CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

US Diversity Group Hotel Fund LLC

A Georgia Limited Liability Company

July 14, 2020

$15,000 MINIMUM INVESTMENT

SUMMARY OF OFFERING

This Private Placement Memorandum (Memorandum) relates to the sale (Offering) of Class A Interests (Units) in US Diversity Group Hotel Fund LLC, a Georgia limited liability company (the Company). The individual Unit price, Minimum Dollar Amount and Maximum Dollar Amount of the Offering are described below.

Class A Interests	Price to Investors	Sellers' Commissions	Proceeds to the Company
Per Unit	$500	$0	$500
Minimum Dollar Amount	$50,000	$0	$50,000
Maximum Dollar Amount	$50,000,000	$0	$50,000,000

The Offering will commence on July 14, 2020. The Company's Minimum Dollar Amount of this offering is $50,000. The funds must be returned if the Minimum Dollar Amount is not raised within 120 days from the date of the first investment from an Investor. The Manager may elect to keep this Offering open until July 14, 2021.

IMPORTANT NOTICES TO INVESTORS

FOR THIS OFFERING, THE MANAGER IS RELYING ON AN EXEMPTION FROM SECURITIES REGISTRATION UNDER THE FEDERAL SECURITIES AND EXCHANGE COMMISSION'S REGULATION D, RULE 506(C).

EACH PURCHASER HEREOF REPRESENTS THAT IT IS PURCHASING FOR ITS OWN ACCOUNT (OR A TRUST ACCOUNT IF THE PURCHASER IS A TRUSTEE) AND NOT WITH A VIEW TO RESELL THE SECURITY. PER RULE 144 OF THE SECURITIES AND EXCHANGE COMMISSION, AFTER INITIAL SALE, THE SECURITIES MAY NOT BE RESOLD WITHIN ONE YEAR WITHOUT REGISTRATION OR QUALIFICATION FOR AN EXEMPTION FROM REGISTRATION.

THIS PRIVATE PLACEMENT MEMORANDUM (MEMORANDUM) HAS BEEN PREPARED FOR SUBMITTAL TO A LIMITED NUMBER OF POTENTIAL INVESTORS SO THEY CAN CONSIDER THE PURCHASE OF AN INTEREST IN THE COMPANY. IT IS NOT AUTHORIZED FOR ANY OTHER PURPOSE. IF YOU ACCEPT DELIVERY OF THIS MEMORANDUM YOU AGREE TO RETURN IT OR DESTROY IT AND ALL ENCLOSED DOCUMENTS, IF YOU DO NOT PURCHASE AN INTEREST WITHIN THE TIME ALLOWED. THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, OR FORWARDED TO OTHER POTENTIAL INVESTORS. IT MAY ONLY BE DISTRIBUTED AND DISCLOSED TO THE PROSPECTIVE INVESTORS TO WHOM IT IS PROVIDED DIRECTLY BY THE MANAGER.

THESE SECURITIES ARE OFFERED ONLY TO A SELECT GROUP OF INVESTORS WHO MEET THE STANDARDS SET FORTH IN SECTION 1 HEREOF. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO OR A SOLICITATION OF AN OFFER TO BUY FROM ANYONE IN ANY STATE OR IN ANY OTHER JURISDICTION WITHIN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

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

THIS MEMORANDUM REFLECTS CONDITIONS OF THE COMPANY AS OF THE DATE HEREOF. CONDITIONS REGARDING THE AFFAIRS OF THE COMPANY MAY CHANGE AFTER THE DATE HEREOF.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND AN INVESTMENT IN THE SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS."

INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THERE IS THE POSSIBILITY THAT THE PROCEEDS OF THIS OFFERING WILL BE INSUFFICIENT TO MEET THE INVESTMENT OBJECTIVES THE MANAGER HAS ESTABLISHED. BEFORE PURCHASING ANY OF THE UNITS OFFERED THROUGH THIS MEMORANDUM, THE MANAGER RECOMMENDS THAT EACH INVESTOR CONSULT WITH AN ATTORNEY, A FINANCIAL ADVISOR, AND/OR AN ACCOUNTANT TO DETERMINE IF THIS INVESTMENT IS SUITABLE FOR THEM.

THIS MEMORANDUM DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN INVESTIGATING THE COMPANY. EACH INVESTOR MUST RELY ON HIS OR HER OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES OFFERED.

INFORMATION IN THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL, BUSINESS, OR TAX ADVICE. EVERY PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, FINANCIAL ADVISOR, AND TAX ADVISOR ABOUT THIS INVESTMENT.

THE CLASS A INTERESTS DESCRIBED HEREIN ARE OFFERED ONLY TO INVESTORS WHO MEET THE SUITABILITY STANDARDS ESTABLISHED BY THE MANAGER. THERE IS A POSSIBILITY OF CONFLICTS OF INTEREST ARISING BETWEEN THE CLASS A MEMBERS AND THE MANAGER, WHICH WILL OWN CLASS B INTERESTS IN THE COMPANY.

PRIOR TO MAKING AN INVESTMENT DECISION, A PROSPECTIVE INVESTOR SHOULD REVIEW AND CONSIDER THIS ENTIRE MEMORANDUM. ANY DOCUMENTS OR EXHIBITS ATTACHED TO OR REFERENCED IN THIS MEMORANDUM ARE IMPORTANT TO YOUR UNDERSTANDING OF THIS INVESTMENT. THE MANAGER HIGHLY RECOMMENDS THAT YOU CAREFULLY READ ALL PROVIDED OR REFERENCED DOCUMENTS AND EXHIBITS, WHETHER ELECTRONIC OR HARD COPY, IN ADDITION TO READING THE TEXT OF THIS MEMORANDUM.

THIS MEMORANDUM IS BASED ON INFORMATION PROVIDED BY THE MANAGER AND BY OTHER SOURCES THE MANAGER DEEMS RELIABLE. HOWEVER, THE MANAGER CANNOT PROVIDE ASSURANCES WHETHER THE INFORMATION PROVIDED BY THESE OTHER SOURCES IS ACCURATE OR COMPLETE.

THIS MEMORANDUM (TOGETHER WITH ANY EXHIBITS, AMENDMENTS OR SUPPLEMENTS AND ANY OTHER INFORMATION THAT MAY BE FURNISHED TO PROSPECTIVE INVESTORS BY THE MANAGER) INCLUDES OR MAY INCLUDE CERTAIN STATEMENTS, ESTIMATES, AND FORWARD-LOOKING PROJECTIONS WITH RESPECT TO THE ANTICIPATED FUTURE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS, ESTIMATES, AND FORWARD-LOOKING PROJECTIONS REFLECT VARIOUS ASSUMPTIONS OF THE MANAGER THAT MAY OR MAY NOT PROVE TO BE CORRECT OR THAT MAY INVOLVE VARIOUS UNCERTAINTIES. NO REPRESENTATION IS MADE, AND NO ASSURANCE CAN BE GIVEN, THAT THE

COMPANY CAN OR WILL ATTAIN THE MANAGER'S PROJECTED RESULTS. ACTUAL RESULTS MAY VARY, PERHAPS MATERIALLY, FROM SUCH PROJECTIONS.

ANY ADDITIONAL INFORMATION OR REPRESENTATIONS GIVEN OR MADE BY THE COMPANY OR THE MANAGER IN CONNECTION WITH THIS OFFERING, WHETHER ORAL OR WRITTEN, ARE SUPERSEDED IN THEIR ENTIRETY BY THE INFORMATION SET FORTH IN THIS MEMORANDUM AND ITS EXHIBITS (ALL OF WHICH ARE INCORPORATED HEREIN BY REFERENCE), INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS DESCRIBED HEREIN.

EACH PURCHASER, PRIOR TO HIS OR HER PURCHASE OF THE SECURITIES OFFERED HEREIN, SHALL HAVE THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, A REPRESENTATIVE OF THE COMPANY AT ITS PRINCIPAL OFFICE DURING NORMAL BUSINESS HOURS, CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION WHICH THE COMPANY POSSESSES OR CAN ACQUIRE WITHOUT UNREASONABLE EFFORT OR EXPENSE AS NECESSARY TO VERIFY THE ACCURACY OF INFORMATION FURNISHED IN THIS MEMORANDUM. PROSPECTIVE INVESTORS WHO WISH TO OBTAIN SUCH INFORMATION OR HAVE QUESTIONS SHOULD CONTACT THE FOLLOWING MEMBER OF THE MANAGER:

Toshia Posey, Jacques Posey, and Velma Trayham
US Diversity Group Hotel Fund LLC
c/o United States Diversity Group LLC
3355 Lenox Rd NE #750
Atlanta, GA 30326
(770) 624-6973
teamposey@yahoo.com

EXECUTIVE SUMMARY	
Definitions	Capitalized terms herein are described in Section 13 of this Memorandum. References to Sections mean sections of this Memorandum.
Company Objectives	US Diversity Group Hotel Fund LLC's investment objective is to purchase hotel and multifamily properties throughout the United States, with its primary focus on hotels, for the purpose of development, rehabilitation and resale (Properties). Depending on the market and the individual asset, the Manager may elect to sell certain Properties immediately upon completion of rehabilitation or hold other Properties for the duration of the Company as a rental property. The Company expects to generate Distributable Cash (after paying expenses and debt service) from operations and eventual sale of the Property that it can share with its Members. The Company reserves the right to purchase each Property with a Single Purpose Entity (SPE). Each SPE will be wholly owned by the Company.
Company Information	US Diversity Group Hotel Fund LLC is a manager-managed Georgia limited liability company with two classes of Members. Class A Members are those Persons who purchase Class A Interests via this Offering. Class B Members are members of the Manager and/or others determined by the Manager who provide management or other services to the Company.
Manager	The managers of the Company is United States Diversity Group LLC, a Georgia Limited Liability Company (Manager), whose role will be to manage the Company and oversee management of the Properties. The members of the Manager are described in Section 2.2.
Offering Terms	The interests offered herein are exempt from securities registration under Regulation D, Rule 506(c) of the Federal Securities and Exchange Commission for private placement offerings. Each Class A Interest is priced at $500. The Company has a Minimum Dollar Amount of $50,000. The Maximum Dollar Amount to be raised by the Class A Interests is $50,000,000 (100,000 Units.). The Minimum Investment Amount required of a single Investor is $15,000 (or the purchase of 30 Units). The Class A Members will be purchasing 65% of the Interests in the Company.

Investor Qualifications	Only Accredited Investors may purchase Class A Interests via this Offering. Each Investor must attest that it meets these standards.
Location of Funds	During the Offering Period, funds collected from the sale of Class A Interests will be deposited in a bank account in the Company's name.
Timing of the Offering	The Offering shall commence on July 14, 2020. The Minimum Dollar Amount is $50,000. Funds must be returned if the Minimum is not raised within 120 days from the date of the first investment from an Investor. The Manager has no intention of escrowing funds. The Offering will remain open until July 14, 2021. The Manager has the sole discretion to rescind the Offering prior to collecting funds, or to terminate the Offering prior to raising the Maximum Dollar Amount.
Use of Proceeds	Funds raised from this Offering will be used to purchase hotel and multi-family properties throughout the United States, for the purpose of development, rehabilitation, and resale. The Company's primary focus will be hotel properties.
Allocation of Distributions, Profits and Losses	The Distributable Cash, if any, will be split 65/35 with the Class A Members receiving sixty-five percent (65%) and the Class B Members receiving thirty-five percent (35%). Distributions are described in Section 4 hereof. Distributions, if any, will start one year following the commencement of operations.
Manager's Compensation	The Manager will be reimbursed for its expenses as described in Sections 3, 4 and 5 hereof. Additionally, the Manager (or its members or their Affiliates) will retain all or a portion of the Class B Interests in the Company. Members of the Manager will receive Distributable Cash on account of their Class B Interests.
Risk Factors and Conflict of Interest	Investment in the Company involves various risks, including certain risks associated with the lack of liquidity of the investment, risks associated with the real estate industry, regulatory risks, and federal income tax risks. The Manager, by virtue of its Class B Interests and Fees, may have conflicts of interest with the Class A Members.

