DATED: MAY 20TH, 2019 MEMORANDUM NO. _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ACCREDITED INVESTORS ONLY

Smart Living Fund, LLC,
a Delaware limited liability company

Maximum Offering:	**$50,000,000.00**
Maximum Class A Units Offered:	**5,000,000**
Price per Class A Unit:	**$10.00**
Minimum Investment Per Investor:	**$50,000.00**

CONFIDENTIAL INFORMATION NOTICE

This Confidential Private Placement Memorandum (the "**Memorandum**") and any other information or documents delivered in connection with the offering described in this Memorandum are being furnished on a confidential basis, solely for use by potential investors in considering whether or not to purchase regular Class A Units of membership interest pursuant to this Memorandum. All of the information contained in this Memorandum and any related documents and information is confidential and proprietary to Smart Living Fund, LLC. You will not reproduce, distribute or further disseminate this Memorandum, or any related documents or information, in whole or in part. If you do not wish to participate in the offering described herein, you will return this Memorandum to Smart Living Fund, LLC as soon as practicable, together with any other material relating to the Smart Living Fund, LLC that you may have received. You must obtain our prior written consent before taking any proposed actions that are inconsistent in any manner with the foregoing statements.

Please review this entire Memorandum, including the "Risk Factors" section.

Smart Living Fund, LLC, is a newly organized Delaware limited liability company ("**Company**", "**Fund**", "**we**", "**us**" or "**our**") formed as a specialized real estate investment fund to acquire and operate mobile home parks located in the Southeast United States, focusing on mobile parks consisting of 50 to 150 spaces for people aged 55 and older located within the state of Florida. The Company is managed by Smart Living, Inc.., a Washington corporation (the "**Manager**").

We are offering up to $50,000,000.00 in our Class A Units of membership interest (each a "**Class A Unit**" and collectively, the "**Class A Units**"), which represent an equity interest in the Company. Purchasers of Class A Units may be referred to herein individually as a "**Member**" or collectively as the "**Members**". The minimum investment in Class A Units, being sold pursuant to this Memorandum at a price of $10.00 per Class A Unit, is $50,000.00. We expect to offer Class A Units pursuant to this Memorandum until we raise the maximum amount, $50,000,000.00, unless terminated by our Manager at an earlier time (the "**Offering Expiration Date**"). The price of each Class A Unit, $10.00, was arbitrarily determined by our Manager. The offering of Class A Units described in this Memorandum will be open to investors at "par" up to the Offering Expiration Date. This means that subsequent investors who purchase Class A Units have the ability to purchase those Class A Units on the same basis as did early investors. As a result, early investors therefore may bear greater risks than later investors in the offering.

The Class A Units will be offered to prospective investors that are accredited investors under Rule 501 of Regulation D, 17 C.F.R. § 230.501(a), promulgated under the Securities Act of 1933, 15 U.S.C. § 77a, et seq., as amended (the "**Securities Act**").

Investors will be required to commit the amount of capital set forth in each respective investor's Subscription Agreement, attached hereto as Exhibit A (the "**Subscription Agreement**"); however, an investor's capital commitment will remain in such investor's own back account until drawn down by the Manager. Investors will not become holders of Class A Units and thus Members of the Company until an investor's committed capital is drawn down by the Company as set forth in herein and the Company's Limited Liability Operating Agreement (the "**Operating Agreement**") attached hereto as Exhibit B The Company anticipates that at such time as investors have committed $6,000,000.00 the Company will draw down investors' capital commitment. Thereafter, closings will be held at the Manager's discretion. The Company and the Manager have the sole and absolute discretion to accept or reject any subscription or investor for any reason.

If the Company has not raised $6,000,000.00 on or before one year after the date of this Memorandum, all proceeds received from potential investors prior to such date will be returned, without interest, to the investors that supplied such investment amounts.

