accrued interest of less than \$0.1 million was repaid in full.

#### ***Our Transaction with Belpointe Development Holding, LLC***

On October 30, 2023, we borrowed \$1.5 million from Belpointe Development Holding, LLC, an entity in which certain immediate family members of our Chief Executive Officer have a passive indirect minority beneficial ownership interest, pursuant to the terms of an unsecured promissory note (the “BDH Note”). The BDH Note was due and payable on March 31, 2024 and interest accrued on the BDH Note at an annual rate of 4.5%. The proceeds of the loan were used for general corporate purposes. On December 29, 2023, the BDH Note, including accrued interest of less than \$0.1 million, was repaid in full.

### ***Our Transaction with Lacoff Holding II, LLC***

On December 29, 2023, we borrowed \$4.0 million from Lacoff Holding II LLC, an affiliate of our Chief Executive Officer, pursuant to the terms of a promissory note (the “LH II Loan”). The LH II Loan is due and payable on April 1, 2024 and interest accrues on the LH II Note at an annual rate of 5.26%. The proceeds of the loan were used for general corporate purposes.

### ***Joint Ventures***

During the years ended December 31, 2023 and 2022, less than \$0.1 million, and \$0.3 million, respectively, of noncontrolling interest contributions were made by affiliates of our Sponsor representing their 0.1% ownership in various investments. These noncontrolling interests will be allocated profit and loss in accordance with the respective operating agreements.

### ***Our Relationship with Our Manager and Sponsor***

Our Manager is an affiliate of our Sponsor and is indirectly owned by our Chief Executive Officer and beneficially owned by certain immediate family members of our Chief Executive Officer. Our Manager and its affiliates, including our Sponsor, receive fees or reimbursements in connection with our Primary Offering and the management of our investments.

The following table summarizes the fees incurred on our behalf by, and expenses reimbursable to, our Manager and its affiliates, including our Sponsor, in accordance with the terms of our relevant agreements with such parties (amounts in thousands):

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Amounts included in the Consolidated Statements of Operations</b>		
Costs incurred by our Manager and its affiliates <sup>(1)</sup>	\$ 3,050	\$ 2,349
Management fees <sup>(2)</sup>	2,693	2,583
Insurance <sup>(3)</sup>	449	419
Director compensation	80	80
	<u>\$ 6,272</u>	<u>\$ 5,431</u>
<b>Capitalized costs included in the Consolidated Balance Sheets</b>		
Development fee and reimbursements	\$ 7,324	\$ 5,649
Insurance <sup>(3)</sup>	2,160	1,631
	<u>\$ 9,484</u>	<u>\$ 7,280</u>

(1) Includes wage, overhead and other reimbursements to our Manager and its affiliates, including our Sponsor, which are included in General and administrative in our consolidated statements of operations.

(2) Included in Property expenses in our consolidated statements of operations.

(3) Our insurance premiums are prepaid and are included in Other assets in our consolidated balance sheets and are amortized monthly to either Property expenses in our consolidated statements of operations or Real estate under construction in our consolidated balance sheets.

The following table summarizes amounts included in Due to affiliates in our consolidated balance sheets (amounts in thousands):

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Amounts Due to affiliates</b>		
Development fees	\$ 6,129	\$ 4,256
Employee cost sharing and reimbursements <sup>(1)</sup>	2,856	866
Management fees	1,365	661
	20	20

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**Director compensation**

\$	10,370	\$	5,803
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(1) Includes wage, overhead and other reimbursements to our Manager and its affiliates, including our Sponsor.

***Public Offering Expenses***

Our Manager and its affiliates, including our Sponsor, are reimbursed, for organizational and offering expenses incurred in connection with our Public Offerings. We became liable to reimburse our Manager and its affiliates, including our Sponsor, when the first closing was held in connection with our Primary Offering, which occurred in October 2021.

There were No organizational or Primary Offering expenses incurred by our Manager and its affiliates during the years ended December 31, 2023 and 2022.

***Other Operating Expenses***

Pursuant to the terms of a management agreement between us, our Operating Companies and our Manager (the “Management Agreement”), we reimburse our Manager, Sponsor and their respective affiliates for actual expenses incurred on our behalf in connection with the selection, acquisition or origination of investments, whether or not we ultimately acquire or originate an investment. We also reimburse our Manager, Sponsor and their respective affiliates for out-of-pocket expenses paid to third parties in connection with providing services to us.

Pursuant to the terms of an employee and cost sharing agreement between us, our Operating Companies, our Manager and our Sponsor, we reimburse our Sponsor and our Manager for expenses incurred for our allocable share of the salaries, benefits and overhead of personnel providing services to us. During the years ended December 31, 2023, and 2022, our Manager and its affiliates, including our Sponsor, incurred operating expenses of \$2.9 million and \$2.9 million, respectively, on our behalf. The expenses are payable, at the election of the recipient, in cash, by issuance of our Class A units at the then-current NAV, or through some combination of the foregoing. As of December 31, 2023, all expenses incurred since inception have been paid in cash.

***Management Fee***

Subject to the limitations set forth in our Amended and Restated Limited Liability Company Operating Agreement (our “Operating Agreement”) and the oversight of our Board, our Manager is responsible for managing our affairs on a day-to-day basis and for the origination, selection, evaluation, structuring, acquisition, financing and development of our commercial real estate properties, real estate-related assets, including but not limited to commercial real estate loans, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses.

Pursuant to the Management Agreement, we pay our Manager a quarterly management fee in arrears of one-fourth of 0.75%. The management fee is based on our NAV at the end of each quarter.

***Development Fees and Reimbursements***

Affiliates of our Sponsor are entitled to receive (i) development fees on each project in an amount that is usual and customary for comparable services rendered to similar projects in the geographic market of the project, and (ii) reimbursements for their expenses, such as employee compensation and other overhead expenses incurred in connection with the project.

In connection with our acquisition of several parcels, comprising 1.6-acres of land, located in St. Petersburg, Florida, in October 2020, and our acquisition of 900 8th Avenue South (as defined and described in greater detail in “[Note 5 – Real Estate, Net](#)”), a development fee of 4.5% of total project costs will be charged throughout the course of each project, of which one half was due at the close of each acquisition.

On March 29, 2022, we commenced construction on one of our properties located in Sarasota, Florida, and in connection therewith, due to an increase in scope of work, we agreed to increase the development fee payable to an affiliate of our Sponsor under the terms of our existing development management agreement from 4.0% to 4.25%. In addition, again due to the increase in scope of work, as well as due to increases in construction costs, we also revised our construction budget. As a result of the increase in development fees and revisions to our construction budget, we incurred an additional upfront development fee of \$2.5 million, which is included in Real estate under construction in our consolidated balance sheets. The remaining development fee will be charged throughout the course of the project in accordance with the terms of the development management agreement.

During the years ended December 31, 2023, and 2022, we incurred development fees earned during the construction phase of \$5.9 million, and \$4.3 million, respectively. As of December 31, 2023 and 2022, \$6.1 million and \$4.3 million, respectively, remained due and payable to our affiliates for development fees.

During the years ended December 31, 2023, and 2022, we incurred employee reimbursement expenditures to our affiliates acting as development managers of \$1.6 million, and \$1.5 million, respectively, of which \$1.2 million, and \$1.3 million, respectively, is included in Real estate under construction in our consolidated balance sheets, and \$0.4 million, \$0.2 million, respectively, is included in General and administrative expenses in our consolidated statements of operations. As of December 31, 2023 and 2022, \$1.3 million and \$0.3 million, respectively, remained due and payable to our affiliates for employee reimbursement expenditures.

On April 25, 2023, each of the indirect majority-owned subsidiaries for our Nashville investments entered into development management agreements with certain development entities in which immediate family members of our Chief Executive Officer have a passive indirect minority beneficial ownership interest (collectively, the “Nashville DMAs”). The aggregate development fees payable under the Nashville DMAs are equal to 55% of 4.5% of the development budget or hard costs, as applicable. During the year ended December 31, 2023, we incurred \$0.4 million of development fees related to the Nashville DMAs, which were capitalized to Real estate under construction in our consolidated balance sheets, with the remaining development fees payable upon our achieving various milestones throughout the development of our Nashville investments. As of December 31, 2023, \$0.4 million in development fees related to the Nashville DMAs remained outstanding and payable.

### ***Acquisition Fees***

We will pay our Manager, Sponsor, or an affiliate of our Manager or Sponsor, an acquisition fee equal to 1.5% of the total value of any acquisition transaction, including any acquisition through merger with another entity (but excluding any transactions in which our Sponsor, or an affiliate of our Manager or Sponsor, would otherwise receive a development fee). We did not incur any acquisition fees during the years ended December 31, 2023 and 2022, since all investments acquired during these periods were, or will be, subject to payment of development fees.

### ***Insurance***

Certain immediate family members of our Chief Executive Officer have a passive indirect minority beneficial ownership interest in Belpointe Specialty Insurance, LLC (“Belpointe Specialty Insurance”). Belpointe Specialty Insurance has acted as our broker in connection with the placement of insurance coverage for certain of our properties and operations. Belpointe Specialty Insurance earns brokerage commissions related to the brokerage services that it provides to us, which commissions vary, are based on a percentage of the premiums that we pay and are set by the insurer. We have also engaged Belpointe Specialty Insurance to provide us with contract insurance consulting services related to owner-controlled insurance programs, for which we pay an administration fee.

During the years ended December 31, 2023, and 2022, we obtained insurance coverage and paid premiums in the aggregate amount of \$2.6 million, and \$4.8 million, respectively, from which Belpointe Specialty Insurance earned commissions and administrative fees of \$0.2 million, and \$0.5 million, respectively. Insurance premiums are prepaid and are included in Other assets in our consolidated balance sheets.