Liquidity & Transferability	An investment in Class A Interests may be illiquid. Investors should be prepared to leave their funds invested in the Company until such time as the Properties are sold. Class A Members may be able to transfer their Interests on their own at a future date (subject to the terms described in the Operating Agreement), but no Interests may be sold for at least one year after purchase. All Members must certify that they are buying the Interests for their own account and not with a view toward resale. Class B Memberships are generally provided in exchange for services to the Company and may be granted, sold, transferred, or conveyed solely by action of the Manager. As such, Class B are generally not saleable or transferable and may be revoked solely by action of the Manager without regard for the disassociation or transfer provisions of the Operating Agreement.
Duration of the Investment	The Manager expects that the Company will operate indefinitely. Please see Section 2.7 for the Redemption Policy of the Company. Members will not be allowed to withdraw or Redeem their Interests unless the Company has been in operation for a minimum of ten (10) years. Members must provide a 90-day notice for withdrawal. On action of the Manager or on the disposition of all the Properties, the Company will be dissolved unless the Members have voted to continue the Company.
Individual Interests Are Not Suitable for 1031 Exchange	The Interests being offered herein (both Class A and B) are considered by the IRS as personal property/partnership interests, which are not suitable for 1031 exchange. Investors seeking to do a 1031 exchange should not invest in this Offering.

THESE CLASS A INTERESTS ARE OFFERED TO INVESTORS WHO MEET THE SUITABILITY STANDARDS ESTABLISHED BY THE MANAGER IN SECTION 1. THE PURCHASE OF CLASS A INVESTMENT UNITS INVOLVES SUBSTANTIAL RISKS. THERE IS THE POSSIBILITY THAT THE PROCEEDS OF THIS OFFERING WILL BE INSUFFICIENT TO MEET THE INVESTMENT OBJECTIVES AND POLICIES ESTABLISHED BY THE MANAGER. THERE IS A POSSIBILITY OF CONFLICTS OF INTEREST ARISING BETWEEN THE CLASS A MEMBERS AND THE MANAGER OR CLASS B MEMBERS. BEFORE PURCHASING ANY CLASS A INTERESTS OFFERED THROUGH THIS MEMORANDUM, THE MANAGER STRONGLY RECOMMENDS THAT EACH INVESTOR CONSULT WITH AN ATTORNEY, A FINANCIAL ADVISOR, OR A REGISTERED INVESTMENT ADVISOR TO DETERMINE IF THIS INVESTMENT IS SUITABLE FOR THEM.

HOW TO REVIEW THIS OFFERING

The Offering Package. This Offering includes a number of documents, all of which collectively comprise the Offering Package. Each document provided by the Manager contains information the Manager deems relevant to an Investor's decision to invest and has the specific purpose described below:

This **Private Placement Memorandum (Memorandum)** essentially tells the "story" of this investment. This Memorandum and its Exhibits are important to an understanding of the securities being offered and the Company objectives. Legally, this Memorandum is the disclosure document required by the Securities and Exchange Commission ("SEC") and/or applicable State securities agency for a private placement Offering, as described in SEC's Guide 5 for real estate securities offerings. This Memorandum describes such things as the structure of the Company, projected Distributions to Investors, compensation to the Manager, the risks of investing, potential conflicts of interest, and a summary of how the Company will be operated, among other things. The rest of the documents comprising the Offering Package are identified as Exhibits to this Memorandum. Each of the Exhibits identified herein are either attached (if hard copy) or will be provided electronically by the Manager, and each Exhibit is hereby incorporated by reference as if fully set forth herein.

The **Operating Agreement (Agreement)**, is Exhibit 2 to this Memorandum. The Agreement describes how the Company will be run. Legally, it is the governing document for Company operations and describes in detail the rights and duties of the Members and the Manager, how meetings and votes of the Members will be conducted, how and when Cash Distributions will be made, where the Company books and records will be kept, how disputes will be resolved, allocation and taxation of Profits and Losses, and how the Company will ultimately be dissolved. The Agreement is the contractual, enforceable contract between the Members and the Manager as to operation of the Company. Whenever the term "Agreement" is used by itself, it refers to the Operating Agreement. Each Member must review and sign the Subscription Agreement, thereby agreeing to be bound by the terms of the Operating Agreement.

The **Subscription Booklet** is Exhibit 3 to this Memorandum. Each Investor must review, complete, and return the Subscription Booklet to the Manager in order to invest. Legally, it contains the Investor's representations and warranties as to its qualifications and suitability to invest in this Offering and the amount the Investor is planning to invest, and the Manager's acknowledgment of the investment.

Additional Exhibits that may be provided by the Manager are identified in Section 11.4. One of the Exhibits is an Investment Summary containing the business plan of the Company. Additional documents the Manager deems important to your understanding of the Manager or the Company are attached as additional Exhibits.

References Used in this Document. Whenever references are made herein to a Section (when capitalized), they refer to sections of this Private Placement Memorandum; references to Articles (when capitalized), refer to specific clauses in the Operating Agreement. The definitions of words or phrases capitalized throughout these documents are provided in Section 13 hereof and Appendix D to the Agreement.

Investors Must Conduct Their Own Due Diligence. Before making an investment decision, each prospective Investor should: 1) carefully read this Memorandum and each of the Exhibits in the order set forth in Section 11.4, 2) ask the Manager any questions they may have, and 3) consult with their financial advisors as they deem necessary to determine the suitability of this investment opportunity for them.

Table of Contents

1. Suitability Standards

The success of a group investment is often enhanced if all of the Members share a common investment goal, have similar investment experience, and have similar financial capabilities; therefore the Manager has established Suitability Standards Investors must meet to invest in the Company for the protection of all Members. The Manager has established these Suitability Standards after considering the following factors, which each prospective Investor should carefully consider prior to making an investment decision:

- An investment in real estate has many risk factors associated with it, thus an investment in these Units involves the risk that Investors may suffer a complete loss of their investment.
- An investment in these Units has little if any liquidity. It is unlikely that a market for the resale of these Units will exist. Investors should be prepared to leave their funds invested in the Company until disposition of all Company Properties and the subsequent dissolution of the Company.
- Federal and State income taxes will impact a Member's return on an investment in these Units. Investors should consider the taxable income or losses projected for the Company and should understand the importance of their marginal tax bracket in terms of any projected tax liability or savings.
- The Company intends to use funds raised from this Offering to acquire, rehabilitate, and resell or otherwise rent Properties. However, it is possible that no income will be produced and no increase in value will be realized due to such things as:
    - Fluctuating rental or real estate market conditions in the areas where a particular property on which the Company lends is located;
    - Greater holding costs than anticipated, including property management, marketing, rehabilitation, and/or closing costs;

1.1 Investor Qualifications

The Company is offering Interests to Investors under an exemption from securities registration afforded by Regulation D, Rule 506(c), which requires the Manager to take "reasonable steps" to verify that each Investor is "Accredited," prior to allowing them admission to the Company. There are eight (8) separate definitions of Accredited Investors, under which an Investor may qualify, each of which is provided below, along with the documents the Investor must provide to demonstrate its qualifications to invest in this Offering:

1.1.1 Accredited Definition for Individuals; Verification Documents

Definition: Individual Investors who wish to purchase Membership Interests as an Accredited Investor must provide verification that they meet one of the following Suitability Standards as defined by SEC Rules 501 and 506; 17 CFR 230.501(a);

- A natural person whose individual net worth or joint net worth with that person's spouse, at the time of the purchase of the Membership Interests, exceeds One Million Dollars ($1,000,000), disregarding any positive equity in their personal residence. Note, however, that as of February 27, 2012, any loans against the personal residence taken out within the sixty (60) days prior to a subscription and any negative equity in the personal residence, (as determined by the Investor), must be considered in the calculation of net worth; or

- A natural person who had individual income in excess of Two Hundred Thousand Dollars ($200,000) in each of the two most recent years or joint income with that person's spouse in excess of Three Hundred Thousand Dollars ($300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year;

- For an entity such as an Individual Retirement Account (IRA) or Self-Employed Person (SEP) Retirement Account, all of the beneficial owners must meet one of the above standards. The beneficial owners may be either natural persons or other entities as long as each meet one of the definitions of an Accredited Investor bullets 1 or 2 above.

Verification: Under the Regulation D, Rule 506(c) exemption from registration, the Manager may verify an individual Investor's qualifications by examination of documents from one of the following sources:

- **Income-Based Verification** – Copies of any IRS document that shows income (W-2, K-1, 1099, 1040, etc.) for the two most recent years, along with written verification that Investor will reach accredited limits in the current year.

- **Net Worth-Based Verification** – A copy, within the past three (3) months, of the following: bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments and appraisal reports issued by independent third-parties; a credit report from at least one of the nationwide consumer reporting agencies is required; and written statement from the Investor that all liabilities necessary to make a determination of net worth have been disclosed.

- **Third-Party Verification** – Written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney, or a certified public accountant that such Person has taken reasonable steps to verify that the purchaser is an Accredited Investor within the prior three months and has determined that such purchaser is an Accredited Investor.

1.1.2 Accredited Definition for Legal Entities; Verification Documents

Definition: Investors (other than natural persons) who wish to purchase Membership Interests in this Offering, must provide verification that they meet one of the following Suitability Standards as defined by SEC Rules 501 and 506; 17 CFR 230.501(a);

A charitable organization, corporation, or partnership with assets exceeding Five Million Dollars ($5,000,000). Management must provide:

- A copy of the formation Certificate and Agreement, and a company resolution or other document authorizing the investment signed by the requisite parties identified in the Agreement; and
- Documentation that the company has over Five Million Dollars ($5,000,000) in assets such as a bank statement, or financial statement showing its assets and liabilities.
- A business in which all the equity owners are Accredited Investors. Management must provide:
- A copy of the formation Certificate and Agreement, and a company resolution or other document from the entity authorizing the investment, signed by the requisite parties identified in the Agreement; and
- Documentation from each of the equity owners demonstrating that all of the equity owners are Accredited Investors, or a statement to that effect from a CPA, attorney or registered investment advisor who has examined their qualifications within the last ninety (90) days.

A trust with assets in excess of Five Million Dollars ($5,000,000) that was not formed to acquire the Units. The custodian, trustee or agent for the trust must provide:

- A copy of the trust, agency or other agreement and a document authorizing the investment signed by the requisite parties identified in the Agreement; and
- Documentation that the trust qualifies as an Accredited Investor because: a) it has over Five Million Dollars ($5,000,000) in assets, and b) that it was not formed to acquire the Interests.

A bank, insurance company, registered investment company[1], business development company[2], or small business investment company[3]. Management must provide:

- Documentation proving its designation as such and a document signed by the requisite Persons authorizing the investment.

An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of Five Million Dollars ($5,000,000).

If an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, a bank, insurance company, or registered investment adviser must sign the Subscription Agreement on behalf of the Investor, or provide other documentation that the plan has total assets in excess of Five Million Dollars ($5,000,000).

For an entity such as an Individual Retirement Account (IRA) or Self-Employed Person (SEP) Retirement Account, all of the beneficial owners must meet one of the above standards for an Accredited Investor. The beneficial owners may be either natural persons or other entities if they each of them meet one of the definitions above.

[1] Per The Investment Company Act of 1940, Section 3.

[2] Per The Investment Company Act of 1940, Section 54.