The Class A Units are being offered under an exemption from registration pursuant to Section 4(a)(2) of the Securities Act and Regulation D, Rule 506(c) promulgated thereunder by the U.S. Securities and Exchange Commission ("**SEC**"). The Company does not intend to register the Class A Units in this offering and these Class A Units do not provide any registration rights. The Class A Units may only be sold or transferred upon such security being registered with the SEC or under an exemption provided under the Securities Act and relevant state law. The Operating Agreement also provides certain restrictions on transfer and the Manager, in its sole and absolute discretion, may require, and approve or reject, an opinion of counsel from a potential transferring Member stating the transfer is exempt from registration.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back the consideration paid. The Company believes that the offering of the Class A Units described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a

specified time, usually one year from discovery of facts constituting such violation and three years from the violation. Should any investor institute such an action on the theory that the offering conducted as described herein was required to be registered or qualified, the Company contends that the contents of this Memorandum constituted notice of the facts constituting such violation as of the date of this Memorandum.

Investing in our Class A Units is speculative and involves substantial risks. You should purchase Class A Units only if you can afford a complete loss of your investment. See section titled "Risk Factors" to read about the more significant risks you should consider before purchasing our Class A Units.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE CLASS A UNITS HAVE NOT BEEN 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 DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE CLASS A UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE MADE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION WITH RESPECT TO THIS OFFERING, AND THE CLASS A UNITS BEING OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE CLASS A UNITS ARE BEING OFFERED AND SOLD IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND THE CLASS A UNITS MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT. THE CLASS A UNITS BEING OFFERED HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR A SOLICITATION OF AN OFFER TO ACCEPT AND/OR MAKE SUBSCRIPTIONS FOR THE CLASS A UNITS OR TO SELL AND/OR BUY THE CLASS A UNITS. ACCEPTANCE OF A RECIPIENT'S SUBSCRIPTION FOR THE CLASS A UNITS SHALL BE MADE ONLY AFTER IT HAS BEEN DETERMINED THAT SUCH RECIPIENT SATISFIES THE REQUIREMENTS FOR AN EXEMPTION FROM REGISTRATION AND THE FACTORS SET FORTH IN THE SECTION ENTITLED INVESTOR SUITABILITY. DELIVERY OF THIS MEMORANDUM FOR INFORMATIONAL PURPOSES SHALL NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY CLASS A UNITS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE TO ANY PERSON TO WHOM SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

INVESTMENT IN THE CLASS A UNITS IS SPECULATIVE AND INVOLVES A RISK OF LOSS. THE CLASS A UNITS WILL NOT BE FREELY TRANSFERABLE AFTER THE OFFERING AND

ANY TRANSFER OF SUCH CLASS A UNITS WILL BE SUBJECT TO COMPLIANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE CLASS A UNITS SHOULD BE PURCHASED ONLY BY PERSONS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY WITH RESPECT TO THIS INVESTMENT AND WHO CAN BEAR THE ECONOMIC RISK OF A TOTAL LOSS OF THEIR INVESTMENT. EACH OFFEREE SHOULD CAREFULLY CONSIDER THE INFORMATION UNDER "RISK FACTORS" AND "INVESTOR SUITABILITY."

THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND OR WITHDRAW THIS OFFERING, TO ACCEPT OR REJECT IN WHOLE OR IN PART ANY SUBSCRIPTION FOR THE CLASS A UNITS OFFERED HEREBY, OR TO ALLOT TO AN INVESTOR FEWER THAN THE NUMBER OF CLASS A UNITS DESIRED TO BE PURCHASED. NEITHER THE COMPANY NOR THE MANAGER SHALL HAVE ANY LIABILITY WHATSOEVER TO YOU IN THE EVENT THAT ANY OF THE FOREGOING OCCURS.

ALL DOCUMENTS REFERRED TO IN THIS MEMORANDUM BUT NOT ATTACHED AS EXHIBITS ARE AVAILABLE FOR INSPECTION BY A PROSPECTIVE INVESTOR OR HIS REPRESENTATIVE AT THE OFFICE OF THE COMPANY. THE OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS CONTEMPLATED BY THIS MEMORANDUM ARE DESCRIBED IN AND WILL BE GOVERNED BY THE DOCUMENTS ATTACHED AS EXHIBITS AND/OR REFERRED TO HEREIN. ALL STATEMENTS AND INFORMATION CONTAINED IN THIS MEMORANDUM ARE QUALIFIED IN THEIR ENTIRETY BY THOSE DOCUMENTS. CONSEQUENTLY, PROSPECTIVE INVESTORS ARE URGED TO READ CAREFULLY THE DOCUMENTS ATTACHED TO AND/OR REFERENCED IN THIS MEMORANDUM.

