



CLOUD NINE MICRO-OPPORTUNITY INCOME

FREQUENTLY ASKED QUESTIONS

Who is Cloud Nine?

Cloud Nine is the name under which our real estate investment opportunities are offered. Cloud Nine Micro Opportunity Income Fund operates under a Florida based corporation, CNMI, Inc. Cloud Nine Asset Management, LLC provides all operational and managerial resources to the suite of real estate investment opportunities under the Cloud Nine name.

Please explain the concept of syndication.

In general terms, syndication refers to the process of utilizing investment capital from a broad spectrum of individual investors allowing them to participate in the ownership of real estate otherwise considered to be unattainable on an individual basis. It allows investors to “share” in the benefits of multiple properties, multiple tenants, multiple sources of revenue which in turn mitigates the risk of single ownership and single tenancy properties.

What types of investment opportunities does Cloud Nine offer?

Cloud Nine has the capability to offer an array of investment opportunities however the Cloud Nine micros will almost always be structured through a Preferred Stock. These shares offer a fixed rate of return through the payment of a dividend. Please see the respective investment summaries for specific investment details.

Who is eligible to invest in the Cloud Nine Micro Income Fund?

Investor eligibility guidelines are identified in the respective investment summaries however CNMI has very few restrictions. The primary consideration will be to ensure the amount of capital invested is “reasonable” in relation to your entire investment portfolio.

What background checks do you perform?

Before accepting any capital contributions in our micro-opportunities, we will verify every investor’s identity and is usually conducted through a fairly quick electronic check.



[Does CNMI provide advice in relation to its investment opportunities?](#)

Cloud Nine or CNMI does not provide financial, legal, investment or tax advice. Staff can discuss the specific investment opportunity with you before you invest and during your entire tenure as a CNMI investor only.

[How does the investment process work?](#)

Once you have established the opportunity in which you would like to invest and reviewed all investment materials, you will be required to complete the subscription agreement. The subscription agreement is a simple form and requires you to provide pertinent personal information and to identify the amount of your initial investment. The completed subscription agreement is sent to us for review and once approved the investment is funded. You will then receive a welcome package from us to be retained for your records.

[How do investors fund their account?](#)

Once an investor has completed the subscription process they can fund their accounts by ACH, bank wire or check. Details of which will be provided once the Subscription Agreement has been completed and submitted.

[What happens if the investment opportunity isn't fully funded?](#)

The indicated size of the portfolio is a MAXIMUM allocation and all invested capital is available immediately to make appropriate investments. CNMI has 12 months from the time of initial release to become fully funded. How the funds are invested during this time frame is at the full discretion of management within the parameters of the investment guidelines.

[What is the minimum investment?](#)

The initial minimum investment amount for each investor is \$500 however anyone wishing to make additional investments in the future can do so in \$100 increments until such time the investment is fully funded.

[Are there any conflicts of interest?](#)

No, there are no conflicts of interest. Cloud Nine Asset Management, LLC provides all operational, management and maintenance services for the investment opportunities offered. All activities conducted by CNMI or Cloud Nine Asset Management that requires a real estate license in the State of Florida will be done so through 4 Walls Realty, LLC. 4 Walls Realty, LLC is owned and/or operated by the principals of CNMI, LLC and the services provided are clearly defined by written agreement.



[Can I withdraw my money?](#)

Our real estate opportunities should be considered long term investments with little or no liquidity. CNMI has pre-determined liquidation events however these will be purely at the discretion of management and are very limited.

[How do I calculate the value of my investment?](#)

An investment in CNMI is done through the subscription of Preferred Shares and the value of those shares do not change. For example, if you subscribe and purchase 200 shares @ \$5.00 per share (\$1,000) the shares will remain at \$5.00 for the entirety of the investment. The shares will pay a dividend and in this case the dividend is equal to 9%. These dividends can be paid to you directly or reinvested into the purchase of additional preferred shares.

[What is an equity kicker?](#)

CNMI does include an equity kicker feature. Under this structure, an investor will receive a fixed return during the course of the investment through a dividend on the underlying shares. As the portfolio nears maturity and management completes full liquidation, the net proceeds after debt satisfaction could result in positive equity. If this is the case a portion of this equity will be paid to investors and the remaining portion will be retained by management.

For example; assume the portfolio is fully funded at \$1,000,000

At liquidation and after any debt is satisfied the portfolio has a Net Asset Value of \$1,800,000

The preferred shares are repaid (\$1,000,000) resulting in \$800,000 in positive equity.

60% of this \$800,000 will be distributed to the preferred shareholders and 40% to CNMI common shareholders.

[How do I get my invested principal back?](#)

CNMI offers liquidation events throughout the life of the portfolio however such events are very limited. At such time management believes the portfolio has matured and completes a full liquidation of the entire portfolio is when investors will receive their invested principal back.

[Can I invest through my retirement plan?](#)

Yes, our investment opportunities can be purchased through your self-directed IRA however will be subject to the administrator's approval. This approval process can take some time so if this is something you would like to entertain we urge you to have your administrator contact us immediately.



[As an investor, is my liability limited?](#)

Yes, the total liability of the investor is limited to the amount of capital that is invested. As with any investment, capital invested is at risk and money invested can be lost.

[How will I receive updates about my investment?](#)

The company will issue press releases as and when any pertinent event takes place within the portfolio. All asset purchases or liquidations that occur will be recorded and distributed to investors quarterly. Every investor will also receive a full annual report. You can of course contact us at any time via telephone or email.

[Are these investments risky?](#)

Every investment in every asset class has an element of risk involved. We make every attempt to mitigate the risk by providing diversification in multiple properties with multiple tenancies, however the ownership and management of real estate does contain risks. Please refer to "Risk Factors" in our subscription documents.

[What fees are charged to our investors?](#)

There are no fees associated with an investment in CNMI.

[What fees do I incur if I invest through my retirement account?](#)

We do not charge any additional fees if an investment is made through a self-directed IRA. The custodian of your IRA will have their own fee schedule but that has no reflection on the investment held with us.