[3] A private investment company licensed by the Small Business Administration.

1.1.3 Restrictions Imposed by Regulation D, Rule 506(d); Bad Actor Prohibition

Regulation D, Rule 506(d) was adopted by the SEC under the JOBS Act on September 23, 2013. Rule 506(d) pertains to Investors who acquire more than twenty percent (20%) of the voting (equity) interests in companies seeking an exemption from securities registration under Rule 506. Such Investors are deemed "covered persons". If such Investors have been subject to certain "disqualifying events" (as defined by the SEC), they must either: a) disclose such events to other Investors (if the disqualifying event occurred before September 23, 2013); or b) own less than twenty percent (20%) of the voting (equity) Interests in the Company (if the disqualifying event occurred after September 23, 2013), and c) and they may not participate in management or fundraising for the Company. Disqualifying events are broadly defined to include such things as criminal convictions, citations, cease and desist or other final orders issued by a court, state or federal regulatory agency related to financial matters, Investors, securities violations, fraud, or misrepresentation.

Investors or other covered persons who do not wish to be subject to this requirement should: a) acquire less than twenty percent (20%) of the voting Interests in the Company (or ensure that the Interests they acquire are non-voting, and b) abstain from participating in management or fundraising for the Company. Covered persons have a continuing obligation to disclose disqualifying events both: a) at the time they are admitted to the Company, and b) when such disqualifying event occurs (if later), for so long as they are participating in the Company. Failure to do so may cause the Company to lose its Rule 506 securities exemption. A Member who becomes subject to this provision and fails to report it to the Company may be responsible for any damages the Company suffers, as a result.

1.2 Investment Unsuitable for 1031 Exchange

If an Investor may be interested in exchanging an Interest in the Company by means of a tax-deferred exchange at some future time, he or she should understand that this investment is not likely to be suitable for a 1031 exchange as the Units being sold are personal property, and not real property interests.

1.3 Restrictions Imposed by the USA PATRIOT Act; Foreign Investors

1.3.1 Investor Identification Program

To help the government fight the funding of terrorism and money laundering activities, Federal law requires the Manager to obtain, verify, and record information that identifies each Person who subscribes to this Offering.

What this means for you: When you subscribe to this Offering, the Manager may ask for your name, address, date of birth, state and country of residence, and other information that will allow them to identify you (and every Investor whom your funds represent). The Manager may also ask to see your driver's license or other government-issued identifying documents. If you are a non-US Person (i.e., someone who is not a U.S. citizen, a U.S. resident alien, or a person living in the U.S. at the time of Subscription), additional identification information issued by your country of residence will be required. If you are unable or unwilling to provide all of the requested information, the Manager **must** deny your Subscription to this Offering.

Foreign Investors (i.e., Non-U.S. Persons) should inquire of the Manager for a complete list of identifying information that will be required specifically of them. Additionally, foreign Investors may be required to complete a supplemental Offeree Questionnaire and/or Subscription Agreement.

1.3.2 Prohibited Transactions with Certain Foreign Investors

The Class A Units may not be offered, sold, transferred, or delivered, directly or indirectly, to any Person who:

- Is named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") at http://www.ustreas.gov/offices/enforcement/ofac/sdn/ or as otherwise published from time to time; and
- (1) An agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at the following location http://www.ustreas.gov/offices/enforcement/ofac/sdn/ or as otherwise published from time to time.

In addition, Interests in the Company may not be offered, sold, transferred, or delivered, directly or indirectly, to any Person who:

- Has more than fifteen percent (15%) of its assets in Sanctioned Countries; or
- Derives more than fifteen percent (15%) of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

NOTE: THE MANAGER IS REQUIRED TO CHECK ALL SUBSCRIBER'S NAME(S) AGAINST THESE LISTS. IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, DO NOT READ FURTHER AND IMMEDIATELY RETURN THIS MEMORANDUM TO THE COMPANY OR THE APPLICABLE MEMBER OF THE SELLING GROUP. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL INTERESTS TO YOU.

1.4 ERISA Considerations

The Company will accept investments by employee benefit plans subject to ERISA, including Individual Retirement Accounts (IRAs). ERISA rules state that, unless exempt, when benefit plans own twenty-five percent (25%) or more of the total value of any class of Interests offered by the Company, the Interests may be deemed a "Plan Asset", which could subject the Company to additional fiduciary responsibilities, independent auditing, and reporting requirements. However, the Manager believes that the Assets of the Company will not constitute Plan Assets within the meaning of the Department of Labor Regulations under an exemption available when fifty percent (50%) or more of the Assets owned and operated by the Company are real estate investments.

1.5 Subscriptions Subject to Review and Acceptance by the Manager

The Manager will review the documents provided by prospective purchasers of Class A Units (hereinafter "Investor" or "Investors") to ensure that:

- Each Investor has testified that it meets the Suitability Standards established by the Company set forth in this Section;
- Each Investor has reviewed the Agreement and accepted the terms by executing the Subscription Booklet; and
- Each Investor has completely filled out the Subscription Booklet and that the information provided is consistent with previous information provided to the Manager by the Investor.

Documents presented by Investors who do not meet the Suitability Standards established by the Manager, or which have not been properly completed, will be promptly rejected, or returned for correction, as applicable. Prior to acceptance, the Manager reserves the right to refuse a subscription from any prospective Investor at the Manager's sole discretion and/or to request additional information to verify an Investor's suitability for the Offering.

The Manager will indicate acceptance of the Subscription in writing by returning a copy of the "Receipt and Acknowledgement" page from the Subscription Booklet for Investors it accepts as Class A Members (see Exhibit 3).

2. Summary of the Company

2.1 Limited Liability Company

The name of the Company is US Diversity Group Hotel Fund LLC, a Georgia limited liability company (the Company). The principal business address of the Company is:

US Diversity Group Hotel Fund LLC
c/o United States Diversity Group LLC
3355 Lenox Rd NE #750
Atlanta, GA 30326

or such other place as the Manager shall determine.

The Company commenced on filing of its Articles of Organization and shall be perpetual unless sooner terminated under the provisions found in Article 14 of the Agreement. The Manager anticipates that the Company will be subject to the application of the centralized partnership audit procedures set forth in section 6221 through 6241 of the Internal Revenue Code (the Code), as amended by the Bipartisan Budget Act of 2015.

The Company is being formed as pass through entity, where the individual Members will be taxed at their individual rates and certain taxpayers may be able to take an additional twenty percent (20%) deduction for qualified business income. However, there are phase out provisions which apply to this additional deduction, applied at the taxpayer level. Potential

investors should consult their tax professional to see how this additional deduction will apply to them.

2.2 Manager

The initial manager of the Company (Manager) is United States Diversity Group LLC, a Georgia limited liability company. The members of United States Diversity Group LLC are Toshia Posey, Jacques Posey, Velma Trayham. Their biographies are provided in the Investment Summary attached hereto as Exhibit 4.

The address where all correspondence for the Manager should be sent is:

United States Diversity Group LLC
3355 Lenox Rd NE #750
Atlanta, GA 30326
teamposey@yahoo.com

On startup of the Company, United States Diversity Group LLC (or its Affiliates) will retain ownership of thirty-five percent (35%) of the total Interests in the Company in exchange for services provided to the Company. The Manager may also purchase Class A Interests. The Class B Interests shall be irrevocable, and subordinate to the Class A Interests.

2.3 Members

The Company will have multiple classes of Members as further described below:

2.3.1 Class A Members

The Company will sell investment units (Units) or Interests to Investors to raise capital for organization of the Company and for the purpose of acquiring, developing, rehabilitating, and reselling (or renting) Properties. Investors who acquire Class A Interests in the Company will become Class A Members of the Company. Class A Units will comprise sixty-five percent (65%) of the total Interests in the Company.

2.3.2 Class B Members

On startup of the Company, United States Diversity Group LLC (or their members and their Affiliates, or others whom the Manager may admit as Class B Members) will retain ownership of thirty-five percent (35%) of the Interests in the Company in the form of Class B Interests in exchange for services.

2.4 Blind Pool Offering

This Offering involves the purchase of hotel and multifamily properties throughout the United States, with a primary focus on hotel properties, for the purpose of development, rehabilitation, and resale. Suitable Property will be determined in the sole discretion of the Manager. The Company reserves the right to purchase each Property using a Single Purpose Entity (SPE). Each SPE will be wholly owned by the Company. The Manager's Investment

Summary, attached hereto as Exhibit 4, contains a further description of the Manager's acquisition and resale strategies. The Investment Summary will be made available electronically (or in hard copy on request) and is incorporated by reference as if fully set forth herein.

2.4.1 Financing

The Manager does not anticipate the use of institutional financing. However, if necessary, the Manager reserves the right to accept a loan. The actual dollar amount the Manager will need to raise is dependent on the final loan amount approved by a lender. The Manager will provide a loan term sheet if one becomes available during the course of the Offering.

2.4.2 Single Purpose Entities

The Manager will form SPEs to take title to and own each Property. The SPEs will wholly-own all of the interests in a Property. The SPEs will be wholly owned by the Company or as part of a co-investment strategy with third-parties, including Affiliates of the Manager.

2.5 Investment Objective

The primary investment objective of the Company is to acquire, finance, manage, and dispose of Properties in such a manner as to provide its Members with a return on their investment; and eventually to sell the Properties. See the Investment Summary attached hereto as Exhibit 4 for a summary of the Manager's investment strategies for the Properties. The Company's investment objectives and policies are provided in Section 10 hereof.

2.6 Limited Voting Rights of Members

The Class A Interests offered for sale to prospective Members of the Company via this Memorandum have limited voting rights. There are limited events on which the Class A Members can vote. A vote of seventy-five percent (75%) of the Class A Members' Interests will be required to remove the Manager for Good Cause (as defined in the Agreement), or to determine a preferred exit strategy for the Properties other than a sale. A unanimous vote of the Class A and Class B Members will be required to substantively amend the Agreement. Other matters, including a capital call as described in Article 2.3 of the Agreement, will require a vote of Members representing a majority of the Class A Interests. The matters on which Class A Members may vote and the requisite Percentage Interests are provided in various provisions throughout the Agreement (and summarized in Article 6.4).

2.7 Withdrawal/Redemption Policy

No Class A Member may withdraw their Interests for at ten (10) years. Thereafter, the Company will use its best efforts to honor requests for a return of capital subject to, among other things, the Company's then available cash flow, financial condition, and approval by the Manager. The maximum aggregate amount of capital that the Company will return to a Class A Member each calendar quarter is limited to ten percent (10%) of the total outstanding capital of the Company as of December 31 of the prior year. Notwithstanding the foregoing, the Manager may, in its sole discretion, waive such withdrawal requirements if a Class A Member is experiencing undue

hardship.

Class A Members may submit a request for withdrawal as a Member of the Company and may receive a one hundred percent (100%) return of capital provided that the following conditions have been met: (a) the Company has been operating for a period of at least ten (10) years; and (b) the Member provides the Company with a Withdrawal Request at least ninety (90) days prior to such requested withdrawal.

The Company will not establish a reserve from which to fund withdrawals of Members' capital accounts and such withdrawals are subject to the availability of cash in any calendar quarter to make withdrawal distributions ("Cash Available for Withdrawals") only after: (i) all current Company expenses have been paid (including compensation to the Manager and its affiliates as described in Section 5); (ii) adequate reserves have been established for anticipated Company operating costs and other expenses and advances to protect and preserve the Company's investments in Properties; and (iii) adequate provision has been made for the payment of all quarterly cash distributions owing to Members.