### ***Economic Dependency***

Under various agreements we have engaged our Manager and its affiliates, including in certain cases our Sponsor, to provide certain services that are essential to us, including asset management services, asset acquisition and disposition services, supervision of our Primary Offering and any other offerings that we may conduct, as well as other administrative responsibilities for the Company, including, without limitation, accounting services and investor relations services. As a result of these relationships, we are dependent upon our Manager and its affiliates, including our Sponsor. In the event that our Manager and its affiliates are unable to provide us with the services that we have engaged them to provide, we would be required to find alternative service providers.

### **Note 5 – Real Estate, Net**

#### ***Acquisitions of Real Estate During 2023***

On June 28, 2022, through an indirect majority-owned subsidiary of our Operating Company, we acquired a 70.2% controlling interest (the “CMC Interest”) in CMC Storrs SPV, LLC (“CMC”), a holding company for an approximately 60-acre site located in Mansfield, Connecticut. As part of the transaction, two unaffiliated joint venture partners (the “CMC JV Partners”) were deemed to have made initial capital contributions to CMC. Following our acquisition of the CMC Interest, we discovered that one of the CMC JV Partners had misappropriated cash from the other’s cash account. Accordingly, the CMC JV Partner forfeited \$ 1.0 million, or 29.8%, of their noncontrolling interest in CMC on March 24, 2023 (a non-cash financing activity during the year ended December 31, 2023). As a result of the forfeiture, we indirectly own a 100% controlling interest in CMC.

On August 24, 2023, through an indirect majority-owned subsidiary of our Operating Company, we acquired land located in Sarasota, Florida, that was previously subject to a ground lease (See Note 3 – Leases for additional information) for a purchase price of \$4.9 million, inclusive of transaction costs of \$0.1 million. We accounted for the transaction as an asset

acquisition. As the acquired land is being held for development, the total purchase price was allocated to Real estate under construction on the consolidated balance sheets as of December 31, 2023.

### *Acquisitions of Real Estate During 2022*

On January 7, 2022, through an indirect majority-owned subsidiary of our Operating Company, we completed the acquisition of a 1.1-acre site, located in Mansfield, Connecticut, for a purchase price of \$0.3 million, inclusive of transaction costs of less than \$0.1 million. Upon closing, the building was leased back to the seller for a term of 12 months. This acquisition was deemed to be an asset acquisition and all direct transaction costs were capitalized. The purchase price was allocated to land and building of \$0.1 million and \$0.2 million, respectively. All related assets and liabilities, including identifiable intangibles, were recorded at their relative fair values based on the purchase price and acquisition costs incurred.

On May 9, 2022, through an indirect majority-owned subsidiary of our Operating Company, we completed the acquisition of a 0.265-acre site, located in Sarasota, Florida, for a purchase price of \$1.5 million, inclusive of transaction costs of \$0.1 million. This acquisition was deemed to be an asset acquisition and all direct transaction costs were capitalized. The purchase price was allocated to land, building, and an in-place lease intangible asset of \$1.3 million, \$0.1 million and less than \$0.1 million, respectively. All related assets and liabilities, including identifiable intangibles, were recorded at their relative fair values based on the purchase price and acquisition costs incurred.

On June 28, 2022, through an indirect majority-owned subsidiary of our Operating Company, we acquired a 70.2% controlling interest (the "CMC Interest") in CMC Storrs SPV, LLC ("CMC"), a holding company for an approximately 60-acre site located in Mansfield, Connecticut, for an initial capital contribution of \$3.8 million. As part of the transaction two unaffiliated joint venture partners (the "CMC JV Partners") were deemed to have made a combined initial capital contribution of \$3.1 million (a non-cash financing activity during the year ended December 31, 2022). Following our acquisition of the CMC Interest, we discovered that one of the CMC JV Partners had misappropriated cash from the other CMC JV Partner's cash account resulting in the loss of \$0.4 million included in Other expense in the accompanying consolidated statement of operations for the year ended December 31, 2022. The CMC JV Partner agreed to forfeit its interest in CMC as of March 24, 2023. Our acquisition of the CMC Interest was deemed to be an asset acquisition and all direct transaction costs were capitalized. All related assets and liabilities, including identifiable intangibles, were recorded at their relative fair values based on the purchase price and acquisition costs incurred. As a result of our controlling financial interest, we consolidate this development project. The purchase price was allocated as follows (amounts in thousands):

	<b>As of June 28, 2022</b>
<b>Assets</b>	
Real estate	
Intangible asset	\$ 424
Real estate under construction	4,633
Total real estate	5,057
Accumulated depreciation and amortization	—
Real estate, net	5,057
Cash and cash equivalents	87
Other assets <sup>(1)</sup>	2,105
<b>Total assets</b>	<b>\$ 7,249</b>
<b>Liabilities</b>	
Accounts payable	\$ 363
Accrued expenses and other liabilities	16
<b>Total liabilities</b>	<b>\$ 379</b>
Amounts attributable to noncontrolling interests <sup>(2)</sup>	\$ 3,100
<b>Total net assets</b>	<b>\$ 3,770</b>

(1) Includes restricted cash of \$1.4 million.

(2) Represents a non-cash financing activity during the year ended December 31, 2022.

On October 13, 2022, through an indirect majority-owned subsidiary of our Operating Company, we completed the acquisition of an approximately 19-acre site, located in Mansfield, Connecticut, for a purchase price of \$5.5 million, inclusive of transaction costs of \$0.1 million. This acquisition was deemed to be an asset acquisition and all direct transaction costs were capitalized. The purchase price was solely allocated to land, and was recorded at the relative fair value based on the purchase price and acquisition costs incurred.

On December 2, 2022, an indirect majority-owned subsidiary of our Operating Company acquired a 99% controlling interest in a jointly-owned investment with an unaffiliated third party to acquire an approximately 5.9-acre site, located in Nashville, Tennessee (“Nashville No. 4”) for a purchase price of \$16.4 million, inclusive of transaction costs \$0.2 million. This acquisition was deemed to be an asset acquisition and all direct transaction costs were capitalized. The purchase price was allocated to land, building, intangible assets and below-market lease liability of \$15.2 million, \$0.8 million, \$0.6 million and \$0.4 million, respectively. All related assets and liabilities, including identifiable intangibles, were recorded at their relative fair values based on the purchase price and acquisition costs incurred.

### Real Estate Under Construction

The following table provides the activity of our Real estate under construction (amounts in thousands):

	December 31,	
	2023	2022
Beginning balance	\$ 133,898	\$ 76,882
Capitalized costs <sup>(1) (2)</sup>	155,969	45,907
Land held for development <sup>(3)</sup>	4,936	10,958
Impairment charges <sup>(4)</sup>	(4,060)	—
Capitalized interest	387	151
	<u>\$ 291,130</u>	<u>\$ 133,898</u>

- (1) Includes development fees and employee reimbursement expenditures. See “[Note 4 – Related Party Agreements](#)” for additional details regarding our transactions with related parties.
- (2) Includes direct and indirect project costs to the construction and development of real estate projects, including but not limited to loan fees, property taxes and insurance, incurred of \$3.4 million and \$2.2 million for the years ended December 31, 2023 and 2022, respectively.
- (3) Includes the acquisition of land located in Sarasota, Florida during the year ended December 31, 2023 as discussed above. Additionally, includes ground lease payments and straight-line rent adjustments incurred of \$0.1 million and \$0.8 million for the years ended December 31, 2023 and 2022, respectively.
- (4) During the year ended December 31, 2023, we recorded impairment charges of \$4.1 million in relation to one of our real estate assets located in Nashville, Tennessee, based on our conclusion that the estimated fair market value of the real estate asset was lower than the carrying value, and as a result, we reduced the carrying value to the estimated fair market value.

Real estate under construction includes non-cash investing activity of \$27.6 million for year ended December 31, 2023 (inclusive of unpaid development fees of \$6.1 million and unpaid employee cost sharing and reimbursements of \$1.3 million) and \$13.9 million for the year ended December 31, 2022 (inclusive of land contributed by one of the CMC JV partners, unpaid development fees of \$4.3 million and unpaid employee cost sharing and reimbursements of \$0.3 million).

Depreciation expense was \$0.8 million, and \$0.7 million for the years ended December 31, 2023, and 2022, respectively, and is included in Depreciation and amortization in our consolidated statements of operations.

### Note 6 – Intangible Assets and Liabilities

The following table summarizes our intangible assets and liabilities (amounts in thousands):

	December 31,					
	2023			2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Finite-Lived Intangible Assets</b>						
In-place leases	\$ 3,513	\$ (1,699)	\$ 1,814	\$ 3,836	\$ (791)	\$ 3,045
<b>Indefinite-Lived Intangible Assets</b>						
Development rights	5,659	—	5,659	5,659	—	5,659
Total intangible assets	<u>\$ 9,172</u>	<u>\$ (1,699)</u>	<u>\$ 7,473</u>	<u>\$ 9,495</u>	<u>\$ (791)</u>	<u>\$ 8,704</u>
<b>Finite-Lived Intangible Liabilities</b>						
Below-market leases	\$ (2,100)	\$ 776	\$ (1,324)	\$ (2,517)	\$ 411	\$ (2,106)
Total intangible liabilities	<u>\$ (2,100)</u>	<u>\$ 776</u>	<u>\$ (1,324)</u>	<u>\$ (2,517)</u>	<u>\$ 411</u>	<u>\$ (2,106)</u>

In-place lease intangible assets recorded for acquisitions of real estate during 2022, noted above, are included in Intangible assets in our consolidated balance sheets and are being amortized over a weighted average lease term of approximately 1.1 years. See “[Note 5 – Real Estate, Net](#)” for additional details regarding our acquisitions of real estate during 2022.