RECIPIENTS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS, WHETHER WRITTEN OR ORAL, FROM THE COMPANY OR ANY PERSON ASSOCIATED WITH THIS OFFERING AS LEGAL, TAX OR INVESTMENT ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN PERSONAL LEGAL COUNSEL, TAX ADVISOR, BUSINESS ADVISOR OR PURCHASER REPRESENTATIVE (AS SUCH TERM IS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT) AS TO LEGAL, TAX, ECONOMIC AND RELATED MATTERS CONCERNING THIS INVESTMENT AND ITS SUITABILITY.

IN THE EVENT A PROSPECTIVE INVESTOR SUBSCRIBES FOR ANY CLASS A UNITS, HE ACKNOWLEDGES THAT HE DOES NOT ANTICIPATE THAT HE WILL BE REQUIRED TO LIQUIDATE ANY PORTION OF SUCH INVESTMENT IN THE FORESEEABLE FUTURE AND THAT HE UNDERSTANDS OR HAS BEEN ADVISED WITH RESPECT TO THE RISK FACTORS ASSOCIATED WITH SUCH INVESTMENT. EACH INVESTOR WILL BE REQUIRED TO REPRESENT TO THE COMPANY IN WRITING IN THE SUBSCRIPTION AGREEMENT THAT (i) CERTAIN FACTS AND CIRCUMSTANCES REGARDING HIS FINANCIAL CONDITION AND RESOURCES ARE TRUE, AND (ii) HE IS PURCHASING THE CLASS A UNITS FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TOWARD RESALE.

NO PERSON HAS BEEN AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS CONCERNING THE COMPANY OR THIS OFFERING OTHER THAN THE REPRESENTATIONS CONTAINED IN AND INFORMATION PROVIDED IN OR WITH THIS MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER REPRESENTATIONS OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT

THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY DESCRIBED HEREIN SINCE THE DATE HEREOF, OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME AFTER THE DATE OF THIS MEMORANDUM.

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INVESTOR SUITABILITY

This offering is limited to persons who qualify as "accredited investors" within the meaning of Rule 501(a) of Regulation D, as promulgated by the SEC, pursuant to the authority granted to the SEC under the Securities Act. This offering will not be registered under the Securities Act and prospective investors will receive only this Memorandum and should not expect to receive a prospectus.

Investment in the Units involves a high degree of risk - please see also the section entitled "RISK FACTORS" below. No resale market for the Units exists and we do not intend that one will ever exist. Transfer of the Units will be restricted under the Securities Act, by applicable state law and the Operating Agreement. Accordingly, an investment in the Units described in this Memorandum is suitable only for persons of adequate financial means and who have no need for liquidity with respect to their investments.

Investors may also be required to provide additional documentation upon which the Manager can verify such investor's status as an accredited investor as deemed necessary by the Manager to comply with the Securities Act or any other state or federal securities laws applicable to this offering.

As defined in Rule 501(a) of Regulation D, the term "accredited investor" includes (among others) the following types of investors:

1. a natural person whose net worth (i.e., excess of total assets over total liabilities), inclusive of home furnishings and automobiles, exclusive of the value of the primary residence of the Subscriber, either individually or jointly with his or her spouse, exceeds $1,000,000 at the time of purchase, and inclusive of the amount of any home mortgage debt in excess of the value of the primary residence.

2. a natural person who in each of the last two calendar years had individual income (i.e., not including the Subscriber's spouse's income) in excess of $200,000, or joint income with his or her spouse in excess of $300,000, and reasonably expects to have individual income in excess of $200,000 or joint income in excess of $300,000 in the current calendar year.

