

Equity Resource Investments, LLC

1280 Massachusetts Ave., 4th Floor

Cambridge, MA 02138

(617) 876-4800

info@equityresources.com

<https://www.erillc.com>

March 30, 2022

This brochure provides information about the qualifications and business practices of Equity Resource Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (617) 876-4800 and/or info@equityresources.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the Securities and Exchange Commission as an investment adviser does not imply a certain level of skill or training.

Additional information about Equity Resource Investments, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

The following items are the material changes made since the last annual update of Equity Resource Investments, LLC's Brochure dated March 26, 2021:

In Item 4, the estimated assets managed on a discretionary basis by Equity Resource Investments, LLC through its affiliates increased from approximately \$1,245,547,125 as of December 31, 2021 to approximately \$1,410,150,559 as of March 15, 2022, which includes additional capital commitments received between December 31, 2021 and March 15, 2022 for funds in their offering periods.

Table of Contents

<u>Item</u>	<u>Page</u>
4	Advisory Business.....1
5	Fees and Compensation1
6	Performance-Based Fees and Side-by-Side Management5
7	Types of Clients5
8	Methods of Analysis, Investment Strategies and Risk of Loss6
9	Disciplinary Information12
10	Other Financial Industry Activities and Affiliations12
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading13
12	Brokerage Practices14
13	Review of Accounts14
14	Client Referrals and Other Compensation14
15	Custody15
16	Investment Discretion15
17	Voting Client Securities16
18	Financial Information16

Item 4 ADVISORY BUSINESS

Formed in 2002, Equity Resource Investments, LLC (the “Company”) is a Massachusetts limited liability company. The Company and its affiliates provide investment management and other services to, and act as general partners or managers of certain private funds formed at the direction of the Company to invest in a portfolio of real estate-related investments and certain investment vehicles that have invested in specific properties or portfolios of properties. The funds and investment vehicles are collectively referred to as the “Funds”. The principal owners of the Company are Eggert Dagbjartsson, Victor J. Paci, William Andrews, Paul Coelho, Joanne Foley, Bruce Quinn, Kurt Spring and Bryn Zeckhauser. The Company is managed by a committee of Managers comprised of Mr. Dagbjartsson, Mr. Paci, Mr. Coelho, Mr. Quinn and Ms. Zeckhauser. Certain Funds are managed by Messrs. Dagbjartsson and Paci and others by committees comprised of Mr. Dagbjartsson, Mr. Paci, Mr. Andrews and/or Mr. Spring.

The Company, either directly or through its wholly-owned subsidiary, ERF Manager LLC, advises the Funds on real estate-related investments. The Company, ERF Manager LLC and affiliates of the Company that serve as managing members, managers or general partners of Funds are referred to, collectively or individually as the context warrants, as “ERI”. ERI focuses on direct and indirect investments in real estate, with a particular focus on the identification, evaluation, and execution of opportunistic real estate transactions involving privately-held interests and “special situation” investments that can be purchased at a discount to underlying asset value. Many investments are illiquid, private securities. ERI employs a team of professionals to locate and analyze potential investments, including exit strategies, suited to the investment objectives of the Funds.

ERI currently provides investment management services to pooled investment vehicles that were formed to invest in a portfolio of real estate-related investments, and one pooled investment vehicle created to invest in an interest in a non-real estate related company.

ERI manages an estimated \$1,410,150,559 of assets on a discretionary basis, which includes (i) aggregate uncalled capital commitments for all Funds and asset valuations, in each case as of December 31, 2021, plus (ii) additional aggregate uncalled capital commitments for Equity Resource Fund 2022 as of March 15, 2022. ERI does not manage any assets on a non-discretionary basis.

Item 5 FEES AND COMPENSATION

Most of the Funds pay fees and other compensation to ERI. Applicable fees and compensation are set forth in the offering materials or governing documents of each Fund.

Some Funds do not pay fees or other compensation to ERI, but some pay expenses in connection with the services listed in paragraphs D, E, F and G below.

A. MANAGEMENT FEES

Many of the Funds pay annual management fees (the "Management Fees") to ERI equal to the greater of (i) 2% per annum on the aggregate amount of invested capital (reduced when an investment is liquidated or otherwise disposed of by the Fund), and (ii) .5% per annum on the total amount of invested capital (without reduction as described in clause (i) above) during the term of the Fund. The Management Fee is calculated by ERI and payable quarterly in arrears on the first day of each fiscal quarter based upon the greater of the applicable amounts set forth in clauses (i) and (ii) above as of the end of the then preceding fiscal quarter, and is not refundable.