During the years ended December 31, 2023, and 2022, the amortization of in-place lease intangible assets was \$1.2 million, and \$0.6 million, respectively, and is included in Depreciation and amortization in our consolidated statements of operations.

The below-market lease liabilities recorded for acquisitions of real estate during 2022, noted above, are included in Lease liabilities in our consolidated balance sheets and are being amortized over a weighted average lease term of approximately 1.0 years. See “[Note 5 – Real Estate, Net](#)” for additional details regarding our acquisitions of real estate during 2022.

During the years ended December 31, 2023, and 2022, the amortization of below-market lease liability was \$0.8 million and \$0.3 million, respectively, and is included in Rental revenue in our consolidated statements of operations.

Based on the intangible assets and liabilities recorded as of December 31, 2023, scheduled annual net amortization of intangibles for the next five calendar years and thereafter is as follows (in thousands):

<b>Years Ending December 31,</b>	<b>Increase in Rental Revenue</b>	<b>Increase to Amortization</b>	<b>Net</b>
2024	\$ (98)	\$ 130	\$ 32
2025	(80)	114	34
2026	(80)	114	34
2027	(80)	114	34
2028	(80)	114	34
Thereafter	(906)	1,228	322
	<u>\$ (1,324)</u>	<u>\$ 1,814</u>	<u>\$ 490</u>

#### **Note 7 – Loans Receivable**

As described in greater detail in “[Note 4 - Related Party Arrangements](#)”, pursuant to the terms of the BI Secured Note, Belpointe REIT provided BI Holding with a \$24.8million loan, bearing interest at an annual rate of 5.0% and due and payable at maturity on September 14, 2022. Effective November 30, 2021, we acquired the 1991 Main Interest from BI Holding in consideration of its payment to us of \$0.3million in interest that had accrued under the terms of the BI Secured Note through November 30, 2021, and in satisfaction of its remaining obligations under the BI Secured Note.

On September 30, 2021, we lent approximately \$3.5 million to CMC (the “CMC Loan”) pursuant to the terms of a non-recourse promissory note (the “CMC Note”) secured by a Mortgage Deed and Security Agreement on a property owned by CMC located in Mansfield, Connecticut. CMC used the proceeds from the CMC Loan to enter into a Redemption Agreement with BPOZ 497 Middle Holding, LLC (“BPOZ 497”), an indirect majority-owned subsidiary of Belpointe REIT, to redeem BPOZ 497’s preferred equity investment in CMC in furtherance of our Transaction with Belpointe REIT. Interest accrued on the CMC Note at an annual rate of 12.0%, and was due and payable at maturity on June 27, 2022. On June 28, 2022, CMC repaid the CMC Note in full, including accrued interest of \$0.3 million.

On January 3, 2022, we provided a \$30.0 million commercial mortgage loan to Norpointe, LLC (“Norpointe”) an affiliate of our Chief Executive Officer, pursuant to the terms of a secured promissory note bearing interest at an annual rate of 5.0%, was due and payable on December 31, 2022 (the “Norpointe Loan”). On June 28, 2022, for purposes of complying with the qualified opportunity fund requirements under the Internal Revenue Code of 1986, as amended (the “Code”), and related Treasury Regulations, we restructured the Norpointe Loan through an indirect majority owned subsidiary (the “Restructured Norpointe Loan”). The Restructured Norpointe Loan was evidenced by a secured promissory note bearing interest at an annual rate of 5.0%, due and payable on June 28, 2023. On December 13, 2022, the Restructured Norpointe Loan was repaid in full, including accrued interest of less than \$0.1 million. See “[Note 4 – Related Party Arrangements](#)” for additional details regarding our transactions with Norpointe.

On February 23, 2022, we provided an approximately \$5.0 million commercial mortgage loan to Visco Propco, LLC (“Visco”) pursuant to the terms of a secured promissory note bearing interest at an annual rate of 6.0%, due and payable on February 18, 2023 (the “Visco Loan”). On December 2, 2022, the Visco Loan was repaid in full, including accrued interest of \$0.2 million.

Interest income from loans receivable was zero, and \$1.8 million, for the years ended December 31, 2023, and 2022, respectively, and is included in Interest income in our consolidated statements of operations.



## Note 8 – Debt, Net

On May 12, 2023, our indirect majority-owned subsidiary (the “Mortgage Borrower”) entered into a variable-rate construction loan agreement (the “1991 Main Construction Loan Agreement”) for up to \$130.0 million in principal amount (the “1991 Main Construction Loan”) with Bank OZK (the “Mortgage Lender”), which is secured by our investment in 1991 Main Street, Sarasota, Florida (“1991 Main”). Advances under the 1991 Main Construction Loan bear interest at a per annum rate equal to the one-month term SOFR plus 3.45%, subject to a minimum all-in per annum rate of 8.51%, and will be used to fund the development of 1991 Main. The 1991 Main Construction Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions. As of December 31, 2023, we have drawn down \$23.1 million on the 1991 Main Construction Loan, and have incurred interest expense of \$0.1 million which was capitalized to Real estate under construction in our consolidated balance sheets. We incurred deferred financing costs of \$4.0 million (inclusive of debt discount of \$1.4 million) for the 1991 Main Construction Loan which are reflected as a component of Debt, net in our consolidated balance sheets as of December 31, 2023. During the construction period, the deferred financing costs are amortized to Real estate under construction in our consolidated balance sheets. As of December 31, 2023, the accumulated amortization for deferred financing costs was \$0.6 million.

In connection with the 1991 Main Construction Loan, we provided a carveout guaranty to the Lender (the “Guaranty”) pursuant to which we guaranteed the Borrower’s obligations to the Lender with respect to certain non-recourse carveout events, such as “bad acts,” environmental conditions, and violations of certain provisions of the loan documents. The Guaranty contains financial covenants requiring that we maintain liquid assets of No less than \$20.0 million and a net worth of No less than \$130.0 million. As of December 31, 2023, the Company was in compliance with all covenants under the Guaranty.

Together with the Borrower, we also provided a customary environmental indemnity agreement to the Lender pursuant to which we agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities related to 1991 Main.

## Note 9 – Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marketplace participants at the measurement date under current market conditions (*i.e.*, the exit price).

We categorize our financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Significant other observable inputs (*e.g.*, quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs).

Level 3 – Valuation generated from model-based techniques that use inputs that are significant and unobservable in the market. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow methodologies or similar techniques, which incorporate management’s own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

We estimated that our other financial assets and liabilities had fair values that approximated their carrying values as of December 31, 2023 and 2022.

### ***Recurring Fair Value Measurements***

Assets measured at fair value on a recurring basis is comprised of our interest rate cap (see Note 10 – Derivative Instruments). The valuation of our interest rate cap is prepared by an independent third-party and is classified as Level 2 in the fair value hierarchy, as the valuation is approximated using market values of similar instruments in active markets.

## Note 10 – Derivative Instruments

The 1991 Main Construction Loan Agreement required the Borrower to enter into an interest rate cap agreement with a one-month SOFR rate based strike price of 5.07% (the “1991 Main Interest Rate Cap”). The notional amount of the 1991 Main Interest Rate Cap increases in accordance with the schedule set forth in the interest rate cap agreement up to a maximum notional amount of \$112.5 million.

The following table details our derivative financial instrument as of December 31, 2023 (amounts in thousands):

Interest Rate Derivative	Notional Amount	Strike	Maturity Date	Fair Value <sup>(1)</sup>
1991 Main Interest Rate Cap	\$ 72,218	5.07%	July 2024	\$ 93

(1) Included in Other assets in our consolidated balance sheets.

The following table details the effect of our derivative financial instrument on our consolidated statement of operations for the year ended December 31, 2023 (amounts in thousands):

Interest Rate Derivative	Location of Gain (Loss)	Amount
1991 Main Interest Rate Cap	Other expense	\$ (66)

## Note 11 – Members’ Capital

Our Operating Agreement generally authorizes our Board to issue an unlimited number of units and options, rights, warrants and appreciation rights relating to such units for consideration or for No consideration and on the terms and conditions as determined by our Board, in its sole discretion, in most cases without the approval of our members. These additional securities may be used for a variety of purposes, including in future offerings to raise additional capital and acquisitions. Our Operating Agreement currently authorizes the issuance of an unlimited number of Class A units, 100,000 Class B units and one Class M unit.

For the years ended December 31, 2023, and 2022, we issued 98,950, and 141,300, respectively, Class A units. As of December 31, 2023, there were 3,622,399 Class A units, 100,000 Class B units and one Class M unit issued and outstanding. As of December 31, 2022, there were 3,523,449 Class A units, 100,000 Class B units and one Class M unit issued and outstanding.

### Class A units

Upon payment in full of any consideration payable with respect to the initial issuance of our Class A units, the holder thereof will not be liable for any additional capital contributions to the Company. Holders of our Class A units are not entitled to preemptive, redemption or conversion rights. Holders of our Class A units are entitled to one vote per unit on all matters submitted to a vote of our members. Matters must generally be approved by a majority (or, in the case of the election of directors, by a plurality) of the votes entitled to be cast.

Holders of our Class A units share ratably in any distributions we make, subject to any statutory or contractual restrictions on distributions and to any restrictions on distributions imposed by the terms of any preferred units we issue.

Upon our dissolution, liquidation or winding up, after payment of all amounts required to be paid to creditors and holders of preferred units, if any, holders of our Class A units are entitled to receive our remaining assets available for distribution.

