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CEDARst GP Development Fund Initial Writeup

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Summary of the Fund

The CEDARst GP Development Fund allows access for accredited investors to institutional-scale, ground-up, multi-family developments in top US urban core markets. The Fund invests alongside institutional investors subject to promote incentives, whereas, the Fund is not subjected to the promote and receives a portion of the Manager's promote from those institutional investors.

Investment Strategy

CEDARst has historically capitalized on various tax strategies to enhance return on investment, and the Fund incorporates a Roth IRA conversion strategy where depreciation captured during construction reduces the tax liability on the roth conversion in the subsequent year(s). The firm focuses on fostering diverse, accessible communities and over one-third of CEDARst's current portfolio consists of affordable housing generating investor returns alongside a social benefit.

Asset Class

The Fund will be involved in multifamily development projects in stable, growing markets with strong economic and demographic characteristics such as San Diego, Las Vegas and South Florida.

Liquidity/Subscriptions/Distributions

There is no liquidity of the fund except at times of property liquidations. There are no distributions until properties are stabilized and cash flowing and will be allocated pro rata based on membership.

Exit Strategy & Timeline

The fund is set to close by year end (2025) or earlier depending on the speed of the raise. The hold period is targeted for 5 years from the close of the offering. There are no distributions except due to exits at property liquidation.

Investor Suitability

Investors must be Accredited Investors.

Minimum Investment

The minimum investment for this fund is \$50,000.



Expenses & Fees

Management fees are 2% of capital contributions for first 4 years then based on NAV. Additional fees: Construction management fee – 1% of development budget; Development fee – up to 3% of development budget; Design fee – up to 1% of development budget; loan guarantee fee – 1% of any guarantee amount.

Leadership Experience

CEDARst is owned and controlled by Alex Samoylovich, William Murphy and Mark Heffron. Mr Samoylovich is CEDARst's founder and managing partner and has sourced, invested in and managed hundreds of transactions and has been involved in developing more than \$4B in real estate. Mr Murphy, founder, CEO and managing partner is responsible for the development process and portfolio management. He has more than 20 years of commercial real estate experience in development and finance and has transacted over \$5B in real estate assets. Mr. Heffron is the chief development officer and managing partner and executes CEDARst's development projects. He has over 17 years of real estate development experience.

Potential Risks

Real estate development has many risks. Development risk associated with potential cost overruns and meeting projected timelines. Financing could be problematic depending on the macroeconomic environment such that it may be difficult to obtain financing on favorable terms. Projected investor returns are highly dependent on terminal cap rate assumptions. As a result of market forces, cap rates could rise beyond management's expectations. Although the sponsor has had 27 full-cycle assets with a median IRR of 22%, past performance is not a guarantee of future returns.

Disclosure

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Statements in this communication regarding financial projection, potential exit scenarios, business strategy and plans and objectives for future operations are forward-looking statements. Words such as “Target,” “Anticipated,” “Believe,” or “Estimate” and other expressions, identify forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions made by, and information currently available to the alternative investment named herein. Other phrases like, “Track record,” “has exercised,” and the like are words that denote historical data exists to support the assertion, but historical data does not guarantee future results.

This investment, like any other, is subject to risks, uncertainties and unexpected variables that could adversely affect performance. An investor’s decision to buy into this strategy should consider unexpected contingencies that could influence ultimate success.

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