If at any time the Company does not have sufficient Cash Available for Withdrawals to distribute the quarterly amounts due to all Members that have outstanding withdrawal requests, the Company may, but is not required, to liquidate or refinance any Properties for the purpose of liquidating the capital account of withdrawing Members. In such circumstances, the Company is merely required to distribute that portion of the Cash Available for Withdrawals remaining in such quarter to all withdrawing Members pro rata based upon the relative amounts being withdrawn as set forth in the Withdrawal Request.

Notwithstanding the foregoing, the Manager reserves the right to utilize all Cash Available for Withdrawals to liquidate the capital accounts of deceased Members or ERISA plan investors in whole or in part, before satisfying outstanding withdrawal requests from any other Members. The Manager also reserves the right, at any time, to liquidate the capital accounts of ERISA plan investors to the extent the Manager determines, in its sole discretion, that any such liquidation is necessary in order to remain exempt from the Department of Labor's "plan asset" regulations. Additionally, the Manager has the discretion to limit aggregate withdrawals during any single calendar year to not more than ten percent (10%) of the total Company capital accounts of all Members that were outstanding at the beginning of such calendar year.

2.8 Depreciation Method to Be Used

The Company will apply the appropriate cost recovery depreciation rules to the improved portion of each Property according to the relevant Internal Revenue Code sections. However, the Manager may elect an accelerated depreciation option if appropriate for the Company. The Manager may elect to use the cost segregation method of depreciation for any personal property associated with real property it acquires on behalf of the Company, which allows the Company to use a shorter useful life for certain Assets. The application of those rules to each Member's Interest is further described in Section 12.5 hereof.

2.9 Company is Self-Liquidating

The investment objectives and policies of the Company are provided in Section 10 of this Memorandum, state that the Company will be self-liquidating, in that, upon sale of the Property, the Company will be dissolved.

2.10 Definition of Terms

The capitalized terms or phrases used in this Memorandum are defined in Section 13 hereof.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

3. Source and Use of Proceeds

The following table summarizes the source and use of proceeds from this Offering.

Description	Minimum Dollar Amount	Percent	Maximum Dollar Amount	Percent
Gross Offering Proceeds	$50,000	100.00%	$50,000,000	100.00%
Legal/Organization Expense	$25,000	50.00%	$25,000	0.05%
Proceeds Available for Investment	**$25,000**	**50.00%**	**$49,975,000**	**99.95%**
Investment in Properties	$25,000	50.00%	$47,475,000	94.95%
Working Capital	$0	0%	$2,500,000	5.00%
Proceeds Invested	**$25,000**	**50.00%**	**$49,975,000**	**99.95%**
Application of Proceeds	**$50,000**	**100.00%**	**$49,975,000**	**99.95%**

3.1 Minimum Dollar Amount

The Manager must raise fifty thousand ($50,000) or one hundred (100) Units before the Manager may Break Impounds and use Investor funds ("Minimum Dollar Amount.") If only the Minimum Dollar Amount is raised, the Manager may defer reimbursement for its expenses and collection of its Fees until sufficient cash is available, without forfeiting any right to collect, and the Manager may Advance funds, or obtain a loan from another Member or third-party as necessary to close on the Property. Deferred reimbursements and Fees, or Manager loans will be treated as a Manager Advance and will earn no more than ten percent (10%) interest annually from the date of closing until repaid. Third-party loans may earn a commercially reasonable rate negotiated by the Manager.

Because there may be substantial purchases by Affiliates of the Manager, or other Persons who will receive Fees or other compensation or gain dependent upon the success of the Offering, no individual Investor should place any reliance on the sale of the Minimum Dollar Amount as an indication of the merits of this Offering. Each Investor must make his own investment decision as to the merits of this Offering.

Furthermore, funds must be returned if the Minimum is not raised within 120 days from the date of the first investment from an Investor.

3.2 Maximum Dollar Amount

The Maximum Dollar Amount of this Offering is Fifty Million (50,000,000) or one hundred thousand (100,000) Units. The Manager reserves the right to terminate the Offering prior to raising the Maximum Dollar Amount.

3.3 Working Capital and Reserves

Proceeds of the Offering that are not used for payment of management fees or investment in Properties (rehabilitation costs or purchase) will be held in the Company bank account for use as Working Capital and Reserves during operation of the Company. If only the Minimum Dollar Amount is raised, then additional Working Capital and Reserves may need to be accumulated from cash flow during operation of the Company.

4. Distributions to Members

The Members may receive Distributable Cash from the Company as authorized in the Agreement. In general, the Manager intends to operate the Company in such a manner as to generate Distributable Cash it can share with the Members.

Distributable Cash shall be determined in the sole discretion of the Manager after withholding sufficient Working Capital and Reserves. Distributions to Class A Members, when made, will be allocated among them in proportion to their Percentage Interests in the Class A Interests.

Distributable Cash, if any, will be distributed until expended, in the order described in Articles 4.1 and 4.2 below, depending on the phase of operation of the Company. Distributions will be evaluated on a quarterly basis, beginning one year following commencement of operations.

4.1 Cash Distributions during Operations

- First, the Class A Members shall receive a total of sixty-five percent (65%) of the Distributable Cash, pro rata, in accordance with their Percentage Interest.
- Thereafter, the Class B Members shall receive thirty-five percent (35%) of any Distributable Cash, pro rata, in accordance with their Percentage Interest.

For the purposes of Cash Distribution calculations only, Cash Distributions to Members from operations will be treated as a return on investment. The amount of compensation the Members may receive from the first year of operations cannot be determined at this time.

4.2 Cash Distributions from Capital Transactions

Distributable Cash, if any, from a "Capital Transaction" such as a refinance or disposition of the Property, will be distributed as provided below until expended:

On refinance or disposition of the Property:

- First, to the Class A Members until they have received a return of one hundred percent (100%) of their Unreturned Capital Contributions.
- Second, the Class A Members shall receive a total of sixty-five percent (65%) of the Distributable Cash, pro rata, in accordance with their Percentage Interest.
- Thereafter, the Class B Members shall receive thirty-five percent (35%) of any Distributable Cash, pro rata, in accordance with their Percentage Interest.

For the purposes of Cash Distribution calculations only, all Distributions from Capital Transactions such as a refinance, will be treated as a return of capital until the Class A Members have received one hundred percent (100%) of their initial Capital Contributions, after which any further returns will be a return on investment.

4.3 Cash Distributions on Dissolution and Termination

The Company shall be dissolved at the sole discretion of the Manager. Upon dissolution of the Company, all property (Assets) of the Company (including any Distributable Cash) will be distributed as described below:

- First, to pay the creditors of the Company, including the Manager, a Member, or a third-party who has loaned or advanced money to the Company or has deferred any reimbursements or Fees;
- Second, to establish Reserves against anticipated or unanticipated Company liabilities; and
- Third, to the Members as described in Section 4.2 hereof.

5. Manager's Fees or Other Compensation

In addition to the Cash Distributions described in Sections 4.1 and 4.2, the Manager, its members or Affiliates may earn additional compensation in the form of Fees, commissions, reimbursements, interest, or other compensation as further described in Table 5.1 below. Such compensation will be paid as an expense of the Company prior to determining Distributable Cash. Manager's Fees are authorized in Article 5 of the Agreement. The Manager reserves the right to defer collection of any compensation from the time it is earned until sufficient cash is available without forfeiting any right to collect, and may earn interest on any deferred compensation.

Table 5.1
Manager's Fees or Other Compensation

Description	Frequency	Basis for Fee	When Earned	Amount
Expense Reimbursement	On startup and incidentally thereafter	Payment of documented out-of-pocket expenses paid by the Manager or its members on behalf of the Company.	Startup reimbursements due on breaking of impounds, or incidentally thereafter.	Indeterminate.

Acquisition Fee	One-time Fee per Property	Compensation to the Manager for its efforts in organizing the Company, conducting due diligence on the Properties and making this investment opportunity available to Investors.	On Breaking Impounds or as funds are raised thereafter	2% of the purchase price of the Property.
Asset Management Fee	Monthly	Compensation to the Manager or its Affiliates of their efforts in managing the Properties.	On Breaking Impounds or as funds are raised thereafter.	6% of the gross collected income.
Property Management Fee	Recurring, monthly	To be paid to the Manager or a third-party Property Manager, who will provide Property Management services. The Property Manager may be an Affiliate of the Company.	During Property operations.	3% of gross collected income.
Interest on Deferred Fees or Manager Advances	Monthly	The Manager may earn Interest on any deferred Fees, Manager Advances or unreimbursed expenses that are not paid when incurred or due.	Starts on date Fee earned for duration of deferment.	Up to a 10% annual rate of interest on the deferred Fee or reimbursement, if any.

6. Conflicts of Interest

It is possible that conflicts of interest will arise between the Company and the Manager and/or Affiliates of the Manager. Potential conflicts may be, but are not limited to the following:

6.1 Manager May Be Involved in Similar Investments

The Manager may act as a manager or be a member in other limited liability companies engaged in making similar investments to those contemplated to be made by the Company. To the extent its time is required on other business and ownership management activities the Manager may have diminished ability to be involved in the day-to-day monitoring of the Company's operations.

6.2 Manager May Have Interests in Similar Entities

The Manager may manage an entity that may compete with the Company. The Manager will attempt to operate the Company in a manner that does not show favoritism to one fund/entity over another and believes that cross-referrals from other properties it owns or manages may provide an advantage, instead of a detriment to the Properties.

6.3 Manager May Sell Property to an Affiliate

The Manager may sell Company Property to an Affiliate of the Manager. The Manager's interest in its Affiliate acquiring Property at an attractive purchase price may create a conflict between the interests of the Manager and those of the Company. The Manager shall disclose any sale of Company Property to an Affiliate of the Manager.

6.4 Manager May Act on Behalf of Others

The Manager may act in such capacity for other Investors, companies, partnerships, or entities that may compete with the Company for Investors and its time and resources.

6.5 Manager May Raise Capital for Others

The Manager, who will raise investment funds for the Company, may act in the same capacity for other Investors, companies, partnerships, or entities that may compete with the Company.

6.6 Manager's Compensation May Create a Conflict

The Manager will receive compensation from this Offering as described in Sections 4 and 5. The Manager's interest in earning its own compensation may create a conflict between the interests of the Manager and those of the Company.

6.7 Manager May Use Donations to Grant Interests to Others

The Manager has certain relationships with third-parties who may be interested in sponsoring and donating capital to the Company. The Manager reserves the right to use these donations as it sees fit, in its sole discretion. This may include gifting certain amounts to Affiliates or third-parties who will use portions of the donation to obtain Class A Membership Interests in the Company. The Manager has the sole discretion to determine what amounts of the donations shall be used to grant Class A Interests in the Company and who those Interests shall be gifted to. The Affiliates or third-parties which receive the gifted Interests shall retain complete control of the Interests. The Manager shall not have any rights in or control of the gifted Interests.

6.8 The Manager May Hire Affiliates or Delegates

The Manager may hire an Affiliate of the Manager or a Member, or other unaffiliated

delegates, contractors, vendors, or suppliers to provide services to the Company on its behalf. Fees for such services will be commensurate with rates charged by local providers of such services.

6.9 No Arms-Length Negotiation

Neither the Agreement nor any of the agreements, contracts and arrangements between the Company and the Manager were or will be the result of arm's-length negotiations. The attorneys, accountants and others who have performed services for the Manager in connection with this Offering, and who will perform services for the Manager in the future, have been and will be selected by the Manager. No independent counsel has been retained to represent Investors' interests, or the interests of the Company, and the Agreement has not been reviewed by any attorney on the Investors' behalf. Each prospective Investor should consult its own counsel as to the terms and provisions of the Agreement and all Exhibits hereto.