### Class B units

All of our Class B units are currently held by our Manager and were issued on September 14, 2021. Holders of our Class B units are not entitled to preemptive, redemption or conversion rights. Holders of our Class B units are entitled to one vote per unit on all matters submitted to a vote of our members. Matters must generally be approved by a majority (or, in the case of the election of directors, by a plurality) of the votes entitled to be cast.

Holders of our Class B units are entitled to share ratably as a class in 5% of any gains recognized by or distributed to the Company or recognized by or distributed from our Operating Companies or any subsidiary or other entity related to the Company, regardless of whether the holders of our Class A units have received a return of their capital. The allocation and distribution rights that the holders of our Class B units are entitled to may not be amended, altered or repealed, and the number of authorized Class B units may not be increased or decreased, without the consent of the holders of our Class B units. In addition, our Manager, or any other holder of our Class B units, will continue to hold the Class B units even if our Manager is No longer our manager.

Upon our dissolution, liquidation or winding up, after payment of all amounts required to be paid to creditors and holders of preferred units, if any, holders of our Class B units will be entitled to receive any accrual of gains or distributions otherwise distributable pursuant to the terms of the Class B units, regardless of whether the holders of our Class A units have received a return of their capital.

## **Class M unit**

The Class M unit is currently held by our Manager and was issued on September 14, 2021. The holder of our Class M unit is not entitled to preemptive, redemption or conversion rights. The holder of our Class M unit is entitled to that number of votes equal to the product obtained by multiplying (i) the sum of the aggregate number of outstanding Class A units plus Class B units, by (ii) 10, on matters on which the Class M unit has a vote. Our Manager will continue to hold the Class M unit for so long as it remains our manager.

The holder of our Class M unit does not have any right to receive ordinary, special or liquidating distributions.

## **Preferred units**

Under our Operating Agreement, our Board may from time to time establish and cause us to issue one or more classes or series of preferred units and set the designations, preferences, rights, powers and duties of such classes or series.

## ***Basic and Diluted Loss Per Class A Unit***

For the years ended December 31, 2023, and 2022, the basic and diluted weighted-average units outstanding were 3,553,319, and 3,416,527, respectively. For the years ended December 31, 2023, and 2022, net loss attributable to our Class A units was \$14.4 million, and \$7.7 million, respectively, and the loss per basic and diluted unit was \$4.04, and \$2.25, respectively.

## **Note 12 – Commitments and Contingencies**

As of December 31, 2023, the Company is not subject to any material litigation nor is the Company aware of any material litigation threatened against it.

In connection with the development of our commercial real estate assets, we have entered into separate construction management agreements for each asset which contain terms and conditions that are customary for the related scope of work. As of December 31, 2023, we have two development projects with an aggregate unfunded commitment of \$102.1 million. As of December 31, 2023, \$19.2 million, inclusive of retainage of \$12.2 million, is outstanding and payable in connection with these developments.

## **Note 13 – Subsequent Events**

Management has evaluated subsequent events to determine if events or transactions occurring after the balance sheet date through the date the audited consolidated financial statements were issued require potential adjustment to or disclosure in the audited consolidated financial statements and has concluded that, except as set forth below and disclosed herein, all such events or transactions that would require recognition or disclosure have been recognized or disclosed.

### *Mezzanine Loan Agreement*

On January 31, 2024, our indirect majority-owned subsidiary (the “Mezzanine Borrower”) entered into a mezzanine loan agreement, for up to \$56.4million in principal amount (the “1991 Main Mezzanine Loan”) with Southern Realty Trust Holdings, LLC (the “Mezzanine Lender”). The 1991 Main Mezzanine Loan bears interest at a rate of 13.0% per annum and is secured by our investment in 1991 Main. Advances under the 1991 Main Mezzanine Loan may be used to reimburse us for certain costs and expenses incurred in relation to, and to fund the continued development of, 1991 Main. The 1991 Main Mezzanine Loan has an initial maturity date of May 12, 2027 and contains a one-year extension option, subject to certain restrictions.

In connection with the 1991 Main Mezzanine Loan, we are required to maintain an interest reserve and carry reserve for purposes of paying accrued but unpaid interest on the 1991 Main Mezzanine Loan and interest, principal and other obligations under the 1991 Main Construction Loan (the “Reserves”). We also provided the Mezzanine Lender with (i) a completion guaranty, which, among other things, guarantees completion of the work on 1991 Main, and (ii) a carveout guaranty, which, among other things, indemnifies the Mezzanine Lender for losses resulting from certain “bad acts,” insolvency, environmental conditions, violations of the terms of the 1991 Main Mezzanine Loan and certain provisions of the 1991 Main Construction Loan Agreement (collectively, the “Mezzanine Guarantees”). Similar to the Carveout Guaranty, we provided to the Mortgage Lender, the Mezzanine Guarantees contain financial covenants requiring that we maintain liquid assets of No less than \$20.0 million and a net worth of No less than \$130.0 million. Cash proceeds from the 1991 Main Mezzanine Loan totaled \$39.8 million, after the Reserves of \$15.0 million were held back at closing, and incurring closing costs of \$1.6 million.

### *Related Party*

On February 8 2024, the LH II Loan was repaid in full, including accrued interest (see Note 4 – Related Party Arrangements).

### *Other*

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures.**

None.

**Item 9A. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that any controls and procedures, No matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be No assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective controls system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated, as of the end of the period covered by this Form 10-K, the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of December 31, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

**Managements Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed under the supervision of management, including our Chief Executive Officer and principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and our Board; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial transactions.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management has determined that our internal control over financial reporting as of December 31, 2023 was effective.

**Changes in Internal Control Over Financial Reporting**

There have been No changes in our internal control over financial reporting during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

During the three months ended December 31, 2023, none of our officers or directors adopted or terminated any contract,

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance.

##### Board of Directors

We operate under the direction of our Board, the members of which are accountable to the Company and our Members as fiduciaries. Our current Board members are Brandon Lacoff, Martin Lacoff, Dean Drulias, Timothy Oberweger, Shawn Orser and Ronald Young, Jr. Our Chief Executive Officer is Brandon Lacoff and our Chief Strategic Officer and Principal Financial Officer is Martin Lacoff.

Our Operating Agreement divides our Board into three classes, designated Class I, Class II and Class III. Shawn Orser and Timothy Oberweger are Class I directors, Martin Lacoff and Ronald Young Jr. are a Class II directors and Brandon Lacoff and Dean Drulias are Class III directors. The initial term of Class I directors will expire at our first annual meeting of Members, the initial term of Class II directors will expire at our second annual meeting of Members and the initial term of Class III directors will expire at our third annual meeting of Members. At each successive annual meeting of Members beginning with the first annual meeting, successors to the class of directors whose term expires at such annual meeting will be elected. The holder of our Class M unit, voting separately as a class, is entitled to elect one Class III director (the “Class M Director”) all other directors will be elected by the vote of a plurality of our outstanding Class A units and Class B units, voting together as a single class, to serve for a three-year term and until their successors are duly elected or appointed and qualified. Brandon Lacoff is the Class M Director.

##### Executive Officers and Directors

The following table sets forth information about our executive officers and directors as of the date of this Form 10-K:

Name	Age	Position
Brandon E. Lacoff	49	Chairman of the Board and Chief Executive Officer
Martin Lacoff	76	Director, Chief Strategic Officer and Principal Financial Officer
Dean Drulias	77	Independent Director
Timothy Oberweger	49	Independent Director
Shawn Orser	49	Independent Director
Ronald Young Jr.	49	Independent Director

**Brandon Lacoff, Esq.** has been our Chief Executive Officer since our founding in January 2020 and Chairman of our Board since September 2021. He was also the founder of Belpointe REIT, Inc., a qualified opportunity fund and affiliate of our Manager and Sponsor, and was the Chairman of the Board of Directors, Chief Executive Officer and President from its founding in June 2018 through our acquisition of Belpointe REIT, Inc. in October 2021. Mr. Lacoff is the founder of Belpointe, LLC, a private equity investment firm, and has been Belpointe’s Chief Executive Officer since its founding in 2011. From 2001 to 2011, Mr. Lacoff was a Managing Director and the co-founder of Belray Capital, a Greenwich, Connecticut based real estate and investment firm, which was acquired by Belpointe in 2011. Belpointe is known for such developments as its luxury residential developments in Greenwich (Beacon Hill of Greenwich) to its Class A apartments in Norwalk, Connecticut (The Waypointe District) and Stamford, Connecticut (Baypointe). Belpointe owns several operating businesses throughout the region, including Belpointe Asset Management LLC, a financial asset management firm that manages over \$3 billion in tradable securities. Mr. Lacoff and his executive team bring financial strength, operational expertise and investing discipline to its portfolio of investments. Mr. Lacoff currently serves as the Chairman of the Board of Directors for Belpointe Multifamily Development Fund I, LP, a real estate private equity fund. Prior to Belpointe, Mr. Lacoff began his finance/accounting/tax career at Arthur Andersen, LLP then with Ernst & Young, LLP, in their Mergers and Acquisitions departments. In 2001, he co-founded Belray Capital, and in 2004 left Ernst & Young to focus full-time on Belray Capital. Mr. Lacoff holds a Juris Doctor degree and a Master of Business Administration from Hofstra University and a bachelor’s degree in Finance from Syracuse University. Mr. Lacoff has served on the board of multiple non-profit organizations, including Greenwich Wiffle for the Greenwich Police Silver Shield Association, Youth Services for the Town of Greenwich (a joint venture between the Town of Greenwich and United Way of Greenwich), and the Eagle Hill School Alumni Board. Mr. Lacoff currently serves on the board of two non-profit organizations, The Belpointe Foundation and the Eagle Hill School Board of Trustees. Mr. Lacoff is licensed to practice law as an attorney in the State of Connecticut and State of New York. Mr. Lacoff was selected as a director because of his ability to lead our company and his detailed knowledge of our strategic opportunities, challenges, competition, financial position and business.

