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PRIVATE PLACEMENT MEMORANDUM

Revised: January 31, 2025



SUMMARY OF THE OFFERING

Issuer: Forte LLC

Securities Offered: Unsecured Promissory Notes (the "Notes")

Minimum Investment Amount: \$25,000.00

Eligible Investors: Accredited Investors only (SEC Rule 501)

Security Instrument: Promissory Note (non-convertible; no equity option)

Interest Rate: Tiered Preferred Return (9% - 11%) depending on term

Distributions: Paid monthly via ACH

Transferability: Restricted, subject to company approval

Commissions: No commissions or remuneration paid to principals

Right to Refuse/Return Subscriptions: Forte LLC may accept or reject any subscription and reserves the right to return investor funds if the conditional minimum is not met.

Forte LLC ("Forte" or the "Company") is a real estate investment company focused on acquiring, renovating, renting, and reselling residential and mixed-use properties across the United States. Through this Private Placement Memorandum ("PPM"), Forte is offering (the "Offering") in unsecured promissory notes (the "Notes") to accredited investors (the "Investors").

The Notes will accrue interest according to the tiered structure disclosed in this PPM and will not convert to equity or stock. Forte LLC does not offer equity in the company as part of this investment structure. Investor capital is used to acquire, renovate, lease, or sell value-add and income-producing real estate assets, primarily in underpriced or underserved housing markets.

All proceeds from this Offering will be wired into the Company's designated operating account and used to fund projects, pay operating expenses, and generate cash flow to meet interest obligations. Subscriptions will be reviewed for eligibility and may be declined at the Company's sole discretion.

INVESTMENT OVERVIEW

Forte LLC offers accredited investors access to a portfolio of real estate opportunities with a focus on capital preservation and predictable monthly income. The company handles the full lifecycle of each investment: sourcing, due diligence, acquisition, execution, and exit.

Investors are not required to be active in the decision-making process. Forte LLC manages all operations and provides regular reporting. This approach allows investors to receive the benefits of real estate exposure without the day-to-day obligations of ownership.

RISK FACTORS

Investing in real estate through Forte LLC involves substantial risk. There is no assurance of return or protection of principal. Real estate values may fluctuate due to market conditions, interest rates, labor/material costs, and other variables. Delays in construction, unexpected repairs, or tenant vacancy could adversely affect performance. Additionally, economic downturns, regulatory changes, and force majeure events (e.g., natural disasters, pandemics) may impact the viability or timing of project exits.

In the event of a significant market downturn or severe economic complications, Forte LLC will make reasonable efforts to continue providing investor returns. If necessary, the Company may reduce the preferred return rate to a minimum of 3% annually to preserve capital and maintain stability while navigating through adverse conditions.

Investors should not invest unless they can afford the complete loss of capital.

INVESTOR SUITABILITY STANDARDS

This offering is open only to investors who qualify as “accredited investors” under SEC Rule 501(a). Each investor will be required to verify their status through income, net worth, or professional qualification. The Company may decline investors who do not meet these criteria.

COMPANY OVERVIEW

Forte LLC is a real estate investment and development company focused on residential and light commercial projects throughout the Mid-Atlantic and Southeastern United States. Founded by experienced real estate operators, Forte LLC specializes in adding value through physical renovation, asset repositioning, and operational improvement.

Forte's management team has overseen millions in real estate acquisitions and development, and brings extensive knowledge in construction, finance, and property management.

MARKET STRATEGY

Forte LLC targets markets with high job growth, strong population trends, and housing demand. The company favors secondary and tertiary cities with supply constraints or infrastructure expansion. Target property types include:

- Aging single-family homes in gentrifying neighborhoods
- Undervalued multifamily assets
- Infill land development sites
- Mixed-use properties in walkable corridors

PROJECT SELECTION CRITERIA

Projects are evaluated using a strict internal underwriting model, which factors in acquisition cost, renovation budget, comparable sales, rent potential, cap rate, and hold periods. Qualitative factors like location appeal, contractor availability, and zoning compliance are also considered.

Only projects meeting return thresholds and risk-adjusted benchmarks proceed to capital deployment.

MANAGEMENT AND GOVERNANCE

The Company is managed by its founding members, who serve as Managing Directors. All key operational decisions, including project acquisition, capital allocation, and distributions—are made by this leadership team. An Advisory Board provides quarterly insight into market direction and strategic planning.

LEGAL STRUCTURE & TAXATION

Forte LLC is taxed as a partnership for U.S. federal income tax purposes. Investors receive a Form 1099-INT for interest income. Investors should consult a tax professional to understand implications on their tax status.

RESTRICTIONS ON TRANSFERABILITY

The Securities offered are subject to restrictions under federal and state securities laws. Investors may not transfer, resell, or assign the securities without express written consent of Forte LLC and compliance with applicable regulations.

NO PUBLIC MARKET

No public market exists for the securities. The Company does not anticipate a future listing or secondary offering. Investment is illiquid and should be considered long-term.

REPORTING AND COMMUNICATION PRACTICES

Forte LLC provides:

- Monthly updates via investor portal
- Quarterly project summaries
- Annual financial statements
- ACH payment reports with transaction confirmation

EXIT STRATEGY

Projects may exit through:

- Resale post-renovation
- Refinancing with long-term debt
- Sale to institutional buyers or REITs

Refinance proceeds may be used to repay investors before maturity, subject to return thresholds being met.

CONFLICTS OF INTEREST

Forte LLC or its affiliates may operate other real estate businesses or funds. This can create potential conflicts, including:

- Allocation of deals among related entities
- Fees paid to affiliated service providers
- Management time split across projects

The Company seeks to mitigate conflicts through internal controls and transparency.

REGULATORY ENVIRONMENT

This offering is made under Rule 506(c) of Regulation D. Investors must undergo third-party verification of accredited status. The Company complies with all anti-fraud and disclosure rules and submits filings to the SEC (Form D).

REAL ESTATE ASSET CLASS DESCRIPTIONS

Single-Family Homes – Targeted for renovation and resale. **Multifamily** – Up to 20 units, with value-add upside. **Mixed-Use** – Retail + residential projects in urban centers. **New Construction** – Ground-up homes and small-scale developments.

SAMPLE PROJECT TIMELINE

Month 1–2: Acquisition and planning

Month 3–6: Renovation or construction

Month 7–9: Lease-up or listing

Month 10–12: Exit through sale or refinance

ESG AND SOCIAL IMPACT CONSIDERATIONS

While not a designated ESG fund, Forte LLC strives to:

- Revitalize underinvested neighborhoods
- Use sustainable materials where practical
- Work with local and minority-owned contractors
- Improve energy efficiency in housing

PATRIOT ACT & ANTI-MONEY LAUNDERING NOTICE

In compliance with the USA PATRIOT Act, all investors will be required to verify identity and funding sources. The Company will refuse or rescind investments that appear to violate anti-money laundering (AML) laws.

EXHIBITS (BY REQUEST ON SEPARATE PDF)

- Exhibit A: Promissory Note
- Exhibit B: Subscription Agreement
- Exhibit C: Accredited Investor Questionnaire
- Exhibit D: ACH Authorization Form

CONTACT INFORMATION

Forte LLC

11640A Cavalier Landing Ct, Fairfax VA 22030

forteinquiries@gmail.com – (571) 327-7306

www.forteacquisitions.com