3. a bank as defined in Section 3(a)(2) of the Securities Act; a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); an insurance company as defined in Section 2(a)(13) of the Securities Act; an investment company registered under the Investment Company Act, or a business development company as defined under Section 2(a)(48) of the Investment Company Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are "accredited investors."

4. a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

5. an organization described in Section 501(c)(3) of the Internal Revenue Code, or a corporation, Massachusetts or similar business trust, or a partnership or limited liability company not formed for the specific purpose of acquiring the securities offered with total assets in excess of $5,000,000.

6. a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of a prospective investment.

7. a trust and each grantor of the trust has the power to revoke the trust and regain title to the trust assets, and each grantor and trustee of the trust is an accredited investor.

8. a trust and the trustee of the trust is a "bank" as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution referred to in Section 3(a)(5)(A) of the Securities Act.

9. a manager, member, or executive officer of either of the Company, or a manager, member, or executive officer of the Manager.

10. an entity in which all of the equity owners are "accredited investors" under one or more of the above paragraphs.

11. a self-directed plan (i.e., an individual retirement account, self-directed benefit plan, Keogh Plan, or other tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to his or her account) in which all persons directing the investment in Class A Units of the Company are "accredited investors" because each participant's net worth (i.e., excess of total assets over total liabilities), inclusive of home furnishings and automobiles, exclusive of the value of the primary residence of the participant, either individually or jointly with his or her spouse, exceeds $1,000,000 at the time of purchase, and inclusive of the amount of any home mortgage debt in excess of the value of the primary residence, or has had in each of the last two calendar years individual income (i.e., not including the participant's spouse's income) in excess of $200,000, or joint income with his or her spouse in excess of $300,000, and reasonably expects to have individual income in excess of $200,000 or joint income in excess of $300,000 in the current calendar year.

The Manager will have sole and absolute discretion regarding acceptance (in whole or in part) of any subscription for Class A Units for any reason or no reason. The Manager's discretion stems from our reliance on certain registration exemptions under the Securities Act, the Investment Advisers Act of 1940 and the Investment Company Act of 1940, as amended, as well as the Company's intent not to constitute an "employee benefit plan," and for its assets not to constitute "plan assets," under ERISA.

Verification of Accredited Status

Units are being offered in compliance with Rule 506(c) of Regulation D which became effective as of September 23, 2013 ("**Rule 506(c)**"). Pursuant to Rule 506(c), the Manager is required to take "reasonable steps to verify" that all purchasers of Interests meet the accredited investor standards set forth above at the time such Interests are purchased. To meet this requirement, individual investors (i.e., natural persons) purchasing Interests will generally be required to deliver a Third Party Confirmation (as defined

below) to the Manager at the time of subscription. The Manager may, however, utilize other verification procedures available under Rule 506(c).

Third Party Confirmation: The Manager will generally require an investor to verify his or her accredited status by delivering to the Manager a written confirmation of accredited status that meets the requirements of Rule 506(c)(2)(ii)(C) (a "**Third Party Confirmation**") including each of the following:

(1) The Third Party Confirmation must be issued by: (i) a registered broker-dealer; (ii) an investment adviser registered with the Securities and Exchange Commission; (iii) a licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or (iv) a certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office; and

(2) The Third Party Confirmation must include a representation by the issuing party that he, she or it has taken reasonable steps to verify that the investor is an accredited investor within three months of the investor's purchase of Units and has determined that the investor is an accredited investor.

Other Safe Harbor Verification Methods: The use of a Third Party Confirmation to verify an investor's accredited status is considered complying with a "safe harbor" provision of Rule 506(c) because the Manager's receipt of a Third Party Confirmation itself is deemed reasonable verification under the rule. There are additional safe harbor provisions of Rule 506(c); however, they require each investor to deliver personal financial information to the Manager and for the Manager to assess each investor's financial situation and to confirm their accredited status.[1] The Manager may elect to utilize one of these verification methods on a case-by-case basis but has the right to require the delivery of a Third Party Confirmation as a condition of the investment.