7. Duties of Manager to the Members; Indemnification

7.1 Fiduciary Duties of the Manager to the Company

The fiduciary duties the Manager owes to the Company and the other Members include only the duty of care, the duty of disclosure and the duty of loyalty, as set forth in the Agreement, Article 6.9. A Member has a right to expect that the Manager will do the following:

- Use its best efforts when acting on the Member's behalf,
- Not act in any manner adverse or contrary to the Member's interests,
- Not act on its own behalf in relation to its own interests, and
- Exercise all of the skill, care, and due diligence at its disposal.

In addition, the Manager is required to make truthful and complete disclosures so that the Members can make informed decisions. The Manager is forbidden to obtain an advantage at the expense of any of the Members, without prior disclosure to the Company and the Members.

7.2 Indemnification of Manager

The Agreement provides an indemnification of the Manager for liabilities the Manager incurs in dealings with third-parties on behalf of the Company. The Company is bound to indemnify and hold the Manager harmless for any acts or omissions within the authority granted to the Manager, including reimbursement for its legal expenses, unless the Manager engages in willful misconduct, bad faith, or fraud. Further, the Agreement contains a provision that each of the Members shall indemnify and hold harmless the Manager for any liability associated with any misrepresentation(s) by them as to their suitability for membership in the Company, based on the Suitability Standards established by the Manager in Section 1 hereof.

This indemnification will provide the Members with a more limited right of action against the Manager than they would have if the indemnification were not in the Agreement. This

provision does not include indemnification for liabilities arising under the Securities Act of 1933, as, in the opinion of the Securities and Exchange Commission ("SEC"), such indemnification is contrary to public policy.

The complete indemnification provisions are contained in Article 6.11 of the Agreement.

8. Risk Factors

An investment in the Company involves the risk of a complete loss of the Members' capital. Potential Investors should carefully consider each of the following factors and discuss them with their own financial advisors, which may include attorneys, accountants, investment advisors, or others, as they deem necessary.

It is not possible to foresee all risks that may affect the Company or the Properties. The risks set forth below are not the only ones facing the Company. Additional risks and uncertainties may exist that could also adversely affect the Company's business, operations, and prospects. If any of the following risks actually materialize, the Company's business, financial condition, prospects and/or operations could suffer. In such event, the value of the Members' Interests in the Company could decline, and Members could lose all or a substantial portion of the money that invested, as well as any anticipated returns or benefits. Prospective Investors should carefully consider the risks and uncertainties described below and the other information contained herein before purchasing Interests in the Company.

8.1 Risk Factors Related to the Company

8.1.1 The Company Has No Track Record

The Company (US Diversity Group Hotel Fund LLC) is newly formed and has no operational history. It will be managed by the Manager, whose members do have extensive prior experience in real estate investments. See Section 9 below. See also the Company's Investment Summary, attached hereto as Exhibit 4. An Interest in the Company is a speculative investment involving risk.

8.1.2 Success of the Company Depends on the Manager's Abilities

The success of the Company depends upon the Manager's ability to acquire, operate, manage, finance, and dispose of the Properties in a manner that produces Distributable Cash for Distribution to the Members. Members of the Manager have experience with similar Properties.

The Company will be particularly dependent upon the efforts, experience, contacts, and skills of certain officers of the Manager. The loss of any such individual could have a material, adverse effect on the Company, and such loss could occur at any time due to death, disability, resignation, or other reasons.

8.1.3 Lack of Control and Limited Voting Rights of the Class A Members

The Class A Members will have no control over the Company's day-to-day operations, and will be able to vote only on certain, specified decisions including replacement of the Manager

for Good Cause, amendment of the Agreement, and other limited decisions as summarized in Article7.4, and as described in Articles 8, 11, 12 and 14 and 15 of the Agreement.

If the Class A Members is unhappy with the services of the Manager, the Class A Members comprising at least seventy-five percent (75%) of the Class A Interests must affirmatively vote to terminate and replace the Manager for Good Cause, which is defined in the Agreement. Removal or resignation of the Manager will require proration of Fees between the removed and replacement Manager as of the removal date, however, the removed Manager will still be entitled to Cash Distributions resulting from its Class B Interests, which it will retain even after removal, as described in the Agreement, Articles 4 and 8.5.

8.1.4 Limited Transferability or Liquidity of Class A Interests

The Interests are being offered and sold without registration under the Securities Act, and without registration or qualification under the securities laws of any state, in reliance upon the exemptions from registration provided by Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder and certain exemptions from registration and/or qualification under applicable state securities laws and regulations. When subscribing for Interests, each Member agrees to not resell or offer for resale any of the Interests for at least one (1) year unless the Interests are registered and/or qualified under the Securities Act and applicable state securities laws or unless an exemption from such registration and qualification is available. Furthermore, the Manager may prohibit transfers that would terminate the Company for tax purposes, that would violate the Securities Act or any rules or regulations thereunder, or any applicable state securities laws or any rules or regulations thereunder, that would subject the Company to the reporting or registration requirements of the Securities Exchange Act of 1934, or that would result in the treatment of the Company as an association taxable as a corporation.

There is no public market for the Interests, and it is extremely unlikely that any will ever develop. As a result, the investment in the Company is illiquid should a Class A Member desire to liquidate their Interest prior to dissolution or termination of the Company. An Investor may be unable to liquidate their investment in the Company even in an emergency. The Company has no obligation, and does not intend, to cause the Interests to be registered under the Securities Act or registered or qualified under the securities laws of any state or to comply with any other provision of law that would permit the Interests to be readily market-able by an Investor. Members have no right to require registration, to cause the Company to comply with any exemption, or to cause the Company to supply information necessary to enable the Members to make sales. For all of the foregoing reasons, the Interests should be acquired only as a long-term investment.

There is a risk that no market for the Class A Interests exists and If a Class A Member attempts to sell their Class A Interests prior to the dissolution of the Company, there is no certainty that the Class A Interests can be sold for full market value or that the Units may be sold at any price.

8.1.5 Interests may be Purchased by Affiliates or Other Parties with a Financial Interest in the Offering

Interests may be purchased by Affiliates of the Manager, or by other Persons who will receive

fees or other compensation or gain dependent upon the success of this Offering. Such purchases may be made at any time and will be counted in determining whether the required Minimum Dollar Amount or Maximum Dollar Amount has been met for the Offering. Investors, therefore, should not expect that the sale of sufficient Interests to reach the Minimum Dollar Amount, or in excess of that amount, indicates that such sales have been made to Investors who have no financial or other interest in the Offering, or who otherwise are exercising independent investment discretion.

8.1.6 Lack of Capital Could Inhibit Meeting Company Objectives

There is a risk that the amount of capital raised in this Offering will be insufficient to meet the investment objectives or operational requirements of the Company. If there is a shortage of capital, the Manager will use its best efforts to obtain funds from a third-party. Obtaining funds from a third-party may require an increase in the amount of financing the Company will be obligated to repay. In addition, there is no certainty that funds from a third-party will be available at a reasonable cost, requiring a capital call from all Members if approved by a Majority of Interests (per Article 2.3 of the Agreement). If the Manager or requisite Members do not approve such a vote, the Manager's only recourse would be to provide an Advance of its own funds, or obtain a loan from a Member or a third-party, which may or may not be available on terms advantageous to the Company.

If insufficient capital is raised from this Offering, Capital improvements planned by the Manager will be delayed until sufficient cash flow is generated from operation of the Properties, if ever. This could impact the ability of the Company to achieve some of its "investment objectives" identified in Section 10 hereof.

8.1.7 Risk of Not Receiving Any Distributable Cash

Cash flow Distributions will only be available to the extent there is cash flow from rentals and other operations of the Properties. Additionally, even if there is cash flow from operations of the Properties, the Manager of the Company, in its sole discretion, may cause the Company to retain some or all of such funds for working capital purposes, further renovation and other reserves. Therefore, there can be no assurance as to when or whether there will be any Cash Distributions from the Company to the Members. It is possible that the Company will not achieve any Distributable Cash and that the Members may not receive any Cash Distributions at all.

8.1.8 Lack of Diversification

The Company will own no significant assets other than the Properties. The Company has no plans to diversify its investments and minimize the effects of changes in the real estate market in the competitive area where each Property is located. The success of the Company, therefore, will be totally dependent on the success of the Properties and their successful management and operation by the Manager.

8.1.9 Special Risks for Investors Who Acquire More Than 20% of the Equity Interests

<u>Such Investors May Need to Qualify and Sign Loan Documents for the Properties</u>
A potential lender for the Properties may require underwriting of Investors who purchase

twenty percent (20%) or more of the Interests in the Company. This could require that such Investors provide individual financial statements and sign loan documents on behalf of the Company. Investors who do not wish to be subject to this requirement should acquire less than twenty percent (20%) of the Interests in the Company, which may be a variable amount, depending on whether the Minimum or Maximum Dollar Amount of the offering is raised.

8.1.10 Investors Not Represented by Independent Counsel

The prospective Investors as a group have not been represented by independent counsel in connection with the formation of the Company or this Offering. The Operating Agreement and amendments thereto have been prepared by counsel for the Manager and such counsel owes no duties of any kind to any Members of the Company.

8.2 Risk Factors Relating to the Properties

8.2.1 Due Diligence May Not Uncover All Material Facts

The Manager, through its members, has had extensive prior experience in real estate projects and has endeavored to obtain and verify material facts regarding the Properties. It is possible, however, that the Manager has not discovered certain material facts about a Property, because information presented by the sellers may have been prepared in an incomplete or misleading fashion, and material facts related to such Property may not yet have been discovered.

8.2.2 Financial Projections May Be Wrong

Certain financial projections concerning the future performance of the Properties have been delivered to potential Investors in the Investment Summary attached to this Memorandum as Exhibit 4, and incorporated herein by reference. These projections are based on assumptions of an arbitrary nature and may prove to be materially incorrect. No assurance is given that actual results will correspond with the results contemplated by these projections.

These and all other financial projections, and any other statements previously provided to the Purchaser relating to the Company or its prospective business operations that are not historical facts, are forward-looking statements that involve risks and uncertainties. Sentences or phrases that use such words as “believes,” “anticipates,” “plans,” “may,” “hopes,” “can,” “will,” “expects,” “is designed to,” “with the intent,” “potential” and others indicate forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Although such statements are based on the Manager’s current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain. A variety of factors could cause business conditions and results to differ materially from what is contained in any such forward-looking statements.

It is possible that actual results from operation of the Properties will be different than the returns anticipated by the Manager and/or that these returns may not be realized in the timeframe projected by the Manager, if at all.

8.2.3 Property purchases may be concentrated in certain real estate markets.

The Company may purchase Properties in one specific geographic area, and therefore will be dependent upon the continued demand for housing and residential property in that region. The Company's revenue and the value of its property portfolio may be disproportionately affected if the area's economy and real estate markets suffer greater adverse impacts than the economies and real estate markets in other states or nationally due to local industry slowdowns and layoffs, changing demographics and other factors that result in oversupply of, or reduced demand for, commercial or residential properties in the region.

8.2.4 The Company may use leverage for purchases, development and/or rehabilitation of the Properties.

The Manager plans to use leverage to purchase, develop and/or rehabilitate Properties. The Company may secure the lending with a mortgage or deed of trust on a Property. If the cash flow is not enough to cover the debt payments (interest plus principal), the Company might risk foreclosure on some of its Properties. If the Company realizes foreclosures on its Properties, the Investors may lose all or some of their investment.

8.2.5 Risks Related to Leveraging the Property

If the Company uses institutional financing to acquire a Property, the Company's use of leverage increases the risk of an investment in the Company, as it is possible that rental income from the Property in any given month will be inadequate to pay the monthly debt service required on loans against it. A result of the Company being unable to make the required financing payments on the Property may be that a seller could foreclose and some or all of the Company's investment in the Property could be lost.

