

# RXR Qualified Opportunity Zone Fund

RXR 153 Alpha Group Capital

## Offering Summary

May 2019

RXR Realty LLC (together with its affiliates, "RXR Realty", "RXR" or the "Sponsor") is sponsoring a group of parallel limited liability companies (collectively, the "RXR Qualified Opportunity Zone Fund" or, the "Fund"). RXR believes that it is uniquely positioned to invest in designated Qualified Opportunity Zones ("QOZs") in the New York metropolitan area real estate market, given its rank as one of Manhattan's largest landlords, its multi-disciplined, fully-integrated platform, management experience, *Power of Local* competitive advantage and pipeline of properties located within QOZs.

### Management Team & Capabilities

RXR's executive management team has been investing and executing in the New York metropolitan area for the past 23 years. The management team now leads a nearly 500 person, vertically integrated real estate operating and development company.

### RXR QOZ Opportunities

RXR controls a robust pipeline of nine properties comprised of almost 2,900 units of multifamily and approximately 675,000 square feet of office in locations now designated as QOZs.

### RXR Investment Portfolio<sup>1</sup>

68 Commercial real estate properties and investments  
 24.6 million square feet  
 \$18.2 billion aggregate gross asset value  
 Residential portfolio includes multifamily and for-sale units:  
 2,600 units under operation or development  
 3,600 units with control rights

### Equity Raised

\$7.5 billion of equity raised since 2009

### Potential Benefits of Investing in QOZs

QOZs are designated urban and suburban or rural communities where new investment, under certain conditions, may be eligible for preferential tax treatment. QOZs were devised to create opportunities and incentivize investment in low-income urban and suburban and rural communities throughout the nation.

360 HUGUENOT, NEW ROCHELLE, NY



Rendering. 360 Huguenot is one of RXR's developments located within a designated QOZ.<sup>2</sup>

### Impact Investing

Creation of the Fund is anticipated to enable RXR to accelerate projects within QOZs and spur the economic development these communities need. Through RXR's collaborative spirit and corporate philosophy of "doing good and doing well," RXR recognizes the need for responsible investment, particularly in order to successfully develop in these submarkets.

Key Highlights	
The Fund	RXR Qualified Opportunity Zone Fund
Sponsor	RXR Realty LLC
Manager	RXR Asset Management LLC, a registered investment advisor with the Securities and Exchange Commission
Fund Size	The Fund is targeting capital commitments of \$500.0 million. The Initial Closing was held on April 10, 2019, on which date \$102.6 million was raised and the Investor's Capital Commitments were fully funded.
Investment Strategy	The Fund will seek to invest, through qualified opportunity funds, in real estate and real-estate focused businesses within qualified opportunity zones
Product Focus	Common or Preferred Equity investments in office, residential, retail, hospitality, industrial, storage, logistics, leisure, infrastructure and/or mixed-use properties and real estate-focused businesses
Commitment of Sponsor	(i) \$5,000,000 or (ii) 1.0% of the Fund's aggregate Capital Commitments (rounded to the nearest \$100,000) if less
Minimum Commitment	\$250,000 by Accredited Investors and Qualified Purchasers
Qualified Purchasers	Generally, an individual or beneficiary of a participant-directed plan or family trust/entity with at least \$5 million in qualified investments or an entity with at least \$25 million qualified investments
Term	12 years from the Final Closing, subject to extension of not more than three consecutive one-year periods
Distributions	Net proceeds attributable to each investment of each Parallel LLC, after reserves and expenses, will be apportioned and distributed among the Members of such Parallel LLC pro rata, with respect to each investment as follows: (i) Return 100% of total capital to Investor Members; (ii) greater of: (x) a 5% cumulative internal rate of return and (y) a 1.5x equity multiple to Investor Members; (iii) 50%/50% catch up to 15% distributions of profit to Managing Member; (iv) 15% to Managing Member/85% to Investor Members, until a 1.75x equity multiple to Investor Members; (v) 50%/50% catch up to 20% distributions of profit to Managing Member; (vi) 20% to Managing Member/80% to Investor Members, until a 2.0x equity multiple to Investor Members; (vii) 50%/50% catch up to 25% distributions of profit to Managing Member; (viii) 25% distributions thereafter to Managing Member/75% to Investor Members
Management Fee (% per annum)	2.00% for investments below \$1.0 million; 1.85% for investments below \$3.0 million; 1.75% for investments below \$10.0 million; 1.5% greater than or equal to \$10 million
Services by Affiliates	Affiliates of the General Partner may provide certain property-related and other services on behalf of the Fund's investments including leasing, management, construction and development services
Fund Administration Fee	0.09% per annum on committed capital
Other Fees	The Manager or an affiliate will be entitled to receive a financing fee equal to 0.5%. The Managing Member or any of its affiliates may, at the option of the Managing Member, provide guaranties or other indemnities for the purpose of permitting a Parallel LLC to acquire, own, finance, refinance or sell an investment (or a portion thereof), in which case the guarantor shall be entitled to a fee that the Managing Member believes to be fair and reasonable under the circumstances, such fees may be as high as 2.0% of the aggregate potential liability with respect to such guaranty or indemnity. In the event the Managing Member or any affiliate thereof secures any credits, tax credits or related benefits, grants, subsidies, or other economic incentives or public funding from any governmental municipalities or agencies for an investment, such party shall receive a fee equal to 2.0% of the amount received. The Parallel LLCs may use different fee and profit-sharing structures with respect to the underlying properties for legal, tax, regulatory or other commercial reasons, as determined by the Managing Member to be fair and reasonable under the circumstances. The Managing Member does not expect the overall economic impact to investors of the aggregate cost of these fee and profit-sharing structures to differ materially between the Parallel LLCs. In that respect, if one or more Parallel LLCs acquire an indirect interest in 360 Huguenot (11k/a 587 Main Street), of which there can be no assurance, the anticipated structure shall include the Managing Member or an affiliate thereof would be receiving a 2% fee based on gross sales proceeds on a direct or indirect sale of the property, but only if cumulative cash distributions received by Investor Members (inclusive of sales proceeds but exclusive of the disposition fee itself) exceed the cumulative costs incurred to acquire and complete the property.
Auditor	KPMG LLP
Fund Counsel to Sponsor	Fried, Frank, Harris, Shriver & Jacobson LLP
Tax Reporting	As a result of the Fund being structured as a group of parallel limited liability companies, investors should expect to receive a Schedule K-1 from each Parallel LLC