Principles-Based Method of Verification: In addition to the "safe harbor" provisions of Rule 506(c), the SEC has enumerated a "principles based method of verification" under Rule 506(c) that allows for verification on grounds that are reasonable in the context of the particular facts and circumstances of each purchaser and transaction ("**Principle Based Verification**"). The SEC has and continues to issue guidance with respect to Principles Based Verification and the adequacy of particular verification procedures utilized in connection with Rule 506(c) offerings. The Manager will likely be required to rely upon Principle Based Verification (i.e., utilize non-safe harbor verification procedures) in accepting foreign investors and may rely on Principles Based Verification in other circumstances if it determines that a verification procedure falls within Rule 506(c) based upon the SEC guidance available at the time. The use of Principle Based Verification does not provide the certainty afforded by the use of one of the "safe harbor" provisions of Rule 506(c) and involves additional risk.

[***Remainder of page intentionally left blank***]

[1] For example, individuals claiming they are accredited under the Income Test are required to provide W-2s, Form 1099s, Schedule K-1s or similar IRS issued documentation reflecting an annual income in excess of the Income Test for two years prior to the investment. Individuals claiming they are accredited under the Net Worth Test are required to provide reliable documentation evidencing both the investors assets and liabilities dated within three months of the subscription date including providing personal bank statements, brokerage statements , certificates of deposit (i.e., CDs) or other forms of asset verification.

STATEMENTS REGARDING FORWARD LOOKING INFORMATION

This Memorandum contains forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. These forward-looking statements are not historical facts but rather are based on current expectations, estimates, and projections about our industry, our beliefs, and assumptions. We use words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of these words and similar expressions to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include those described in "Risk Factors" and elsewhere in this Memorandum. You should not place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Memorandum. We undertake no obligation to update these statements or to release publicly the result of any revision to the forward-looking statements to reflect events or circumstances after the date of this Memorandum or to reflect the occurrence of unanticipated events. Any of the assumptions underlying forward-looking statements could be inaccurate.

You are cautioned not to place undue reliance on any forward-looking statements included in this Memorandum. All forward-looking statements are made as of the date of this Memorandum and the risk that actual results will differ materially from the expectations expressed in this Memorandum will increase with the passage of time. Except as may otherwise be required by applicable federal or state securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this Memorandum, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this Memorandum, including, without limitation, the risks described under "Risk Factors," the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Memorandum will be achieved.

EXECUTIVE SUMMARY

The Fund was formed as a specialized real estate investment fund to acquire and operate mobile home parks located in the Southeast United States, focusing on mobile parks consisting of 50 to 150 spaces for people aged 55 and older located within the state of Florida (each a "**Mobile Home Park**").

The success of the Company will depend upon the its ability to acquire, finance, manage and dispose of Mobile Home Parks in such a manner as to provide Members with a return on, and return of, their investment. 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 limited liability, professional property management, and tax benefits that may not otherwise be available to individual investors. The Company policy is to identify, acquire, operate, manage, and dispose of Mobile Home Parks on behalf of its Members.

The investment objective is to acquire multiple Mobile Home Parks, each of which we anticipate will be held for six (6) years, subject to two (2) additional one-year periods following such date if necessary for an orderly liquidation of the Company's Mobile Home Parks. However, the Manager will continually explore

opportunities for resale, which may occur earlier than the projected hold times. If one property is sold, and others are held, such sale may reduce the cash returns related to operations available to the Members, or may result in an early, partial return of the Members' capital contributions.

The Manager anticipates that the Mobile Home Parks may be acquired by the Company: (i) with the use, in part, of bank loans, having an average fifty percent (50%) loan to value on each of the Mobile Home Parks or (ii) solely through the use of proceeds from this offering without debt. The Manager expects any financing to be at prevailing interest rates for comparable mobile home parks. The Manager may also seek to refinance some or all of the Mobile Home Parks prior to expiration of the initial loan terms in lieu of resale. We will also seek (but cannot guarantee) monthly payments based on an amortization schedule ranging from fifteen (15) to thirty (30) years.