There is also the risk that at the time of sale of the Property, the sales proceeds may be less than the amount needed to pay off the total remaining balance of the financing and, as a result, some or all of the Company's investment in the Property will be lost.

There is a risk that if at the end of the of the loan, the Property cannot be sold or refinanced so that the proceeds generated will allow the loan to be paid off, resulting in a short sale or foreclosure, the Class A Members could suffer a total loss of all capital invested in the Property. However, if the Property is ultimately sold for more than the loan balance, the Members may be entitled to recover the difference.

8.2.6 Returns could be negatively impacted by third-party management

We may hire third-party managers to manage the Properties while we are attempting to dispose of or renovate the properties. Our cash flow from the Properties may be adversely affected if our managers fail to provide quality services and amenities or if they or their affiliates fail to maintain a quality brand name. In addition, our managers or their affiliates may manage, and in some cases may own, invest in or provide credit support or operating guarantees to hotels or multi-family properties that compete with our Properties, which may result in conflicts of interest and decisions regarding the operation of our Properties that are not in our best interests.

We generally will attempt to resolve issues with our managers through discussions and negotiations. However, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to litigate the dispute or submit the matter to third-party dispute resolution.

Additionally, in the event that we need to replace any management company, we may be required by the terms of the management contract to pay substantial termination fees and may experience significant disruptions at the affected hotels or multi-family properties.

8.2.7 Risks associated with respect to the franchise brand and to costs associated with maintaining the franchise license

We expect that we may purchase hotel properties that will operate under franchise agreements and we anticipate that some of the hotels we acquire in the future will operate under franchise agreements. We are therefore subject to the risks associated with concentrating hotel investments in several franchise brands, including reductions in business following negative publicity related to one of the brands or the general decline of a brand.

The maintenance of the franchise license for the Property is subject to the franchisors' operating standards and other terms and conditions. Franchisors periodically inspect hotel properties to ensure that we and our management companies follow their standards. Failure by us or one of our third-party management companies to maintain these standards or other terms and conditions could result in a franchise license being canceled. If a franchise license is cancelled due to our failure to make required improvements or to otherwise comply with its terms, we also may be liable to the franchisor for a termination payment, which varies by franchisor and by hotel property. As a condition of maintaining a franchise license, a franchisor could require us to make capital expenditures, even if we do not believe the capital improvements are necessary or desirable or will result in an acceptable return on our investment. We may risk losing a franchise license if we do not make franchisor-required capital expenditures.

If a franchisor terminates the franchise license or the license expires, we may try either to obtain a suitable replacement franchise or to operate the hotel without a franchise license. The loss of a franchise license could materially and adversely affect the operations and the underlying value of the hotel property because of the loss of associated name recognition, marketing support and centralized reservation system provided by the franchisor and adversely affect our revenues. This loss of revenue could in turn adversely affect our financial condition, results of operations, the market price of our common shares and our ability to make distributions to our limited partners.

8.2.8 Regional, State and Local Economic Conditions

Performance of the Property is likely to be dependent upon the condition of the economy in the area where the Property is located. The Manager expects to operate the Company indefinitely. There is a risk that at the time of the projected sale of a Property, the marketplace may be different than projected, which may require the Property to be held longer than anticipated, or sold at a loss. Despite the Manager's projections, an Investor should be prepared to leave their Capital Contribution with the Company until the Properties

are sold.

8.3 Risks Related to Owning Real Estate

8.3.1 General Risks of Real Estate Investing

Factors which could affect the Company's ownership of income-producing property might include, but are not limited to any or all of the following; changing environmental regulations, adverse use of adjacent or neighboring real estate, changes in the demand for or supply of competing Property, local economic factors which could result in the reduction of the fair market value of a Property, uninsured Losses, significant unforeseen changes in general or local economic conditions, inability of the Company to obtain any required permits or entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all, inability of the Company to obtain the services of appropriate consultants at the proposed cost, changes in legal requirements for any needed permits or entitlements, problems caused by the presence of environmental hazards on a Property, changes in Federal or state regulations applicable to real property, failure of a lender to approve a loan on terms and conditions acceptable to the Company, lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially-reasonable price, shortages or reductions in available energy, acts of God or other calamities. Furthermore, there could be a loss of liquidity in the capital markets such that a refinance or sale of a Property may be hindered.

The Company's investment in the Properties will be additionally subject to the risks and other factors generally incident to the ownership of real property, including such things as the effects of inflation or deflation, inability to control future operating costs, inability to attract tenants, vandalism, rent strikes, collection difficulties, uncertainty of cash flow, the availability and costs of borrowed funds, the general level of real estate values, competition from other properties, residential patterns and uses, general economic conditions (national, regional, and local), the general suitability of a Property to its market area, governmental rules and fiscal policies, acts of God, and other factors beyond the control of the Company.

8.3.2 Uninsured and Underinsured Losses; Availability and Cost of Insurance

The Properties will be located throughout the United States. Depending on the location of a specific Property, that geographic area may be at risk for damage to property due to certain weather-related and environmental events, including hurricanes, severe thunderstorms, wildfires, tornados, earthquakes, and flooding. To the extent possible, the Manager will attempt to acquire insurance against fire or environmental hazards. However, such insurance may not be available in all areas, nor are all hazards insurable as some may be deemed acts of God or be subject to other policy exclusions.

All decisions relating to the type, quality, and amount of insurance to be placed on each Property are made exclusively by the Manager. Certain types of losses, generally of a catastrophic nature (such as hurricanes, earthquakes, and floods) may be uninsurable, not fully insured or not economically insurable. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full prevailing market value or prevailing replacement cost of each Property. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it unfeasible to

use insurance proceeds to replace a Property after the Property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore that Property.

Recently, the cost of certain types of extraordinary insurance coverage for such things as hurricanes, floods and earthquake has risen substantially. These types of losses are not generally covered in a standard hazard and liability insurance policy. In certain locations, this type of insurance may be unavailable or cost-prohibitive. The Company may proceed without insurance coverage for certain extraordinary risks if it cannot secure an appropriate policy or if the Manager believes that the cost of the policy is too high with respect to the risks to be insured.

Furthermore, an insurance company may deny coverage for certain claims, and/or determine that the value of the claim is less than the cost to restore a Property, and a lawsuit could have to be initiated to force them to provide coverage, resulting in further Losses in income to the Company. Additionally, a Property may now contain or come to contain mold, which may not be covered by insurance and has been linked to health issues.

8.3.3 Liability for Environmental Issues

Under various federal, state and local environmental and public health laws, regulations and ordinances, the Company may be required, regardless of knowledge or responsibility, to investigate and remediate the effects of hazardous or toxic substances or petroleum product releases (including in some cases natural substances such as methane or radon gas) and may be held liable under these laws or common law to a governmental entity or to third-parties for property, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the real or suspected presence of these substances in soil or groundwater beneath a Property. These damages and costs may be substantial and may exceed insurance coverage the Company has for such events.

Structures on a Property may have contained hazardous or toxic substances, or have released pollutants into the environment; or may have known or suspected asbestos-containing building materials, lead based paint, mold, or insect infestations (such as roaches or bed bugs), that the Company may be required to mitigate.

The Manager will attempt to limit exposure to such conditions by conducting due diligence on a Property, however, all or some of these conditions may not be discovered or occur until after that Property has been acquired by the Company.

8.3.4 Federal, State and Local Regulations May Change

There is a risk of a change in the current Federal, State and Local regulations as it may relate to the operations of a Property in the area of fuel or energy requirements or regulations, construction and building code regulations, approved property use, zoning and environmental regulations, or property taxes, among other regulations.

8.3.5 Contractors May Underestimate Costs

The Company intends on purchasing properties and rehabbing them. The Company will

likely hire contractors based on bids received for the cost of the rehab. The Company may hire a contractor that underestimates the material and labor costs, the property could suffer from cost overruns which could adversely affect investments by Members.

8.3.6 Unexpected Cost Overruns and Change Orders Can Delay a Project

The Company will not realize a profit until individual properties are either cash flow positive or sold. Therefore, if there are cost overruns or multiple unforeseen change orders, the Company may not realize a return on investment which could adversely affect Members' investments.

8.3.7 Low Employment Rates Mean Fewer Available Buyers

If there is a fluctuation in employment rates the demand for properties such as those to be sold may not be as high as previously expected or hoped. This could adversely affect the Investors' investments.

8.3.8 Effective Deployment of Capital

There is no guarantee that the Company or its principals will be able to identify enough properties, which meet its investment criteria to keep members' capital fully deployed. In that case returns for all members could be negatively affected.

8.3.9 Title Insurance May Not Cover All Title Defects

The Manager will acquire title insurance on each Property, but It is possible that uninsured title defects could arise in the future, which the Company may have to defend or otherwise resolve, the cost of which may impact the profitability of each Property and/or the Company as a whole.

8.3.10 Compliance with Americans with Disabilities Act

Under the Americans with Disabilities Act of 1990 (the ADA), all public accommodations are required to meet certain federal requirements related to access and use by disabled persons. A determination that a Property is not in compliance with the ADA could result in imposition of fines or an award of damages to private litigants. If substantial modifications are made to comply with the ADA, the Company's ability to make Distributions to its Members may be impaired.

8.4 Risk Factors Involving Income Taxes

8.4.1 The Manager Will Not Obtain an IRS Ruling

The Company will elect to be treated as a partnership for Federal income tax purposes. The Manager has determined not to obtain a ruling from the Internal Revenue Service (IRS) as to the tax status of the group.

8.4.2 Registration as a Tax Shelter

The Company may be required to register with the Internal Revenue Service as a "tax

shelter."

8.4.3 Tax Liability May Exceed Cash Distributions from Operations

As a result of decisions of the Manager in operating the Company, which may require the suspension of Cash Distributions due to a need to maintain a higher level of cash Reserves, along with other events, there is a risk that, in any tax year, the tax liability owed by a Member will exceed its Cash Distribution in that year. As a result, some, or all of the payment of taxes may be an out of pocket expense of the Member.

8.4.4 Tax Liability May Exceed Cash Distribution on Property Disposition

There is a risk that on the disposition of the Property, the tax liability of the Member may exceed the Distributable Cash available. In the event of an involuntary disposition of a Property, there is the possibility of a Member having a larger tax liability than the amount of cash available for Distribution at the time of the event, or at any time in the future.

8.4.5 Risk of Audit of Member's Returns

There is a risk that an examination of the Company's income tax or information returns could trigger an examination of the individual Member's tax returns.

8.4.6 Risk That Federal or State Income Tax Laws Will Change

There is a risk associated with the possibility that the Federal or State income tax laws may change affecting the projected results of an investment in the Company. There is a possibility that in the future Congress may make substantial changes in the Federal tax laws that apply to the Company and its Members.

8.4.7 Risk That Income Tax Information Relating to Members May Not Be Timely Prepared

If the Company is unable to prepare and deliver its Federal or State income tax returns in a timely manner the Members may be forced to file an extension on their individual income tax returns and may incur a cost to do so, including possible penalties to the Federal and State governments. If the Company is unable to prepare and deliver the Federal or State income tax returns at all, the Members may be required to incur additional expenses in employing independent accountants to complete the returns.

8.4.8 Losses Limited to Amounts at Risk

The extent to which a Member may utilize losses from the Company will be limited to the amount the Member is found to be "at risk" with respect to the Company. "At risk" rules for utilizing losses is a complex area of tax law and Members are advised to seek the counsel of qualified tax professionals.

8.4.9 Limitations on Use of Passive Losses

Losses from a passive activity are not allowed to offset other types of income, such assalary, active business income, and "portfolio income," and may offset income only from other passive

activities. The Company anticipates that most of the net income (if any) allocated to the Members may be used by the Members to offset the "passive activity losses," if any, of the Members. Passive loss limitation rules are a complex area of tax law and Members are advised to seek the counsel of qualified tax professionals.