**Martin Lacoff** has been our Chief Strategic Officer and Principal Financial Officer since our founding in January 2020 and a member of our Board since September 2021. Mr. Lacoff is an entrepreneur with over 45 years' experience in successfully starting, developing and operating businesses within the securities, real estate, and natural resources industries. He was also Vice Chairman of the Board of Directors and Chief Strategic Officer of Belpointe REIT, Inc., a qualified opportunity fund and affiliate of our Manager and Sponsor, since its founding in June 2018 through our acquisition of Belpointe REIT, Inc. in October 2021. His considerable professional experience includes former Vice-Chairman and Co-Founder of Walker Energy Partners, one of first publicly traded Master Limited Partnership (MLP) that he brought public; and former Chairman, Founder and General Securities Principal of LaClare Securities, Inc., a NASD broker dealer. Mr. Lacoff was also formerly Vice President of institutional equities at Mitchell Hutchins and later Paine Webber. Mr. Lacoff previously served as a Director of Fortune Natural Resources Corporation, a public company that was listed on the American Stock Exchange and is currently on the Board of Directors of the Lion's Foundation of Greenwich, a charitable organization dedicated to helping the blind and visually impaired. Since 2012, Mr. Lacoff has served as a Board of Director for Belpointe Multifamily Development Fund I, LP, where he helps in real estate investment decisions. Mr. Lacoff is an engineer by training, having graduated from Rensselaer Polytechnic Institute and has a Master of Business Administration in Finance from the Simon Business School at University of Rochester. Mr. Lacoff was selected to serve as a director because of his extensive investment and financial experience and detailed knowledge of our acquisition and operational opportunities and challenges.

**Dean Drulias, Esq.** has been practicing private law in Westlake Village, California, since 2002. He was also a member of the Board of Directors of Belpointe REIT, Inc., a qualified opportunity fund, and affiliate of our Manager and Sponsor. Mr. Drulias formerly served as Director, Corporate Secretary and General Counsel of Fortune Natural Resources Corporation, a public oil and gas exploration and production services company that was listed on the American Stock Exchange. Mr. Drulias was also a stockholder and a practicing attorney at the law firm of Burris, Drulias & Gartenberg, where he specialized in the areas of energy, environmental and real property law. Mr. Drulias received his undergraduate degree from the University of California Berkley and has a Juris Doctor degree from Loyola Law School. Mr. Drulias is a member of the California and Texas State Bars. Mr. Drulias was selected as a director because of his senior executive officer and board service experience.

**Timothy Oberweger** has been a Senior Vice President at Commonwealth Land Title Insurance Company, a subsidiary of Fidelity National Financial, Inc. (NYSE: FNF), which provides real estate title insurance, escrow and closing services, and title-related services and specialty finance solutions, since June 2022. He has over 15 years of experience in the title insurance industry. Previously, from October 2017 to June 2022, Mr. Oberweger served as Vice President and Senior Business Development Officer at Stewart Title Commercial Services, a title insurance and settlement company providing services to the real estate and mortgage industries since October 2017. From November 2015 to September 2017, Mr. Oberweger served as Managing Director & Counsel of First American Title Insurance Company. From September 2009 to November 2015, Mr. Oberweger served as Vice President & Counsel of Fidelity National Title Insurance Company and, from September 2005 to August 2009, as Counsel of First American Title Insurance Company. Mr. Oberweger served as chair of the Young Mortgage Bankers Association from August 2015 to December 2017, and since May 2010 has served on the Executive Board of Brooklyn Law School's Alumni Association. From May 1995 to May 1996, he served on the Alumni Board of Macalester College. Mr. Oberweger is currently and has been since March 2018 a member of National Multifamily Housing Council and, since January 2020, a member of Urban Land Institute, ULI and National Association for Industrial and Office Parks. Mr. Oberweger has also previously been a member of the Mortgage Bankers Association, MBA of New York, The International Council of Shopping Centers and served as an elected member of the Representative Town Meeting in Greenwich, Connecticut from September 2011 to December 2017. Mr. Oberweger holds a Juris Doctor from Brooklyn Law School and a Bachelor of Arts from Macalester College.

**Shawn Orser** has been the President of Seaside Financial & Insurance Services, a San Diego, California based investment advisory firm since 2009. He is also a member of the Board of Directors of Belpointe REIT, Inc., a qualified opportunity fund, an affiliate of our Manager and Sponsor. Mr. Orser began his career in finance supporting an Index Arbitrage desk at RBC Dominion Securities, then moved to Merrill Lynch where he worked on the trading desk for the Equity Linked Products Group. Thereafter, he then joined Titan Capital, a New York City based hedge fund where he traded equity derivatives, then worked as a proprietary trader for Remseberg Capital trading equity and option strategies. Afterwards, he moved to the retail side of the investment management business with Northwestern Mutual, then later joined Seaside Financial & Insurance Services. Mr. Orser earned his bachelor's degree in Finance from Syracuse University. Mr. Orser was selected as a director because of his extensive investment and finance experience.

**Ronald Young, Jr.** has been the President and Co-founder of Tri-State LED, a subsidiary of Revolution Lighting Technologies (NASDAQ: RVLTL), which provides LED solutions to commercial, industrial and municipal organizations since 2010. He is also a member of the Board of Directors of Belpointe REIT, Inc., a qualified opportunity fund, an affiliate of our Manager and Sponsor. Prior to 2010, Mr. Young was a managing director and co-founder of Belray Capital, a Greenwich, Connecticut based real estate and investment firm, which was later acquired by Belpointe. Mr. Young has also held several positions in the investment and financial industry with MAC Pension Inc., Strategies for Wealth Strategies (an agency of The Guardian Life Insurance Company of America), and AG Edwards & Sons Inc. (now Wells Fargo Advisors). Ron earned his undergraduate degree from the University of Connecticut. Mr. Young was selected as a director because of his extensive investment and real estate development experience.

## Family Relationships

Brandon Lacoff, Chairman of the Board and our Chief Executive Officer, is the son of Martin Lacoff, a member of the Board and our Chief Strategic Officer and Principal Financial Officer. There are No other family relationships among our executive officers or directors.

## Executive Advisory Board

Our Board has established an Executive Advisory Board to provide both it and our Manager with advice regarding, among other things, potential investment opportunities, general market conditions and debt and equity financing opportunities. The Executive Advisory Board consists of Sarah Broderick, Patrick Brogan, Donald Cogsville, Daniel Kowalski, and Stephen Soler. The members of the Executive Advisory Board will not participate in meetings of our Board unless specifically invited to attend. The Executive Advisory Board will meet at such times as requested by our Board or our Manager. The members of the Executive Advisory Board can be appointed and removed and the number of members of the Executive Advisory Board may be increased or decreased by our Manager from time to time for any reason. The appointment and removal of members of the Executive Advisory Board do not require approval of our Members. The members of our Executive Advisory Board are set forth below.

**Sarah Broderick** is the Founder of The FEAT, formed in November 2018, which delivers products and services aimed at bringing professionals that have left traditional roles in corporate America back into the economy. Ms. Broderick is also currently and has been since November 2020, the executive-in-residence at the UConn Werth Institute for Entrepreneurship and Innovation and also has served on the Werth Institute's Advisory Board since January 2021. Prior to founding The FEAT, Ms. Broderick served as the COO/CFO and member of the Board of Directors of VICE Media from March 2016 to November 2018. Earlier in her career, Ms. Broderick held senior roles across a range of organizations, including oversight of the SEC reporting and the global accounting operations for General Electric from June 2012 to September 2014, and leadership positions at Endeavor from September 2014 to March 2016, NBC Universal from July 2009 to June 2012 and Deloitte from July 2000 to July 2009. Ms. Broderick serves on the Board of Directors of the Girl Scouts of Connecticut, a position which she has held since May 2008 and has been involved in fundraising for the UConn Foundation since November 2019. Ms. Broderick holds a Master of Science in Accounting and a Bachelor of Science in Accounting from the University of Connecticut, where she was also a four-year member and captain of the UConn softball team.

**Donald P. Cogsville** is the Chief Executive Officer of The Cogsville Group, a New York-based private equity real estate investment firm founded in 2007. Since its inception, the firm has invested in \$3 billion of commercial and residential real estate, representing over 4,000 assets in 49 states. Mr. Cogsville began his career as an attorney in the Structured Finance Group at Skadden, Arps, Slate, Meagher & Flom LLP. He then joined the Leveraged Finance Group at Merrill Lynch as an investment banker, and left Merrill Lynch to found RCM Saratoga Capital LLC, a boutique investment banking firm focused on generating value in the urban marketplace. Mr. Cogsville is Of Counsel with Akerman LLP, where his practice focuses on real estate development (specifically urban redevelopments, including opportunity zone projects), real estate financing, and real estate asset management. Additionally, Mr. Cogsville serves or has served on the Board of Marchex, Inc., the Board of Visitors of the University of North Carolina, The New York Urban League, Jazz at Lincoln Center, The Amsterdam News Editorial Board and founded the non-partisan voter registration initiative, Citizen Change. Mr. Cogsville holds a B.A. from the University of North Carolina at Chapel Hill and a J.D. from Rutgers University.