A substantial portion of a Mobile Home Park's revenue will be generated by rents paid by mobile home owners placing their mobile homes on pads/lots within the Company's Mobile Home Parks. The Mobile Home Parks will include land, and, in some cases, mobile homes and/or other assets on the properties generating ancillary revenue such as storage unit rentals and billboard rentals. In all cases, any such ancillary revenues shall constitute less than a majority of the total revenues generated by that Mobile Home Park. Additionally, when presented with certain opportunities, the Company may acquire raw land to develop such raw land into a Mobile Home Park or partially developed Mobile Home Parks where the company will complete the development of such partially developed Mobile Home Park. In addition, where appropriate, the Manager may also acquire new or used manufactured mobile homes to be placed on vacant pads/lots within a Mobile Home Park. Any such homes would be funded from proceeds raised in this offering, Company operations and/or bank debt. We anticipate that the homes would be pre-owned and/or new singlewide or doublewide homes. These homes would be placed on vacant pads/lots within a Mobile Home Park to generate additional rental and/or resale income. With respect to any pre-owned and/or new singlewide or doublewide homes purchased by the Company and placed on vacant pads/lots within a Mobile Home Park, the Company may finance the sale of such pre-owned and/or new singlewide or doublewide homes, which the Company reasonably believes will generate an additional source of income for the Company.

An investment objective of the Company is to generate cash distributions from operations, refinancing and/or sale of the Mobile Home Parks for distribution to the Members. The Manager intends to manage the Company so that it will be self-liquidating. The Company policy will be to dissolve the Company at such time as all Mobile Home Parks owned by the Company have been sold.

As noted, Smart Living, Inc. is the Manager of the Company and will manage all business and affairs of the Company unless it is removed for cause or resigns. The Manager will direct, manage, and control the Company to the best of its ability and will have full and complete authority, power and discretion to make any and all decisions and to do any and all things that the Manager will deem to be reasonably required to accomplish the business and objectives of the Company.

In order to accommodate a loan requirement, if any, a lender may require the Company to form and become a limited partner in a limited partnership or a member in a limited liability company, which such entity, in turn, would take title to a single Mobile Home Park. This decision will be made as each Mobile Home Park is acquired. In the event a limited partnership is formed to take title to a Mobile Home Park, the Manager will take a one percent (1%) ownership interest as the general partner of the limited partnership or manager of the limited liability company; and the Company will retain the remaining ownership interest as a limited partner or member, whichever is applicable

The Manager may, at its own election, take title to a Mobile Home Park through a wholly-owned subsidiary of the Company or through a partially-owned subsidiary of the Company. This decision will be made as

each Mobile Home Park is acquired. In the event a partially-owned subsidiary is formed to take title to a Mobile Home Park, the Manager may also serve as the manager of that subsidiary.

The Manager will execute loan documents, mortgages and/or trust deeds for each Mobile Home Park as appropriate and necessary to effect ownership and financing, if any. The Manager will attempt to obtain title insurance for each Mobile Home Park it acquires naming the Company as the insured. The Manager will also obtain insurance policies covering each Mobile Home Park as appropriate to protect the Company's interest in the properties and naming the Company as the insured. The Manager expects that the Company will enter into other legally binding instruments that, in the Manager's business judgment, will be prudent with respect to the Company's interest in each of the Mobile Home Parks or in effecting the Company's operation and investment objectives.

OFFERING SUMMARY

The following information is only a brief summary of, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. The offering summary highlights material information regarding our business and this offering, it may not contain all the information that is important to you. To fully understand this offering, you should read this entire Memorandum, together with the exhibits attached carefully, including the section titled "Risk Factors" before making a decision to purchase Class A Units.