In addition, some Funds have formed, and new Funds may form, wholly-owned limited liability companies or other entities for the purpose of acquiring Investments for the exclusive benefit of the Fund having individual acquisition values of less than \$750,000 or \$1,000,000, as set forth in each Fund's offering material (e.g., fractional interests in real estate entities acquired through tender offers, mergers and similar transactions). In such cases, such entities pay a management fee equal to 2% per annum on the amount of capital invested by such entity, which will not exceed, in the aggregate during the term of such entity's existence, an amount equal to 8% of the total amount of capital invested by such entity to acquire interests or other securities in third parties.

Affiliates of ERI serve as the general partners, managers or managing members of the Funds and generally are entitled to a residual interest in the Funds' profits after return of investor capital plus an additional specified return. The amounts are set forth in each Fund's governing documents.

B. INVESTMENT INTEREST IN LIEU OF A FEE

Funds sometimes acquire the general partnership interest in, and/or management of, portfolio investments. In such cases, ERI may receive a fee for providing administrative services. In some instances, in lieu of the fee for administrative services, ERI may receive a percentage interest in the portfolio company.

C. ADDITIONAL FEES

From time to time ERI provides services to portfolio investments, such as substantially assisting with financing activity or property sales activity, that go beyond the responsibilities of the Fund or the management company under their

respective agreements, and ERI receives payment by such portfolio investments of fees for services and reimbursement of expenses.

D. CUSTODIAN EXPENSE

Most Funds pay a fee for custodial services.

E. ACCOUNTING EXPENSE

Generally, all Funds pay general accounting fees, and the accounting fees paid by Equity Resource Fund 2011 Holdings LLC (all Series), Equity Resource Fund 2011 REIT LLC, Equity Resource Fund 2011 Limited Partnership, Equity Resource Fund 2013 Holdings LLC (all Series), Equity Resource Fund 2013 REIT LLC, Equity Resource Fund 2013 Limited Partnership, Equity Resource Fund 2015 Holdings LLC (all Series), Equity Resource Fund 2015 REIT LLC, Equity Resource Fund 2017 Holdings LLC (all Series), Equity Resource Fund 2017 REIT LLC, F2017 Employee Participation Fund LLC, Equity Resource Fund 2018 LLC, Equity Resource Fund 2018 REIT LLC, F2018 Employee Participation Fund LLC, Equity Resource Fund 2020, Equity Resource Fund 2020 REIT LLC, F2020 Employee Participation Fund LLC, Equity Resource Fund A 2022 LLC, Equity Resource Fund B 2022 LLC, Equity Resource Fund C 2022 LLC and F2022 Employee Participation Fund LLC include the cost of an audit of annual financial statements, in each case as described in more detail in each applicable Fund's offering materials or governing documents.

F. LEGAL EXPENSE

Funds pay legal fees to outside law firms in connection with the acquisition of certain investments and for any for legal services required during the life of the Fund.

Funds also pay ERI for legal services provided by in-house attorneys in connection with a Fund's investments. In certain Funds, such amounts shall not exceed what would be charged by qualified outside legal counsel for comparable services, and in all events up to the maximum amount of \$200,000 per Fund per calendar year. Equity Resource Fund A 2022 LLC, Equity Resource Fund B 2022 LLC, Equity Resource Fund C 2022 LLC, Equity Resource Fund 2020 LLC, Equity Resource Fund 2018 LLC, Equity Resource Fund 2017 Holdings LLC (all Series) and Equity Resource Fund 2015 Holdings LLC (all Series) pay in-house legal fees at an hourly rate equal to 50% of the competitive market rate for services provided in connection with the acquisition, management and disposition of its investments, without such limitation.

G. OTHER EXPENSE

Each Fund pays or reimburses ERI for the Fund's allocable share of administrative fees and expenses, as described in the offering materials or governing documents, including, but not limited to, the following fees and expenses:

- Organizational, maintenance and liquidation expenses of the Fund.
- Taxes.
- Travel and other expenses incurred by the officers and employees of the management company in maintaining the operations of the Fund and in connection with the investigation, making, monitoring, maintaining and/or liquidation of investments, whether or not consummated.
- Expenses paid for services rendered and/or products provided by persons not employed by the management company or any of its affiliates in maintaining the operations of the Fund and/or in connection with the investigation, making, monitoring, maintaining and/or liquidation of investments, including, without limitation, postage, copying and printing expenses, research expenses, including, computer network and software expenses, and publication subscription expenses, and legal expenses and commissions or placement fees or similar charges, in each case, whether or not consummated.
- Expenses relating to litigation and threatened litigation involving the Fund.
- Expenses relating to usual and customary legal, custodial and accounting services (including tax return preparation) provided to the Fund by third parties.
- Other expenses paid to third party service and product providers to the extent used in the maintenance and operation of the Fund and/or in connection with the investigation, making, monitoring, maintaining and/or liquidation of Investments, e.g, computer and network expenses.
- Expenses of continuing the Fund's legal existence and its qualification to do business in any state.
- Governmental fees of the Fund.
- Reporting costs of the Fund.
- Expenses incurred in connection with the preparation and delivery of reports to investors.
- Premiums for insurance to protect the Fund and, in their representative capacity on behalf of the Fund, the general partners, managing members, members, managers, officers and employees of ERI, the management company, and officers and employees of the management company.
- Sales or use taxes assessed against either the Fund or the management company in respect of the management fee shall be borne by the Fund.

ERI pays all compensation and expenses of the officers and employees of ERI, including payroll taxes, bonuses and employee benefits; all rent payable by ERI

for its own office space; all entertainment expenses; and all other expenses in the nature of general overhead expenses of ERI.

A Fund may retain third parties for necessary services relating to the assets held by the Fund, including any management, development, construction, leasing and other property management services. ERI may provide such services, for which it will receive compensation at competitive market rates.

Except for the fees described above in paragraph C, Additional Fees, paid by Equity Resource Fund 2011 Holdings LLC (all Series), Equity Resource Fund 2013 Holdings LLC (all Series), Equity Resource Fund 2015 Holdings LLC (all Series), Equity Resource Fund 2017 Holdings LLC (all Series), Equity Resource Fund 2018 LLC, Equity Resource Fund 2020 LLC, Equity Resource Fund A 2022 LLC, Equity Resource Fund B 2022 LLC, and Equity Resource Fund C 2022 LLC, none of the fees and expenses described in this section is set off against the Management Fees a Fund pays to ERI.

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Certain affiliates of ERI that serve as the general partners, managers and managing members of certain Funds are not entitled to a residual interest in the Fund's profits (and are not otherwise entitled to receive a performance-based fee). The potential conflict that may arise with respect to allocation of investment opportunities between a Fund that pays a performance based fee and one that does not typically is uncommon because, generally, at any particular time, only one Fund is open to making additional purchases. In the event that a conflict were to arise between two Funds both open to making additional purchases, one Fund that pays a performance-based fee and one Fund that does not, ERI would consider means of resolving the conflict, potentially including consents from investors in the relevant Funds to a proposed course of action.

Item 7 TYPES OF CLIENTS

The Funds are generally pooled investment vehicles, which have minimum investments ranging from no minimum to \$250,000, as set forth in each Fund's offering materials or governing documents, subject to waiver by the applicable general partner/manager/managing member in its sole discretion.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES
AND RISK OF LOSS

With one exception, the Funds invest, either directly or indirectly, in commercial and multifamily real estate. ERI pursues off-market transactions in which pricing advantage can be achieved due to transaction complexity, fractional ownership situations, seller distress, lack of control, and acceptance of illiquidity. In addition, ERI often pursues transactions of a size that are unlikely to generate significant competitive interest. Investments are made through the secondary acquisition of existing ownership interests and new transactions originated with third-party investment operators. ERI generally pursues, but does not exclusively pursue, transactions having intermediate to long-term investment time horizons.

ERI investments generally fall into the following transaction types:

- Investments in the equity of public and/or private limited partnerships or other entities which directly or indirectly own, develop, lease, operate and/or manage real estate or assets with respect to which real estate is a material component, including controlling positions such as general partnership interests in such entities.
- Direct investments in real estate, including fractional interests such as tenant-in-common interests, joint venture interests or other equity participations.
- Investments in both secured and unsecured debt incurred by entities directly or indirectly owning, developing, leasing, operating and/or managing real estate.
- Investments in private or public real estate investment trusts and other similar entities.

ERI's value-based approach informs its methods of analysis. In general, each prospective investment is evaluated using "bottom-up" economic and financial analysis. Emphasis is placed on income-based valuation models (principally utilizing discounted cash flow and direct income capitalization methods) corroborated by actual transaction data and other inputs, including feedback from consultants and local market professionals. Third-party research published by recognized experts is often obtained and the prior performance and backgrounds of management are assessed.