**Daniel Kowalski** is the owner of Wizard of OZ, a bespoke consultancy focused on helping companies utilize Opportunity Zones to grow their businesses while helping the surrounding community to grow and thrive. Previously, from 2017 until January 2021, Mr. Kowalski was Counselor to the Secretary at the U.S. Treasury Department. Mr. Kowalski was the Treasury official responsible for policy development of the regulations, forms and instructions required to implement Opportunity Zones. He worked with Treasury and IRS staff as well as public- and private-sector stakeholders to provide as much flexibility for the use of the Opportunity Zone incentive consistent with the four corners of the statute. Mr. Kowalski has been a featured speaker at over 70 Opportunity Zone events in 30 cities in 20 states and Puerto Rico. He was named a "Top 25 OZ Influencer" in both 2019 and 2020 by Opportunity Zone Magazine. Mr. Kowalski is also a recipient of the Alexander Hamilton Award, the highest Treasury honor for employees whose performance and leadership demonstrate the highest standards of dedication to public service and the Treasury Department. Prior to Treasury, Mr. Kowalski was Deputy Staff Director of the Senate Budget Committee. He also served as the Director of Budget Review for the House Budget Committee. Mr. Kowalski started in Washington with the Congressional Budget Office (CBO) as a Principal Analyst in the unit responsible for preparing CBO's baseline budget projections. In state government, Mr. Kowalski worked as Director of the Legislative Budget Office for the Missouri General Assembly, and as the senior individual income tax analyst with the Finance Committee for the New York State Senate. Mr. Kowalski started his career as a management analyst for the Deputy Commissioner for Audit in the New York City Department of Finance. Mr. Kowalski holds a Master of Public Policy degree from Harvard's Kennedy School and a Bachelor of Arts from St. John's College in Annapolis, Maryland.

**Stephen Soler** is the Managing Director of Stockbridge Realty Advisors, LLC, where he oversees underwriting, financing, and project management for real estate investments, including assisting Societe Generale with various real estate related matters including developing risk management protocols. Over the past 30 years, Mr. Soler has held senior positions at both real estate investment companies as well as commercial banks focused on commercial real estate financing, where he has overseen more than \$15 Billion of commercial real estate transactions covering all asset classes and real estate sectors. Prior to Stockbridge

Realty Advisors, LLC, Mr. Soler held the position of Managing Director at Societe Generale and was part of the credit assessment team focused on risk management. Mr. Soler is an Adjunct Professor at the NYU Schack Institute of Real Estate where he has taught for more than fifteen years in the Master of Real Estate Program with a focus on Entrepreneurship and Sustainable Development. Mr. Soler graduated from the University of Massachusetts at Amherst with a degree in economics, and he attended the Harvard Graduate School of Design. He has served as a member of the Economics Department Advisory Board at the University of Massachusetts, the Board of the YMCA of Greenwich, and on several Town of Greenwich Boards and Advisory Committees.

### **Audit Committee**

The purpose of the audit committee is to assist our Board in overseeing and monitoring the quality and integrity of our financial statements, our compliance with legal and regulatory requirements, the performance of our internal audit function and our independent registered public accounting firm's qualifications, independence and performance.

Our audit committee is comprised of Timothy Oberweger, Shawn Orser and Ronald Young Jr. The chair of our audit committee is Shawn Orser. Our Board has determined that each member of our audit committee satisfies the independence standards under Rule 10A-3 promulgated under the Exchange Act and the NYSE American listing standards. The audit committee has a charter that is available on our website, [www.belpointeoz.com](http://www.belpointeoz.com), under the "Investors" section.

### **Code of Ethics**

We have a Code of Business Conduct and Ethics, which applies to our employees, if any, officers and directors and is available on our website, [www.belpointeoz.com](http://www.belpointeoz.com), under the "Investors" section. We intend to disclose any amendments to or waivers of our Code of Business Conduct and Ethics on behalf of our principal executive officer, principal financial officer or principal accounting officer, either on our website or in a Current Report on Form 8-K filing.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who beneficially own more than ten percent of our Class A units to file initial reports of ownership and reports of changes in ownership with the SEC and furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us or written representations from such persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, with respect to the year ended December 31, 2023, such persons complied with all such filing requirements.

### **Member Recommendations for Nominations to the Board of Directors**

Our nominating and corporate governance committee will consider recommendations of candidates for election as directors that are submitted by any member holding a sufficient number of voting units both on the date of the submission and the date of the annual meeting such that the member may elect one or more directors to the Board assuming that such member cast all of the votes it is entitled to cast in such election in favor of a single candidate and such candidate receives No other votes from any other member, and so long as such recommendations comply with our Operating Agreement and applicable laws, rules, and regulations, including those promulgated by the SEC and the NYSE American. Our nominating and corporate governance committee will evaluate such recommendations in accordance with its charter, our Operating Agreement, and our policies and procedures for director candidates. This process is designed to ensure that our Board includes members with diverse backgrounds, skills, and experience, including appropriate financial and other expertise relevant to our business. Eligible members wishing to recommend a candidate for nomination should contact our Manager in writing at Belpointe PREP, LLC, 255 Glenville Road, Greenwich, Connecticut 06831. Any such recommendations must include the information about the candidate required by our Operating Agreement, a statement of support by the recommending member, evidence of the recommending member's ownership of our voting units, and a signed letter from the candidate confirming willingness to serve on our Board. Our nominating and corporate governance committee has discretion to decide which individuals to recommend for nomination as directors.

Members must deliver written notice to our Manager not less than 90 days nor more than 120 days prior to the anniversary of the date of the immediately preceding annual meeting; provided that where No annual meeting was held in the prior year or the annual meeting is set for a date that is more than 30 days before or after the anniversary of the prior year's annual meeting, members must deliver such notice not later than the close of business on the 10th day following the date on which we first publicly disclose the date of the annual meeting.

### **Item 11. Executive Compensation.**

We are externally managed and currently have No employees or intention of having any employees. Our executive officers also serve as officers of our Manager and our Sponsor or one or more of their affiliates. Our management agreement provides that our Manager will be responsible for managing our day-to-day operations and investment activities, as such our



executive officers do not receive compensation from us or any of our subsidiaries for serving as our executive officers but, rather, receive compensation from our Manager. We will not reimburse our Manager for any compensation paid to our executive officers. Our management agreement does not require our executive officers to dedicate a specific amount of time to the conduct of our business and affairs or prohibit our executive officers from engaging in other activities or providing services to other persons, including affiliates of our Manager and Sponsor. Accordingly, our Manager has informed us that it cannot identify the portion of compensation it will award to our executive officers that relates solely to such executives' services to us, as our Manager does not compensate its employees specifically for such services. Furthermore, we do not have employment agreements with our executive officers, we do not provide pension or retirement benefits, perquisites or other personal benefits to our executive officers, our executive officers have not received any nonqualified deferred compensation and we do not have arrangements to make payments to our executive officers upon their termination or in the event of a change in control of us.

### Non-Employee Director Compensation

We commenced principal operations on October 28, 2020. For the year ended December 31, 2023, each of our non-employee directors received \$20,000 in cash compensation for their service as directors. Going forward, we intend to establish a policy to compensate each of our non-employee directors on an annual basis paid in quarterly installments in arrears, which compensation may, in the sole discretion of our Board, be paid to members in the form of cash or equity, or a combination of both cash and equity. We also intend to adopt a unit ownership policy for our non-employee directors in order to better align our non-employee directors' financial interests with those of our unitholders by requiring non-employee directors to own a minimum level of our Class A units.

We do not pay our directors additional fees for attending board meetings, but we reimburse each of our directors for reasonable out-of-pocket expenses incurred in connection with attending board and committee meetings (including, but not limited to, airfare, hotel and food). For the year ended December 31, 2023, all of our Board and committee meetings have been held virtually and our directors did not incur any expenses in connection with attending board or committee meetings.

### Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters.

The following table sets forth information regarding the number and percentage of Class A units, Class B units and the Class M unit owned by

- each of our directors;
- each of our named executive officers
- all of our directors and executive officers as a group;
- and any person known to us to be the beneficial owner of more than 5% of our outstanding units.

As of March 22, 2024, there were 3,631,703 Class A units issued and outstanding, 100,000 Class B units issued and outstanding and one Class M unit issued and outstanding.

Beneficial ownership is determined in accordance with the rules of the SEC. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed a beneficial owner of securities as to which he has No economic interest. To our knowledge, except as otherwise set forth in the notes to the following table, each person named in the table has sole voting and investment power with respect to all of the interests shown as beneficially owned by such person. Unless otherwise specified, the address for each of the persons named below is c/o Belpointe PREP, LLC, 255 Glenville Road, Greenwich, Connecticut 06831.