8.4.10 Risk of Partnership Liability under Centralized Audit Rules

The Company is subject to IRS audit pursuant to sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015 (BBA), a member of the Manager, or an otherwise identified individual, will serve as the Partnership Representative ("Partnership Representative") and have the sole authority to act on behalf of the Company and its Members in the audit. All Members shall be bound by the acts of the Partnership Representative in relation to the audit of the Company.

Under the new BBA audit procedures, the Company may be assessed additional tax, interest, penalty, or addition to tax. If that occurs, the Company intends to "push out" any liability to Persons who were Members during the audited year(s), including Persons that are no longer a Member at the time that the audit adjustment is made. Such Persons will be liable for the additional tax, interest, penalty, or addition to tax in proportion to their Membership Interest during the audited year(s) and will not be afforded the opportunity to challenge the adjustment. There is a risk that if the push out election is unsuccessful, the Company would be held liable at the entity level for the additional tax, interest, penalty, or addition to tax. In such event, the Company must pay the additional liability. Doing so may require collection of payments from Members, former Members, adjustment of Member accounts, or the issuance capital calls to raise the necessary funds.

8.4.11 Uncertainty

The partnership examination and implementation of the BBA partnership audit procedures and final regulations are untested. As a result, the Company may bear additional costs to comply with the changing federal and state procedures. Additionally, it is uncertain as to how the various state and local taxing authorities will coordinate with the BBA partnership procedures.

8.4.12 Risk of Including Foreign Investors

The Company may accept Subscriptions from Non-U.S. Persons, in which case there is a risk that: the proper tax withholding amounts will not be withheld or paid by the Non-U.S. Person as required by the Foreign Investor in Real Property Tax Act of 1980 (FIRPTA) and that the Company could remain liable for a Non-U.S. Person's individual tax liabilities to the IRS. There is a further risk that a Non-U.S. Person Investor could be named on the list of Specially Designated Nationals, Blocked Persons, or Sanctioned Countries or Individuals, which, if undiscovered, could result in an enforcement action against the Company by the U.S. Department of the Treasury and/or other federal agencies. In order to mitigate these possibilities, the Manager will conduct due diligence on each Non-U.S. Person it considers admitting to the Offering, and will attempt to determine whether there are any security restrictions on its admission at the time of its Subscription. Further, if the Manager admits Non-U.S. Persons to the Offering, the Manager will employ a CPA versed in international investments on which it will rely to calculate and remit the appropriate withholding amounts.

Any amounts of income tax withholding that the Company makes on behalf of any of its Members shall be considered a Distribution to that Member and not a cost to the Company.

9. Prior Performance of the Company, the Manager and Affiliates

9.1 History of the Company and Manager

The Company, US Diversity Group Hotel Fund LLC, is newly formed specifically for the purposes stated herein and in the Investment Summary (Exhibit 4) and has no experience raising and investing funds in any company or in any investments of the type contemplated by this Offering. However, members of the Manager have extensive prior experience in negotiating, purchasing, renting, and selling real estate. Please see their experience summary in the attached Exhibit 4.

9.2 Financial Statements of the Company

The Company, US Diversity Group Hotel Fund LLC, is newly formed and does not have an audited financial statement. The Manager will obtain unaudited financial statements for the Company at the end of the Fiscal Year for Distribution to the Members.

9.3 Financial Statements of the Manager

The Manager will not make its financial statements available for the Members to review.

10. Investment Objectives and Policies

10.1 Acquire, Develop, Operate and Dispose of Properties

The investment objectives and policies of the Company are the acquisition, development, operation, and disposition of the Properties in such a manner as to produce a return on investment for its Members.

10.2 Provide Members with Real Estate Investment Opportunities

One of the specific investment Company objectives is to provide the Members with an opportunity to participate in real estate investment opportunities as part of a group, in order to avail themselves of group ownership benefits, such as property ownership, limited liability, professional property management, and tax benefits that may not otherwise be available to individual Investors. The Company's policy is to operate, manage, and dispose of the Properties on behalf of the Members.

10.3 Provide Members with Limited Liability

One of the specific investment objectives is to provide the Members with limited liability for events at the Properties and/or actions of the Manager. The Company's policy will be to operate the Company in such a manner that each Member remains a passive Investor in

order to minimize their potential liability regarding operation of the Company and to operate the Company in such a manner as to afford liability protection to the outside assets of the Members to the extent allowed under Georgia limited liability company laws.

10.4 Anticipated Property Holding Periods

The Manager expects that the Company will operate indefinitely. Please see Section 2.7 for the Redemption Policy of the Company. Members will not be permitted to withdraw or Redeem their Interests unless the Company has been in operation for a minimum of ten (10) years. Members must provide a 90-day notice for withdrawal. The, Manager will continually explore opportunities for resale, which may occur earlier than the projected hold time. If the Properties are sold earlier than anticipated, it may result in an early return of the Members' Capital Contributions.

If market conditions preclude disposition of a Property at the end of the projected time, the life of the Company may be extended and operations of the Company will need to continue until more favorable market conditions occur and that Property can be sold.

10.5 Provide Cash Distribution to Members

An investment objective of the Company is to generate Distributable Cash from operations, improvement and/or resale of the Property for "Distribution" to the Members. Distributions will be evaluated on a quarterly basis, beginning one year following commencement of operations.

10.6 Provide for Self-Liquidation

An investment objective of the Company is to manage the Company so that it will be self-liquidating. The Company policy will be to dissolve the Company at such time as the Properties have been sold unless all of the Members have elected to continue the Company.

10.7 Allow Class A Members Minimal Involvement in Management

An investment objective of the Company is to provide the Class A Members with an investment that requires minimal involvement in property or asset management. The Company policy will be for the Manager to make all decisions regarding the Properties on behalf of the Company.

United States Diversity Group LLC are the initial managers of the Company and shall manage all business and affairs of the Company unless removed for Good Cause (as defined in the Agreement) or resigns. The Manager shall direct, manage, and control the Company to the best of its ability and shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things that the Manager shall deem to be reasonably required to accomplish the business and objectives of the Company. The rights and duties of the Manager are described in Article 6 of the Agreement.

10.8 Keep Members Apprised of Company Affairs

The Manager intends to furnish Members with periodic financial status reports for the Company. The Manager will prepare an annual information package that it expects to deliver by March 1st of each year. The annual information package will include such things as an annual operations update, financial statements, K-1 forms, and a copy of the Company tax return, as applicable.

The Manager intends to conduct periodic teleconferences and/or email updates with the Members, as the Manager deems necessary to keep them apprised about affairs involving the Company. The members of the Manager will be available to answer questions during normal business hours via telephone or email.

11. Other Information and Exhibits

11.1 Title Insurance

The Manager intends to obtain title insurance for the Properties, naming the Company as the beneficiary.

11.2 Insurance Policies

The Manager will attempt to obtain property, casualty and liability insurance policies covering the Properties as appropriate to protect the Company's Interest in the Properties and naming the Company as the beneficiary.

11.3 Other Documents

The Manager expects that the Company will enter into other legally binding instruments that, in the Manager's business judgment, are prudent with respect to the Company's interest in the Property or in effecting the Company's operation or investment objectives.

11.4 Exhibit List

The following Exhibits provide additional relevant information about the Company and its business plan, each of which is provided electronically (or hard copy on request) and incorporated herein by reference as if fully set forth herein:

- Exhibit 1 contains the Articles of Organization for the Company.
- Exhibit 2 is the Operating Agreement that each Member must review and approve by signing the Subscription Agreement.
- Exhibit 3 is the Subscription Booklet, which must be completed and signed by each prospective Member or its financial advisor.
- Exhibit 4 is the Investment Summary showing details about the business plan of the Company and members of the Management team.

The Manager may supplement the Exhibits during the period of the Offering by sending notice to all recipients of the Offering documents with instructions on how to access them.

12. Federal Taxes

The potential Investor should be aware of the material Federal income tax aspects of an investment in the Class A Interests, effective as of the date of this document. An Investor should consult with their tax professional to determine the effects of the tax treatment of the Class A Interests with respect to their individual situation.

12.1 Reporting Status of the Company

The adoption, by the IRS, in 1996, of the so-called 'check-the-box' regulations sets partnership status as the default Federal tax classification for multiple-member limited liability companies being formed today. No further action need be taken by the Company to obtain partnership status.

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

However, certain States may require the Company to withhold or pay tax on behalf of Members who are non-residents of that State. In the event of such tax withholding, those amounts paid on behalf of the Member shall be counted as Distributions of that Member and not a cost to the Company.

12.2 Taxation of Members

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

12.3 Basis of the Company

An original tax basis will be established for the Company based on the amount of a Member's investment. The tax basis of the Company will be adjusted during the operations of the Company and under applicable partnership tax principles.

12.4 Basis of a Member

A Member will establish their original tax basis based on the amount of their initial Capital Contribution. Each Member's tax basis will be adjusted during operations of the Company

under the principles of subchapter K of the Internal Revenue Code. A Member may deduct, subject to other tax regulations and provisions, their share of Company losses only to the extent of the adjusted basis of their Interest in the Company. Members should seek qualified tax advice regarding the deductibility of any Company losses.

12.5 Cost Recovery and Recapture

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

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

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

12.6 Deductibility of Prepaid and Other Expenses

The Company will incur expenditures for legal fees in association with the set-up of the Company. These expenditures will be deducted, capitalized, and amortized or capitalized and will be deducted only upon dissolution of the Company based on current tax law.

The Company will incur expenditures for professional fees associated with the preparation and filing of the annual income tax and informational returns. These expenditures will be deducted on an annual basis. All other normal operating expenses will be deducted on an annual basis by the Company, which will use a calendar accounting year.

12.7 Taxable Gain

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

12.7.1 From Operations

According to the Company Investment Objectives and Policies, the Manager is projecting that there will be taxable income to distribute to the Members on the Schedule K-1 report provided to each Member annually.

12.7.2 From Disposition, Dissolution and Termination

On disposition of a property or on dissolution and termination of the Company, which will likely be caused by the sale of a property, the Members may be allocated taxable income that may be treated as ordinary income or capital gain. Article 4 of the Agreement describes Cash Distributions from disposition of a property, and Article 14 describes Cash Distributions on dissolution and termination of the Company.

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

12.7.3 From Sale or Other Disposition of a Member's Interests

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

Upon the sale of a Member's interest, the Member may be required to report taxable gain or loss. Members should seek advice from their qualified tax professional in the event of the sale of the Member's interest.

12.7.4 Phantom Income

It may occur that in any year the Members will receive an allocation of taxable income and not receive any Cash Distributions. This event is called receiving phantom income as the Member has taxable income to report to which tax will be due, but receives no cash.

12.7.5 Unrelated Business Income Tax (UBIT)

An Investor who acquires Class A Interests through their Individual Retirement Accounts may be subject to Unrelated Business Income Tax (UBIT). The Manager recommends that Investors contact their qualified tax advisor to determine how/whether the application of UBIT may apply to them.

12.8 Audits

12.8.1 Election Out of Bipartisan Budget Act Audit Rules

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

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

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

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

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

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

12.8.2 Push Out Election

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

In the event that the Company fails to make a valid election out of the BBA audit rules or is otherwise disqualified from electing out of their application, the Company intends to elect the application of the "push out" procedures. In the event of a push out, or if the "push out" is not effective, a former Member may owe additional tax if they were a Member during the reviewed year.