Each investment is underwritten to meet or exceed return objectives measured on an absolute internal rate of return and equity multiple basis. Risks associated with illiquidity, financial leverage, local market conditions, reliance on third-party management, lack of control, legal/regulatory compliance, and transaction execution are analyzed and considered in the selection, structuring, and pricing of each new investment.

The investments made by the Funds involve certain risks, including the loss of the entire investment. Risks are set forth in the offering materials of each Fund. Risk factors include, but are not limited to, the following:

Risk of Insufficient Investigation. ERI generally will conduct what it believes to be a reasonable investigation to ascertain material information with respect to any Investment which a Fund intends to make. Such investigation, for example, may include a review of the governing agreement of the Investment Entities and any offering materials prepared on behalf of such Investment Entities, conversations with the general partners or other managing members or managers of the entities in which the Investments are made (herein, the “Local General Partners”), and when deemed appropriate, visits to or inspections of specific Investment assets.

The degree of investigation of a particular Investment will depend to some extent on factors of time and economy. In each case, ERI must make a judgment as to whether a site visit is appropriate. It must be noted that in the event that ERI determines that such a site visit would be appropriate with respect to a particular Investment, due to the cost of such investigation, time limitations and limitations on the ability of ERI to investigate any Investment Entities relevant thereto and related persons, ERI may fail to discover all material facts concerning such Investment. The costs of investigation generally mean that ERI will make a judgment as to the appropriate scope and depth of investigation under the circumstances. ERI may often rely heavily upon the quality and integrity of information, valuations and other data provided by the Local General Partners.

ERI, however, may fail to ascertain all material adverse facts pertaining to the Investments or their management. This may occur for several reasons including errors in judgment about the scope of investigation and the receipt of inaccurate or incomplete information.

Risk of Unfavorable Prices. Many of the investments of the type which may be made by the Funds (the “Investments”) are sold relatively infrequently and there is no established market mechanism for determining the value of such interests. Therefore, the Funds must rely on the judgment of ERI, and there is a risk that, even after investigation, such judgment might prove to be incorrect. Moreover, many partnership or other governing agreements of the entities which own the properties (“Investment Entities”) will contain provisions granting the partners or other equity owners of such Investment Entities certain rights to purchase the equity interests thereof prior to resale. Thus, there is a risk that the Funds will not be able to obtain or dispose of Investments at prices favorable to the Funds.

Risks of Real Estate Ownership. Each Fund, as an investor in Investment Entities, will be subject to the risks incident to the management and ownership of improved real estate. Neither the Investments nor the properties or assets underlying Investments will be readily marketable. The Investments will be subject to adverse general economic conditions, and, accordingly, the status of the applicable national and local economies,

including factors such as substantial unemployment and/or inflation that could increase vacancy levels, rental payment defaults, and operating expenses, which, in turn, could substantially increase the risk of operating losses for the properties comprising the Investments. The equity of the Investment Entities will be subject to loss through foreclosure, which might occur for any number of reasons. Operating expenses may increase without a corresponding increase in rent, or rental income may decline due to vacancies.

The problems described above may result from a number of causes, many of which cannot be controlled by either the ERI or the Local General Partners, e.g., limited cash flow and other factors, including adverse changes in the financial condition of Local General Partners, improper management, changes in the general economic conditions, and adverse local conditions, such as competitive over building, a decrease in employment, or vandalism (with attendant extra repair, replacement and security costs). The financial failure of a major tenant resulting in the termination of the tenant's lease or nonpayment of rent would likely cause at least a temporary reduction in cash flow from a particular property underlying an Investment and might result in a significant decrease in its market value. In the event of such a termination, there can be no assurance that the Investment Entity would be able to find a new tenant at the same rent or sell the property without incurring a loss. In addition, the rental income of the Investment Entities may be dependent upon the success of the tenants in that it may be based on a percentage of gross receipts of such tenants. Further, the amount of the mortgage on each property owned by such Investment Entities is expected to be high in relation to the equity of such Investment Entities, with consequently higher debt service than if less leverage were utilized. Increases in real estate taxes, utilities, maintenance and other costs will adversely affect property viability. If adequate rent increases cannot be obtained to offset increased costs, cash returns, if any, to the Investment Entities may be precluded, or if rental receipts, net of other operating expenses, are insufficient to service a property's debt, the loss through foreclosure of the equity in the properties underlying an Investment may result.