Name of Beneficial Owner	Class A units Beneficially Owned		Class B units Beneficially Owned		Class M units Beneficially Owned	
	Number	Percent	Number	Percent	Number	Percent
<b>Directors and Officers</b>						
Brandon E. Lacoff <sup>(1)(2)</sup>	207	*	100,000	100%	1	100%
Martin Lacoff <sup>(3)</sup>	12	*	—	—%	—	—%
All directors and officers as a group	219	*	100,000	100%	1	100%
<b>5% Unitholders</b>						
Empirical Financial Services, LLC. d.b.a.						
Empirical Wealth Management <sup>(4)</sup>	275,137	8%	—	—%	—	—%
Belpointe PREP Manager, LLC <sup>(2)</sup>	—	—%	100,000	100%	—	100%

\* Represents less than 1%

- (1) Belpointe, LLC, our Sponsor, owns 206 Class A units and Belpointe Capital Management, LLC (“BCM”), an affiliate of our Sponsor, owns one Class A unit. Brandon E. Laccoff, the manager of our Sponsor and BCM, may be deemed to share voting and dispositive power with respect to the Class A units held by our Sponsor and BCM.
- (2) Belpointe PREP Manager, LLC, our Manager, owns 100,000 Class B units and one Class M unit, and Brandon E. Laccoff, the manager of our Manager, may be deemed to share voting and dispositive power with respect to the Class B units and Class M unit held by our Manager.
- (3) M&C Partners III, owns 12 Class A units and Martin Laccoff and his spouse share voting and dispositive power with respect to the Class A Units.
- (4) Based on information contained in a Schedule 13G/A filed with the SEC by Empirical Financial Services, LLC. d.b.a. Empirical Wealth Management (“Empirical”) on February 8, 2024. According to the Schedule 13G/A, as of December 31, 2023, Empirical had sole power to vote or direct the vote of 275,137 of our Class A units beneficially owned and sole power to dispose of or direct the disposition of 266,090 of our Class A units beneficially owned. The address of Empirical’s principal business office is 1420 5th Avenue, Suite 3150, Seattle, Washington 98101. The Schedule 13G/A provides information only as of December 31, 2023 and, consequently, the beneficial ownership of Empirical may have changed between December 31, 2023 and the filing date of this Form 10-K.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The following describes all transactions during the year ended December 31, 2023 and all currently proposed transactions involving us, our executive officers, directors, Manager, Sponsor and any of their respective affiliates.

#### **Our Transactions with Belpointe REIT**

During the year ended December 31, 2021 we entered into a series of transaction with Belpointe REIT, Inc. Belpointe REIT was an affiliate of our Sponsor, and our Sponsor is indirectly owned by our Chief Executive Officer and beneficially owned by certain immediate family members of our Chief Executive Officer.

Pursuant to the terms of an Agreement and Plan of Merger (the “Merger Agreement”), we conducted an offer to exchange (the “Offer”) each outstanding share of common stock (the “Common Stock”), of Belpointe REIT, Inc. (“Belpointe REIT”) validly tendered in the Offer for 1.05 of our Class A units, with any fractional Class A units rounded up to the nearest whole unit (the “Transaction Consideration”). The Offer was completed on September 14, 2021.

Following the Offer, and in accordance with the terms of the Merger Agreement, Belpointe REIT converted from a corporation into a limited liability company (the “Conversion”) named BREIT, LLC (“BREIT”). In the Conversion each outstanding share of Common Stock was converted into a limited liability company interest (an “Interest”) in BREIT. The Conversion was completed on October 1, 2021.

Following the Conversion, and in accordance with the terms of the Merger Agreement, BREIT merged with and into BREIT Merger, LLC (“BREIT Merger”), our wholly-owned subsidiary (the “Merger”). In the Merger, each outstanding Interest was converted into the right to receive the Transaction Consideration. The Merger was completed on October 12, 2021.

Prior to and in connection with the Offer and Merger, we entered into a series of loan transactions with Belpointe REIT, whereby Belpointe REIT advanced us an aggregate of \$74.0 million evidenced by a series of secured promissory notes (the “Secured Notes”) bearing interest at an annual rate of 0.14%, due and payable on December 31, 2021, and secured by all of our assets. Upon consummation of the Merger, BREIT Merger acquired the Secured Notes as successor in interest to Belpointe REIT and, effective October 12, 2021, we entered into a Release and Cancellation of Indebtedness agreement with BREIT Merger pursuant to the terms of which BREIT Merger cancelled the Secured Notes and discharged us from all obligations to repay the principal and any accrued interest on the Secured Notes.

#### **Our Affiliate Transactions**

##### ***Our Transaction with Belpointe Investment Holding, LLC***

In furtherance of the Merger, Belpointe REIT sold its (the “1991 Main Interest”) in the holding company for 1991 Main Street (“1991 Main”) to Belpointe Investment Holding, LLC (“BI Holding”), an affiliate of our Chief Executive Officer. As part of the transaction, BI Holding assumed a \$10.8 million secured loan (the “Acquisition Loan”), and Belpointe REIT provided BI Holding with a \$24.8 million loan, which was evidenced by a secured promissory note bearing interest at an annual rate of 5.0% and due and payable at maturity on September 14, 2022 (the “BI Secured Note”). Upon consummation of the Merger, we acquired

the BI Secured Note as successor in interest to Belpointe REIT. The Acquisition Loan, including outstanding interest of less than \$0.1 million, was repaid in full on April 22, 2022.

Pursuant to an Agreement to Accept Interest in Satisfaction of Obligations (the “Agreement to Accept”), effective November 30, 2021, we, through an indirect majority owned subsidiary, acquired the 1991 Main Interest from BI Holding in consideration of its payment to us of \$0.3 million in interest that had accrued under the terms of the BI Secured Note through November 30, 2021, and in satisfaction of its remaining obligations under the BI Secured Note.

#### ***Our Transaction with Norpointe, LLC***

On January 3, 2022, through an indirect wholly-owned subsidiary, we provided a commercial mortgage loan in the principal amount of \$30.0 million (the “Norpointe Loan”) to Norpointe, LLC (“Norpointe”), an affiliate of our Chief Executive Officer. Norpointe is the owner of certain real property located at 41 Wolfpit Avenue, Norwalk, Connecticut 06851 (the “Norpointe Property”). The Norpointe Loan was evidenced by a promissory note bearing interest at an annual rate of 5.0%, due and payable on December 31, 2022, and was secured by a first mortgage lien on the Norpointe Property.

On June 28, 2022, for purposes of complying with the qualified opportunity fund requirements under the Code and related Treasury Regulations, we restructured the Norpointe Loan through an indirect majority-owned subsidiary (the “Restructured Norpointe Loan”). The Restructured Norpointe Loan was evidenced by a promissory note bearing interest at an annual rate of 5.0%, was due and payable on June 28, 2023, and was secured by a first mortgage lien on the Norpointe Property. On December 13, 2022, we repaid the Restructured Norpointe Loan, including accrued interest of less than \$0.1 million, in full.

#### ***Our Transaction with Belpointe Development Holding, LLC***

On October 30, 2023, we borrowed \$1.5 million from Belpointe Development Holding, LLC, an entity in which certain immediate family members of our Chief Executive Officer have a passive indirect minority beneficial ownership interest, pursuant to the terms of an unsecured promissory note (the “BDH Note”). The BDH Note was due and payable on March 31, 2024 and interest accrued on the BDH Note at an annual rate of 4.5%. The proceeds of the loan were used for general corporate purposes. On December 29, 2023, the BDH Note, including accrued interest of less than \$0.1 million, was repaid in full.

#### ***Our Transaction with Lacoff Holding II, LLC***

On December 29, 2023, we borrowed \$4.0 million from Lacoff Holding II LLC, an affiliate of our Chief Executive Officer, pursuant to the terms of a promissory note secured by a first mortgage lien on certain property owned by subsidiaries of the Company (the “LH II Loan”). The LH II Loan is due and payable on April 1, 2024 and interest accrues on the LH II Note at an annual rate of 5.26%. The proceeds of the loan were used for general corporate purposes. On February 8 2024, the LH II Loan was repaid in full, including accrued interest.

The opportunity zone regulations allow us to apply the 90% Asset Test without taking into account any proceeds from our Primary Offering that we receive in the 6-month period preceding the Test Date, provided those proceeds are held in cash, cash equivalents, or a debt instrument with a term of 18-months or less. Accordingly, given our excess cash on hand as of the year ended December 31, 2021, management viewed the Norpointe transaction as an opportunity to earn a strong rate of return on that cash by making a low risk—due to the low loan-to-value ratio and first priority mortgage interest—short-term loan rather than depositing the funds in a lower yielding account pending investment in future developments. For additional details regarding the 90% Asset Test see, [Item 1. “Business—Qualified Opportunity Zone Program.”](#)

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## **Our Relationship with our Manager and Sponsor**

We are externally managed by our Manager, which is responsible for managing our day-to-day operations, implementing our investment objectives and strategy and performing certain services for us, subject to oversight by our Board and the limitations set forth in our Operating Agreement. Our Manager is an affiliate of our Sponsor and is indirectly owned by our Chief Executive Officer and beneficially owned by certain immediate family members of our Chief Executive Officer.

## **Our Management Agreement**

Pursuant to the terms of the Management Agreement, a team of investment and asset management professionals, acting through our Manager, makes all decisions regarding the origination, selection, evaluation, structuring, acquisition, financing and development of our commercial real estate properties, real estate-related assets, including commercial real estate loans and mortgages, and debt and equity securities issued by other real estate-related companies, as well as private equity acquisitions and investments, and opportunistic acquisitions of other qualified opportunity funds and qualified opportunity zone businesses, subject to the limitations in our operating agreement. Our Manager also provides portfolio management, marketing, investor relations, financial, accounting and other administrative services on our behalf with the goal of maximizing our operating cash flow and preserving our invested capital.

Pursuant to the terms of the Management Agreement, our Manager is responsible for, among other things:

- serving as our investment and financial manager with respect to originating, underwriting, acquiring, and managing our investment portfolio;
- structuring the terms and conditions of our acquisitions, sales and joint ventures; and
- retaining, for and on our behalf, services related to, among other things, our Primary Offering, and any other offerings that we may conduct, the development, operation and management of our investments, calculation of our NAV, administrative, accounting, tax, legal and investor relations services, financing services, and services related to property management, leasing, development and construction.

The initial term of the Management Agreement continues through December 31, 2025, and may only be terminated (i) for “cause,” (ii) upon the bankruptcy of our Manager, or (iii) upon a material breach of the Management Agreement by our Manager. “Cause” is defined in the Management Agreement to mean fraud or willful malfeasance, gross negligence, the commission of a felony or a material violation of applicable law, in each case that has or could reasonably be expected to have a material adverse effect on us. Following the initial term, the Management Agreement will automatically renew for an unlimited number of three-year terms unless we elect not to renew it by providing our Manager with 180 days’ prior notice.