13. Definitions

Defined terms are capitalized herein. The singular form of any term defined below shall include the plural form and the plural form shall include the singular. Whenever they appear capitalized in this Memorandum, the following terms shall have the meanings set forth below unless the context clearly requires a different interpretation:

Act shall mean the Georgia Limited Liability Company Act, as codified in the Georgia Code, Title 14, Chapter 11 and amendments thereto, unless a superseding Act governing limited liability companies is enacted by the state legislature and given retroactive effect or repeals this Act in such a manner that it can no longer be applied to interpret this Memorandum of the Agreement, in which case Act shall automatically refer to the new Act, where applicable, to the extent such re-interpretation is not contrary to the express provisions of this Memorandum or the Agreement.

Advance, Advances or Member Loans shall mean any deferred expense reimbursement or Fee earned by the Manager, as described in Article 3.1 of the Agreement.

Affiliate or Affiliated shall mean any Person controlling or controlled by or under common control with the Manager or a Member wherein the Manager or Member retains greater than fifty percent (50%) control of the Affiliate if an entity.

Agreement or Operating Agreement, when capitalized, shall mean the written Operating Agreement, whose purpose it is to govern the affairs of the Company and the conduct of its business in any manner not inconsistent with law or the Articles of Organization, including all amendments thereto. No other document or other agreement between the Members shall be treated as part or superseding the Agreement unless it has been signed by all of the Members. The Agreement is attached hereto as Exhibit 2.

Article when capitalized and followed by a number refers to sections of the Agreement.

Articles of Organization shall mean the Articles of Organization filed with the Georgia Secretary of State pursuant to the formation of the Company, and any amendments thereto or restatements thereof.

Asset or Company Asset shall mean any real or personal property owned by the Company.

Break Impounds, Breaking Impounds, or any iteration thereof, shall mean the Manager's use of Investor's funds.

Capital Account shall mean the amount of the capital interest of a Member in the Company consisting of that Member's original Contribution, as (1) increased by any additional Contributions and by that Member's share of the Company Profits, and (2) decreased by any Distribution to that Member and by that Member's share of the Company's Losses.

Capital Contribution or Contribution shall mean any contribution to the Company in cash, property, or services by a Member whenever made.

Capital Transaction shall mean the sale or disposition of a Company Asset.

Class A shall refer to those Members who have purchased Class A Interests.

Class A Interests shall mean Interests in the Company purchased by the Class A Members in the form of Class A Units. The Class A Interests shall comprise sixty five percent (65%) of the total Interests sold.

Class A Percentage Interest shall be determined by calculating the ratio between each Class A Member's Capital Account in relation to the total capitalization of the Company provided by the Class A Members.

Class A Interests shall mean the Units offered for sale to Investors via this Memorandum.

Class B shall mean thirty-five percent (35%) of the total Interests in the Company, which shall be issued to United States Diversity Group LLC (or its members or their Affiliates) in exchange for services.

Class B Members shall initially mean United States Diversity Group LLC (or their members or their Affiliates), but may include others who are granted or purchase Class B Interests in the sole discretion of the Manager. Issuance of the Class B Units is irrevocable and independent of the Manager's service to the Company.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time.

Company shall refer to US Diversity Group Hotel Fund LLC, a Georgia limited liability company.

Distributable Cash means all cash of the Company derived from Company operations or Capital Transactions and miscellaneous sources (whether or not in the ordinary course of business) reduced by: (a) the amount necessary for the payment of all current installments of interest and/or principal due and owing with respect to third-party debts and liabilities of the Company during such period, including but not limited to any real estate commissions, property management fees, marketing fees, utilities, closing costs, holding costs, construction costs, etc., incurred by or on behalf of the Company; (b) the repayment of Advances, plus interest thereon; and (c) such additional reasonable amounts as the Manager, in the exercise of sound business judgment, determines to be necessary or desirable as a Reserve for the operation of the business and future or contingent liabilities of the Company. Distributable Cash may be generated through either operations or Capital Transactions.

Distribution, Distributions or Cash Distributions shall mean the disbursement of cash or other property to the Manager or Members in accordance with the terms of the Agreement.

Economic Interest shall mean a Person's right to share in the income, gains, Losses, deductions, credit, or similar items of, and to receive Distributions from, the Company, but does not include any other rights of a Member, including, without limitation, the right to vote or to participate in management, except as may be provided in the Act, and any right to information concerning the business and affairs of the Company.

Fee shall mean an amount earned by the Manager as compensation for various aspects of

operation of the Company, if applicable, described in Article 5.2 of the Agreement and Section 5, Table 5.1 hereof.

Fiscal Year shall mean the Company's fiscal year, which shall be the calendar year.

Interest or Membership Interest shall mean a Member's rights in the Company, including the Member's Economic Interest, plus any additional right to vote or participate in management, and any right to information concerning the business and affairs of the Company provided by the Act and/or described in the Agreement.

Investor shall mean a Person who is contemplating the purchase of Class A Interests.

Losses shall mean, for each Fiscal Year, the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year under the cash method of accounting and as reported, separately or in the aggregate as appropriate on the Company's information tax return filed for Federal income tax purposes.

Majority of Interests shall mean Members whose collective Percentage Interests represent more than fifty percent (50%) of the Interests, whether in the Company or in a particular Class, as specified in specific provisions of the Agreement. Where no class is specified, a Majority of Interests refers to Members having a majority of the total Interests in the Company, regardless of class.

Manager shall initially refer to United States Diversity Group LLC, a Georgia limited liability company and each of its members, officers, shareholders, directors, employees and agents or any other Person or Persons, as well as any of its Affiliates that may become a Manager pursuant to the Agreement or any other Manager who shall be qualified and elected pursuant to Article 8 of the Agreement. See also Section 2.2 hereof.

Maximum Dollar Amount shall mean Fifty Million Dollars ($50,000,000), which is the maximum amount of Capital Contributions that will be accepted from Class A Investors pursuant to this Offering.

Member means a Person who: (1) has been admitted to the Company as a Member in accordance with the Articles of Organization and the Agreement, or an assignee of an Interest in the Company who has become a Member; (2) has not resigned, withdrawn, or been expelled as a Member or, if other than an individual, been dissolved. Member does not include a Person who succeeds to the Economic Interest of a Member, unless such Person is admitted by the Manager as a new, substitute, or additional Member, in accordance with the provisions for such admission as provided in the Agreement.

Memorandum shall mean this Private Placement Memorandum, its Exhibit(s) and any supplements or addenda.

Minimum Dollar Amount shall mean the minimum amount of Capital Contributions that must be raised from the sale of Class A Interests before Breaking Impounds and acquiring Company Properties.

Minimum Investment Amount shall mean the minimum investment required of a single

Class A Investor for admission to the Offering, or Fifteen Thousand Dollars ($15,000), or the purchase of thirty (30) Units at Five Hundred Dollars ($500) per Unit. Additional Units can be purchased once an Investor achieves the Minimum Investment Amount. The Manager, in its sole discretion, may accept less than the Minimum Investment Amount.

Non-U.S. Person shall mean a Person who is not a U.S. Citizen, not a legal U.S. resident, or not living in the United States.

Offering, when capitalized, shall mean the offer for sale of Class A Interests in the Company in exchange for a Percentage Interest in the Company, pursuant to this Memorandum and the Agreement.

Offering Period shall mean the amount of time, or any extension or reinstatement thereof, specified by the Manager during which a Person may invest in Class A Interests in the Company and thereby become a Class A Member. The Manager reserves the right to terminate the Offering Period at any time.

Organization Expenses shall mean legal, accounting, and other expenses incurred in connection with the formation of the Company.

Partnership Representative shall mean a member of the Manager, or an otherwise identified individual designated to act on behalf of the Company pursuant to section 6223 of the Internal Revenue Code.

Percentage Interest shall mean the ownership Interest in the Company of a Member, which shall be the calculated by dividing the number of Units purchased by the Member by the total number of Units (Class A or B) issued. See Article 2.2 of the Agreement; see also definition of Class A Percentage Interests above and Appendix B, attached to the Agreement.

Profits shall mean, for each Fiscal Year, the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year under the cash method of accounting and as reported, separately or in the aggregate as appropriate, on the Company's information tax return filed for Federal income tax purposes.

Property, Properties or Company Property shall mean the hotel and multi-family real estate assets throughout the United States.

Redeem or Redemption shall mean the act of returning the Class A Members' Capital Account Balance prior to dissolution of the Company, after which the Class A Member's Interests will automatically terminate.

Section, when capitalized and followed by a number refers to sections of this Private Placement Memorandum.

Single Purpose Entity shall mean a separate entity that is wholly owned by the Company in order to purchase Properties.

Suitability Standards shall mean the qualifications established by the Manager for Investors who wish to invest in this Offering, as described in Section 1 hereof.

Unit shall mean the incremental dollar amount established by the Manager for sale of the Interests pursuant to this Offering, which Investors may purchase in order to become Members of the Company. Note: Units issued by the Company are "personal property" and not "real property" Interests, thus, may be ineligible for exchange under Federal tax law or "1031 exchange" rules.

Unreturned Capital Contributions means all Capital Contributions made by a Class A Member less any returned capital.

Working Capital, Working Capital and Reserves, Reserve or Reserves shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to Reserves that shall be maintained in amounts deemed sufficient by the Manager for working capital and to pay taxes, insurance, debt service, or other costs or expenses incidental to the ownership or operation of the Company's business.

14. Summary of Operating Agreement

The potential Investor is advised to read the Limited Liability Operating Agreement provided by the Manager and included as Exhibit 2.

15. Offering Exempt from Registration

The Units being sold in this Offering are a "security" as defined by Federal securities Laws. This Offering is conducted under Federal Laws providing an exemption from securities registration as a "private placement offering" pursuant to Regulation D, Rule 506, as promulgated by the Federal Securities and Exchange Commission (SEC) and/or other applicable state securities agencies. Other than filing the requisite notices with Federal and state securities agencies on behalf of the Company, the Manager does not intend to qualify or register this Offering with any governmental securities agency.

The Interests offered have not been registered with the SEC nor qualified with any State securities agencies. No permits have been obtained from any governmental agency. No reports will be made to any governmental agency under any Federal or State securities laws other than informational reports and notices of the sale of securities as may be required pursuant to the applicable private placement exemption.

16. Integration

This Memorandum is to be distributed only by the Manager and only to individuals who attest in writing that they meet the Suitability Standards established by the Manager for Investors in this Offering.

This Memorandum represents the complete package of information and disclosures regarding the Company. Investors should not rely on any verbal information provided from any source that is not set forth in writing within this document, its Exhibits, or any supplemental Exhibits that may be provided by the Manager.

17. Limited Time Offering

This is a limited time Offering. Subscriptions to purchase Class A Interests in the Company will be accepted on a first-come, first served, basis from Investors who meet the Suitability Standards established by the Manager. Once the Offering has been closed by the Manager, no further subscriptions will be accepted, although the Manager may establish a waiting list in case a committed Class A Investor fails to meet the Suitability Standards established by the Manager for Membership in the Company, or fails to timely provide the committed funds.

An Investor who desires to purchase Class A Interests must review the Operating Agreement (Exhibit 2) and sign and complete a Subscription Booklet (Exhibit 3), and return the completed Subscription Booklet to the Manager. The Manager will review these documents to verify that all prospective Class A Members have testified that they meet the Suitability Standards established by the Company, and reserves the right to request additional, substantiating information from an Investor prior to acceptance or denial of admission.

18. Signatures

Dated: July 14, 2020

By: US Diversity Group Hotel Fund LLC,
A Georgia limited liability company

By: Its Manager

United States Diversity Group LLC,
A Georgia limited liability company

Its Members:

DocuSigned by:
950CEFF4A8764C6...
By: Toshia Posey
its Managing Member

DocuSigned by:
D99F3ED812F242E...
By: Jacques Posey
its Managing Member

DocuSigned by:
Velma Trayham
9D240AA1443C4C0...
By: Velma Trayham
its Managing Member