The risks described above have become significantly more acute since the outbreak of the COVID-19 virus and the steps taken by the local and federal governments to slow the outbreak. The hospitality sector has seen forced closures and reduced business as travel has, during certain periods since the outbreak of the COVID-19 virus, come to a standstill. Some hotels in which our Funds invest have been able to negotiate forbearance agreements. It is unclear how long it will be before the hospitality sector returns to pre-COVID-19 levels, and whether lenders will be cooperative. The retail sector has similarly been hit with forced closures, reduced capacities and lenders unwilling to negotiate lease terms. The reverberations from this crisis have not yet been fully realized. It is expected that the crisis will have an adverse impact on both United States and worldwide markets for the foreseeable future.

Risk of Climate Change. Each Fund, as an investor in Investment Entities, will be subject to the risks incident to the management and ownership of improved real estate. Real estate assets are susceptible to both gradual and more acute climate risks, depending on

geographical location and other factors. Gradual climate risks might include sea-level changes, varying weather patterns (such as an increased frequency of rain or wind), drought and higher or lower average temperatures. The impact of catastrophic climate events is more apparent and more immediate than gradual weather events. Hurricanes, wildfires, typhoons, tornadoes and earthquakes pose a significant threat to both residential and commercial buildings and can negatively impact a real estate investment. Events resulting from climate change can materially impair real estate investments in a number of ways including, but not limited to property downtime and/or business disruption, decrease in property value, increased insurance costs or reduced insurance availability, increased maintenance and operations costs or a complete property loss.

Risks of Roll-Up. Investments are subject to the risk that the Investment Entities may be combined with a number of entities in what is known as a “roll up” transaction. When such an Investment Entity is rolled up, it will be merged with other entities, typically having the same or affiliated general partner or manager, into a single entity owning all of the assets previously owned by the applicable Investment Entity and the other entities. Unless a Fund is an equity owner in each of the combined entities, the result will be a dilution of the Fund’s interest in each Investment Entity involved in the transaction and the acquisition by the Fund of an equity interest in a partnership or other entity owning properties not previously owned by the Investment Entities involved in the transaction.

There can be no assurance that all of the properties or assets in the combined entity would meet the Fund’s criteria for investment. Any such transaction may additionally involve the payment of substantial fees to the Local General Partners and their affiliates and the alteration of significant terms of the partnership or other governing agreements of the Investment Entities involved, including, without limitation, the lengthening of the terms of such entities. While a roll up transaction typically requires the approval of the limited partners or other equity owners of each of the limited partnerships or other entities involved, there can be no assurance that such approval will not be obtained even if ERI determines that a Fund should vote its interests in the particular Investment Entities against any such proposed transaction (or conversely, that such approval would be obtained, if a Fund determines that it should vote its interests in favor of any such transaction).

Risks of Governmental Actions and Regulations. Each Fund, as a partner or other equity owner in the Investment Entities in which it will invest, will be subject to the risks imposed by governmental actions and regulations. The values of real properties can be substantially diminished by adverse changes in zoning laws, increases in real estate taxes, rent control ordinances, environmental laws and regulations, application of the governmental right of eminent domain, and restrictions on the convertibility of apartments into condominium and cooperative units. Investments by a Fund in Investment Entities owning properties having governmental insured mortgages or receiving various forms of national or local assistance may be subject to certain conditions and risks that differ from conventionally financed residential housing. These conditions and risks include, but are not limited to, (a) general surveillance by the Department of

Housing and Urban Development (“HUD”) or other agencies, which includes the application of rental and other guidelines affecting tenant eligibility and rent levels, (b) requirements for justifying rental increases and operational changes to applicable agencies, with possible attendant delays in their implementation, (c) certain restrictions placed on annual rent increases, (d) the uncertain effects of changes in the complex rules and regulations governing such assistance programs or changes in the manner in which those regulations are interpreted, and (e) the failure of applicable governmental entities or agencies to appropriate funds for housing subsidies (e.g. Section 8 housing assistance programs).

Possible Limited Diversification or Over-Concentration of Investments. For any new Fund, to the extent that fewer than all of the Units are sold, and especially if only the minimum number of Units are sold, a Fund will make fewer Investments, increasing the overall level of risk in a Fund’s portfolio of Investments. Although a Fund will attempt to make numerous Investments, opportunities may arise to invest in one or more Investment Entities owning larger properties, and to the extent that a Fund’s amount available for investment is so allocated, the real estate and other risks associated with this investment would be affected.