Upon any termination or non-renewal of the Management Agreement by us or any termination of the Management Agreement by our Manager for our breach of the Management Agreement, our Manager will be entitled to receive its prorated management fee through the expiration or termination date and will be paid a termination fee equal to six times the annual management fee earned by our Manager during the 12-month period ended as of the last day of the quarter immediately preceding the termination date.

In addition, upon any termination or non-renewal of the Management Agreement, our Manager will continue to hold our Class B units. Upon termination or non-renewal of the Management Agreement, our Manager will cooperate with us and take all reasonable steps requested by us to assist our Board in making an orderly transition of the management function.

#### **Management Fee, Class B Units and Expense Reimbursement**

As compensation for its services under the Management Agreement, we pay our Manager a quarterly management fee at an annualized rate of 0.75%. The management fee is based on our NAV at the end of each fiscal quarter. During the years ended December 31, 2023, and 2022, we incurred management fees due to our Manager of \$2.7 million and \$2.6 million, respectively.

As additional compensation for its services under the Management Agreement, we issued our Manager 100,000 Class B units, representing all of our issued and outstanding Class B units. The Class B units entitle our Manager to 5% of any gain recognized by or distributed to us or recognized by or distributed from our Operating Companies or any subsidiary. As a result, any time we recognize an operating gain (excluding depreciation) or receive a distribution, whether from continuing operations, net sale proceeds, refinancing transactions or otherwise, our Manager is entitled to receive 5% of the aggregate amount of such gain or distribution, regardless of whether the holders of our Class A units have received a return of their capital. The allocation and distribution rights that our Manager is entitled to with respect to its Class B units may not be amended, altered or repealed, and the number of authorized Class B Units may not be increased or decreased, without the consent of our Manager. During the years ended December 31, 2023 and 2022, we did not make any Class B unit allocations or distributions to our Manager.

Pursuant to the Management Agreement, we reimburse our Manager and its affiliates, including our Sponsor, for actual fees and expenses incurred in connection with our Primary Offering, the Offer and Merger, the selection, origination, acquisition and management of our investments, and for out-of-pocket expenses paid to third parties in connection with providing services to us. Expenses reimbursable are payable at the election of the recipient in cash, by issuance of our Class A units at the then-current NAV, or through some combination of the foregoing. For additional details regarding the Offer and the Merger see, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Transactions with Belpointe REIT, Inc.”

During the years ended December 31, 2023, and 2022, our Manager and its affiliates, including our Sponsor, incurred \$2.9 million, and \$2.9 million, respectively, for fees and expenses on our behalf.

#### **Our Employee and Cost Sharing Agreement**

Pursuant to the Employee and Cost Sharing Agreement, our Sponsor provides our Manager with access to portfolio management, asset valuation, risk management and asset management services, as well as administration services addressing legal, compliance, investor relations and information technologies necessary for the performance by our Manager of its duties under the Management Agreement, and our Sponsor or one or more of its affiliates is entitled to receive expense reimbursements and our Manager’s allocable share of employment costs incurred by the Sponsor. For additional details regarding our Employee and Cost Sharing Agreement, see [Item 1. “Business—Human Capital.”](#)

During the both years ended December 31, 2023, and 2022, our Sponsor and its affiliates incurred \$1.8 million for fees, expenses and employment costs on our behalf.

## Development Fees

Pursuant to the terms of development agreements that we enter into with affiliates of our Sponsor, such affiliates are entitled to receive (i) development fees on each project in an amount that is usual and customary for comparable services rendered to similar projects in the geographic market of the project, and (ii) reimbursements for their expenses, such as employee compensation and other overhead expenses incurred in connection with the project.

In connection with our acquisitions of 902-1020 First and 900 8th Avenue South, a development fee of 4.5% of total project costs will be charged throughout the course of each project (the “Development Fee”), of which one half was due at the close of each acquisition. In connection with our acquisition of 1991 Main Street, on March 29, 2022, we commenced construction on one of our properties located in Sarasota, Florida, and in connection therewith, due to an increase in scope of work, we agreed to increase the development fee payable to an affiliate of our Sponsor under the terms of our existing development management agreement from 4.0% to 4.25%. In addition, again due to the increase in scope of work, as well as due to increases in construction costs, we revised our construction budget. As a result of the increase in development fees and revisions to our construction budget, we incurred an additional upfront development fee of \$2.5 million, which is included in Real estate under construction in our consolidated balance sheets. The remaining development fee will be earned throughout the project in accordance with the terms of the development management agreement.

The development company receiving the Development Fee is indirectly owned by our Chief Executive Officer and beneficially owned by certain immediate family members of our Chief Executive Officer. For additional details regarding our acquisitions of 1991 Main Street, 902-1020 First, and 900 8th Avenue South see, [Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Investments—Investments in Multifamily and Mixed-Use Rental Properties.”](#)

During the year ended December 31, 2023, we incurred \$5.9 million for development fees, and we incurred \$1.7 million for employee reimbursement expenditures relating to projects under development. During the year ended December 31, 2022, we incurred \$4.3 million for development fees, and we incurred \$1.5 million for employee reimbursement expenditures relating to projects under development.

## Director Independence

Our Class A units are listed on the NYSE American under the symbol “OZ.” Pursuant to NYSE American’s corporate governance requirements, a majority of a listed company’s board of directors must be made up of independent directors. Under the NYSE American corporate governance requirements, a director is “independent” if the director is not an executive officer or employee of the company and the company’s board of directors affirmatively determines that the director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our Board has determined that Dean Drulias, Timothy Oberweger, Shawn Orser and Ronald Young, Jr. are independent directors under the NYSE American corporate governance requirements.

## Item 14. Principal Accountant Fees and Services

The following table sets forth the aggregate fees for professional services provided by our independent registered public accounting firm, Citrin Cooperman & Company, LLP, for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
Audit fees <sup>(1)</sup>	\$ 138,685	\$ 134,575
Tax fees <sup>(2)</sup>	—	—
<b>Total</b>	<b>\$ 138,685</b>	<b>\$ 134,575</b>

(1) Audit fees consist of fees for services related to the annual audit of our fiscal 2023 and 2022 consolidated financial statements, reviews of our interim unaudited consolidated financial statements, and services that are normally provided in connection with statutory and regulatory filings and engagements.

(2) Tax fees consist of fees for professional services rendered during 2023 for 2022 state and federal tax compliance.

## Audit Committee Pre-Approval Policies and Procedures

In accordance with our audit committee charter, our audit committee is required to approve, in advance, all audit and non-audit services to be provided by our independent registered public accounting firm. All services reported in the table above were approved by our audit committee. Our audit committee charter is available on our website, [www.belpointeoz.com](http://www.belpointeoz.com), under the

## PART IV

**Item 15. Exhibits and Financial Statement Schedules.**

(a) The following documents are filed as part of this Form 10-K:

(1) Consolidated financial statements: See Item 8. Financial Statements and Supplementary Data.

(2) Financial statement schedules: Schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are not applicable and therefore have been omitted.

(3) Exhibits: The following exhibits are filed with this Form 10-K:

Exhibit Number	Description	Incorporated by Reference			
		Form	File Number	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated as of April 21, 2021, by and among Belpointe PREP, LLC, BREIT Merger, LLC and Belpointe REIT, Inc.	S-11	333-255424	2.1	September 30, 2021
3.1	Certificate of Formation.	S-11	333-255424	3.1	September 30, 2021
3.2	Amended and Restated Limited Liability Company Operating Agreement.	S-11	333-255424	3.2	September 30, 2021
4.1	Subscription Agreement (included in Appendix B).	S-11	333-255424	4.1	September 30, 2021
10.1	Management Agreement, effective as of October 28, 2020, by and among Belpointe PREP, LLC, Belpointe PREP OC, LLC, Belpointe PREP TN OC, LLC, Belpointe PREP Manager, LLC and Belpointe LLC.	S-11	333-255424	10.1	September 30, 2021
10.2	Employee and Cost Sharing Agreement, effective as of October 28, 2020, by and among Belpointe PREP, LLC, Belpointe PREP OC, LLC, Belpointe PREP TN OC, LLC and Belpointe PREP Manager, LLC.	S-11	333-255424	10.2	September 30, 2021
10.3	Promissory Note, dated January 3, 2022.	8-K	001-40911	10.12	January 6, 2022
10.4	Mortgage Deed and Security Agreement, dated January 3, 2022.	8-K	001-40911	10.13	January 6, 2022
10.5*	Promissory Note (Mezzanine Loan), dated as of January 31, 2024.				
21*	Subsidiaries of Registrant.				
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
97.1*	Belpointe PREP, LLC Clawback Policy.				
101.INS	Inline XBRL Instance Document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				

- 101.DEF Inline XBRL Taxonomy Extension Definition  
Linkbase Document.  
101.LAB Inline XBRL Taxonomy Extension Label Linkbase  
Document.  
101.PRE Inline XBRL Taxonomy Extension Presentation  
Linkbase Document.  
104 Cover Page Interactive Data File (embedded within the Inline XBRL document).  
\* Filed herewith.

**Item 16. Form 10-K Summary**

None.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) or the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 20, 2024

**Belpointe PREP, LLC**

By: */s/ Brandon E. Lacoff*

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Brandon E. Lacoff  
Chairman of the Board and Chief Executive Officer

By: */s/ Martin Lacoff*

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Martin Lacoff  
Director, Chief Strategic Officer, Principal Financial Officer  
and Principal Accounting Officer

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