Need for Management Experience; Lack of the Funds’ Control. Except as described below under “Risks of Purchasing General Partnership Interests or Incurring General Liability,” the success of a Fund will depend to a large extent on the quality of the management of the Investment Entities. The Local General Partners will have the authority to make management decisions relating to Investments and the operation of their investment assets, and by the management organizations they may employ. The identity and management experience of the Investment Entities and the Local General Partners are generally not known or ascertainable at the time of the Fund’s offering. Except as described below under “Risks of Purchasing General Partnership Interests or Incurring General Liability,” a Fund will generally be a limited partner or other passive equity owner in the Investment Entities, and as such, its control over the management of the Investment Entities will be extremely limited. Furthermore, the Investors have, under the terms and conditions of the Operating Agreement of a Fund and applicable law, limited rights with respect to management of a Fund, and, accordingly, will not be able to exercise any control with respect to a Fund’s business decisions and operations.

Risks of Purchasing General Partnership Interests or Incurring General Liability. In Investment Entities that are general partnerships or joint ventures, a Fund may invest through a limited partnership in which it is a limited partner or in such other manner designed to avoid subjecting the Fund to unlimited general liability such that it will again have no control over the management of the venture. Moreover, a Fund may also acquire from time to time general partnership interests in Investment Entities and, as such, the Fund will acquire control, in whole or in part, over such Investment Entities. In any such event, a Fund may invest through separate special purpose entities or in such other manner designed to avoid subjecting the Fund to unlimited general liability. Notwithstanding the foregoing, there can be no assurance that a Fund will so invest in

any of the foregoing manners or that it will be able to successfully avoid subjecting itself to any such general liability.

Leverage; Cash from Property Operations. The Investment Entities will often have leveraged their partners' or other equity owners' investment therein by incurring nonrecourse debt. A Fund's managing member shall use its commercially reasonable efforts to maintain the aggregate amount of indebtedness for borrowed money with respect to the Investment Entities and Investments at an aggregate amount not to exceed 65% of the aggregate gross value of all of the Investment Entities and Investments at the Investment Entity and Investment level (as of the time the Investments are made), but in no event more than 80% of such aggregate gross value of all Investment Entities and Investments at the Investment Entity and Investment level as of the dates of investment (without taking into account, for purposes of this calculation, the amount of any indebtedness that is subject to forgiveness in accordance with its customary terms and conditions); provided, that for the avoidance of doubt, nothing shall limit a Fund's right to incur indebtedness for borrowed money as described in its offering materials. A Fund will also incur recourse debt, which may subject other assets of the Fund and its investors' investments to risk of loss. Such recourse debt will include one or more of the following: (i) a warehousing line of credit to fund the acquisition of Investments prior to the initial closing of a Fund; (ii) a subscription line of credit to fund the acquisition of Investments made after the initial closing of a Fund pending the receipt by the Fund of the proceeds from capital contributions; (iii) an investment line of credit in an amount not to exceed 10% of the total capital commitments of a Fund to fund the acquisition of Investments at any time; and (iv) an additional line of credit to borrow funds to make additional Investments or investments in Investment Entities under circumstances where there are no unfunded capital commitments from investors then available to the Fund, and such additional Investments or investments in Investment Entities are necessary, in the reasonable determination of ERI, in order to avoid any material diminution in the value, or forfeiture, of the applicable Investment, Investment Entity and/or Fund ownership interest therein. As a result of the use of leverage, a relatively slight decrease in the rental revenues of the Investment Entities may materially and adversely affect such Investment Entities' cash flow and, in turn, a Fund's cash flow. To the extent that a Fund's cash flow is not sufficient to meet the payment of the ongoing Management Fee and Other Expenses, ERI would use initial operating reserves and working capital in a manner consistent with the other needs of the Fund and may, if necessary, pay such fees and expenses out of Fund capital. Should any Investment Entity's revenues be insufficient to service its debt and pay taxes and other operating costs, such Investment Entity will be required to use its working capital, seek additional funds, or suffer a foreclosure of its property. There can be no assurance that any necessary additional funds will be available to the Investment Entities, or, if available, will be on terms favorable to the Investment Entities or a Fund.

Liability of the Funds. When investing as a limited partner or other equity owner of Investment Entities, a Fund will not have the right to participate directly in the management of such Investment Entities or their operations. In such cases, the Funds

intend to obtain certain rights with respect to voting on or approving of certain matters, including the sale of the underlying assets of the Investment Entities, although this cannot be guaranteed. By the existence or exercise of such rights, it could be asserted that a Fund was taking part in the control of the operations of the Investment Entities and should thereby incur liability for all debts and obligations of such Investment Entities. If this were found to be the case, a Fund's assets, including, but not limited to, its interests in any Investment Entities, could be reached by creditors of another Investment Entity. When deemed appropriate, the Funds seek advice of counsel for the Investment Entities that the existence and exercise of such rights would not subject the Funds to liability as a general partner, but can give no assurance that they will receive such an opinion in any given case.

Moreover, as discussed above, a Fund may also acquire from time to time general partnership interests or other controlling positions in Investment Entities and, as such, it will acquire control, in whole or in part, over the management of such Investment Entities. As further discussed above, the Funds will attempt to structure such investments in a manner designed to avoid subjecting the Fund to unlimited general liability, but there can be no assurance that the Fund will be successful in avoiding such general liability.

Risks of Conflict of Interest. The Fund's general partners or managers will receive economic benefits, and ERI will receive compensation, in connection with the offering of a Fund's securities and the operations of the Funds. The determinations of the amount of such economic benefits and compensation and other costs related to the offerings, and of the pricing of the interests, are not the result of arm's-length negotiations.

Possibility of Uninsured Losses. Although it is anticipated that the Investment Entities will have arranged for comprehensive insurance on their assets, such insurance may provide for deductible amounts that must be paid by such partnerships in the event of losses. In addition, there are certain types of losses (such as those caused by floods or earthquakes) that may be either uninsurable or not economically insurable.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of ERI or its management persons.

Item 10 Other Financial Industry Activities and Affiliations

Except as set forth below, neither ERI nor any of its management persons are registered, has an application pending to register as, or is an associated person of, any of the following:

- A broker-dealer or a registered representative of a broker-dealer.
- A futures commission merchant.

- A commodity pool operator.
- A commodity trading advisor

ERI shares office space with Equity Resources Group, Incorporated (“ERG”). The owners of ERG collectively own less than 20% of the Company. ERI provides clerical and administrative services to ERG.

Item 11 Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

ERI has adopted a Code of Ethics as part of its compliance policy that addresses, among other topics, personal securities trade reporting, standards of conduct, and limitation and restrictions on gifts and entertainment. All ERI Supervised Persons must adhere to the compliance policy and employee policies and procedures in place at ERI. A copy of our Code of Ethics is available to any client or prospective client upon request.

The Code of Ethics acknowledges that ERI and its Supervised Persons have a fiduciary duty to ERI’s clients. That fiduciary duty requires ERI to enforce certain standards of conduct that are applicable to all of its Supervised Persons in order to protect the confidentiality of material non-public information held by ERI and to govern certain securities trading activities of certain Supervised Persons (“Access Persons”).

Access Persons are required to conduct all personal securities transactions in full compliance with the Code of Ethics, and should not take any action in connection with personal securities transactions that could cause even the appearance of unfairness or impropriety, relative to ERI’s clients. The Code of Ethics requires Access Persons, among other things, to: (i) seek pre-approval of any investments that they will beneficially own directly or indirectly in any initial public offering, limited offering or real estate securities; (ii) periodically report all their personal securities transactions involving reportable securities that they beneficially own directly or indirectly; and (iii) certify their compliance with the Code of Ethics on at least an annual basis.

ERI principals and their affiliates may enter into principal transactions with certain Funds. The operating documents of certain Funds permit a vote of the investors to liquidate such Funds without the consent of the managing member or general partner, typically 10 years after the initial closing of the Fund. Investors in such Funds may also be asked by the managing member or general partner to consent to the liquidation of a Fund after the Fund has liquidated most of its investments and, as a result, the Fund’s operating expenses will consume a substantial portion of any potential remaining cash flow of such Fund. In the event of a liquidation, ERI principals and their affiliates may acquire the Fund’s assets through a merger or other transaction that provides each investor in the Fund such investor’s pro rata share of the Fund’s then net asset value subject to a discount,

which is disclosed to investors. In the alternative, ERI principals may offer to purchase the interests of investors in a Fund at a price equal each such investor's pro rata share of the Fund's then net asset value subject to a discount, which is disclosed to investors. ERI addresses this potential conflict of interest through written disclosure and consent. Among other facts, ERI discloses to each Fund investor in writing prior to any purchase of any Fund's assets, or, in the case of a Fund investor who desires to sell his interest in a Fund, of such investor's interest in the Fund, that ERI principals and their affiliates will be purchasing such interests at the fair market value of the investments or the net asset value of the Fund subject to a discount, which is disclosed to investors. In addition, ERI obtains each Fund's prior written consent before any purchase of a Fund's assets occurs.

Item 12 Brokerage Practices

ERI does not engage broker-dealers for transactions on behalf of the Funds.

ERI does not suggest or recommend broker dealers to the Funds.

ERI does not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

Item 13 Review of Accounts

Most Funds have an investment period during which the Fund may invest its capital. During the investment period, ERI looks for investments that will diversify the types of real estate a Fund holds, the geographic locations of its investments, the structure through which it holds the investments and the expected holding period before a capital event will occur. Meetings of the investment team are held as needed, but generally on a weekly basis, until a Fund is fully invested. Investments are generally illiquid and cannot be sold or transferred. However, after the investment period, ERI will continue to review the investments with a view to appropriate exit strategies.

Certain partners of ERI are also the managing persons of the managing members, general partners or managers of the Funds. Therefore, no written reports are required between ERI and the Funds. Managing members, general partners and managers of the Funds generally make semi-annual reports to the Funds' investors.

Item 14 Client Referrals and Other Compensation

ERI does not receive any economic benefits from non-clients for providing investment advice or other advisory services.

ERI has engaged placement agents on behalf of certain Funds to assist with the sale of Fund interests. Generally, a placement agent will receive as compensation a percentage of the capital committed by the investor(s) introduced by the placement agent. Payments are made by ERI, not the Funds, and are paid upon receipt by the applicable Fund of the capital contribution from the investor(s) introduced by the placement agent.

Otherwise, neither ERI nor any related person directly or indirectly compensates any person for client referrals.

Item 15 Custody

On behalf of certain Funds, ERI has engaged First Republic Bank and Millennium Trust Company, each a qualified custodian, to maintain custody of client funds and securities. First Republic Bank and/or Millennium Trust Company, as the case may be, sends statements to investors in such Funds at least quarterly. Investors should review those statements with care.

Equity Resource Fund 2011 Holdings LLC (all Series), Equity Resource Fund 2011 Limited Partnership, Equity Resource Fund 2011 REIT LLC, Equity Resource Fund 2013 Holdings LLC (all Series), Equity Resource Fund 2013 Limited Partnership, Equity Resource Fund 2013 REIT LLC, Equity Resource Fund 2015 Holdings LLC (all Series), Equity Resource Fund 2015 REIT LLC, Equity Resource Fund 2017 Holdings LLC (all Series), Equity Resource Fund 2017 REIT LLC, F2017 Employee Participation Fund LLC, Equity Resource Fund 2018 LLC and its associated Alternate Investment Vehicles, Equity Resource Fund 2018 REIT LLC, F2018 Employee Participation Fund LLC, Equity Resource Fund 2020 LLC and its associated Alternate Investment Vehicles, Equity Resource Fund 2020 REIT LLC, F2020 Employee Participation Fund LLC, Equity Resource Fund A 2022 LLC, Equity Resource Fund B 2022 LLC, Equity Resource Fund C 2022 LLC and F2022 Employee Participation Fund LLC are subject to audits of their annual financial statements. The annual financial statements and audit report are sent to each investor in these Funds within 120 days of the fiscal year end of each Fund.

Item 16 Investment Discretion

ERI itself makes recommendations but does not have authority to purchase or sell securities without the approval of the general partner, manager or managing member of each Fund. However, the general partners, managers and managing members of the Funds, each of which has authority to purchase and sell securities for a Fund, are affiliates of ERI because they are under common control with ERI and accordingly ERI indirectly has investment discretion.

Item 17 Voting Client Securities

ERI makes recommendations but does not have authority to exercise voting rights held by Funds. However, affiliates of ERI as general partners or managing members of the Funds, which have registered with the Securities & Exchange Commission as "relying advisers," have authority to exercise voting rights held by the Funds. Those entities have adopted a policy that calls for those votes to be exercised in the best interest of the Fund that holds the voting rights and provides for consideration of potential conflicts between the interest of a Fund and ERI or its affiliates. Clients may contact the Chief Compliance Officer during regular business hours, via email at info@erillc.com or telephone at 617-876-4800, to obtain information on how ERI voted such client's proxies and a copy of ERI's proxy voting policy and procedures.

Item 18 Financial Information

ERI has not been the subject of a bankruptcy petition at any time during the past ten years.