Company Overview:	Smart Living Fund, LLC, is a limited liability company formed under the laws of the State of Delaware. Prior to the Memorandum date, the Company has had no substantial business operations. The equity of the Company is divided into membership interests that are referred to as the Class A Units and Class B Units of membership interest ("**Class B Units**", which with the Class A Units may be referred to herein collectively as the "**Units**"), each of which represent an ownership interest in the assets, profits, losses and distributions of the Company.
Company Manager:	The Company is managed by Smart Living, Inc.., a Washington corporation.
Company Structure:	Investors who purchase Class A Units in the Company will own 100% of the issued and outstanding Class A Units in the Company. The Operating Agreement provides that the Company is owned by Members, with each Member's ownership interests represented by 5,000,000 Class A Units, and 1,666,666 Class B Unit which represent an ownership interest in the assets, profits, losses and distributions of the Company. The Manager will own all 1,666,666 Class B Units (the "**Class B Member**").
Term of the Fund:	The term of the Fund will end on the date that is six (6) years from the date of the final closing of investment in this Offering, subject to extension, in the Manager's discretion, for two (2) additional one-year periods following such date if necessary for an orderly liquidation of the Fund's investments. In addition, the Fund's term may be ended earlier under the provisions of the Operating Agreement.

Special Purpose Entities: The Company may acquire each real estate asset in its own name or may acquire each asset through a special purpose limited liability company which will be wholly owned by the Company.

Fees to Manager:

Management Fee:

The Company shall pay to the Manager an annual asset management fee equal to one percent (1.0%) of the total capital contributions of investors as determined on the last calendar day of each month. The asset management fee shall be earned and paid promptly after the end of each calendar month. The Manager may defer any portion of this fee in its discretion.

Acquisition Fee:

The Company shall pay to the Manager an acquisition fee of one-half of one percent (0.5%) of the total purchase price of each real estate asset acquired by the Company or a special purpose entity. The Manager may defer or delay payment of any portion of the acquisition fee in its discretion. This acquisition fee shall be due and payable at the time the Company (or a special purpose entity) acquires title to each real estate asset.

Property Management Fee:

The Company shall pay to the Manager a property management fee for each mobile home park equal to four percent (4.0%) of the gross monthly rental income received with respect to each mobile home park. This property management fee shall be payable on a monthly basis by the Company to the Manager.

Reimbursement of Expenses:

The Company will reimburse the Manager for all actual costs and expenses incurred in connection with the formation, organization, legal, marketing (including the marketing of this offering), accounting, registration and operation of the Company.

Distribution as Class B Member:

The Manager, as Class B Member, will own 100% of the Class B Units in the Company and as such shall be entitled to receive 25% of the Company's distributions of net cash and net capital transaction proceeds (subject to increase to 50% as set forth below under "Distribution Waterfall").

Plan of Distribution; Selling Commissions; Marketing Costs: The Class A Units will be placed on a "best efforts" basis to accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Class A Units will be offered for sale by associated persons of the Company and the Manager.

In addition, the Company may, at the Manager's discretion, engage certain broker-dealers who are members of the National Association of Securities Dealers, Inc. The broker-dealers may receive commissions of up to 3% of the gross proceeds.

Offering of Class A Units: The Company is offering its Class A Units for a Maximum Offering Amount of $50,000,000.00, or 5,000,000 Class A Units, on the terms and conditions described herein and in the Operating Agreement. The Class A Units shall be offered in one (1) single class to eligible investors at an offering price of $10.00 per Class A Unit.

Investors will be required to provide information to show their suitability as investors in the Company and submit a completed, in full, and executed, Subscription Agreement. The Company shall have the sole discretion to accept or reject any subscription or investor for any reason.

Offering Timeline: After the initial closing, the Manager shall hold additional closings, in its sole and absolute discretion, until the Maximum Offering Amount has been reached.

Minimum Investment: The minimum subscription price by an individual investor for the Class A Units is $50,000.00 for 5,000 Class A Units, payable to the Company in immediately available funds. However, the Manager reserves the right to lower this foregoing minimum subscription price in its sole discretion. The Manager may accept or reject subscriptions in its sole discretion.

Subscription Price: The price per Class A Unit is $10.00.

Maximum Offering: The maximum aggregate subscription amount for Class A Units pursuant to this offering is $50,000,000.00.

Minimum Offering: The minimum offering amount for the Company to have its first closing is $6,000,000.00, subject to a lower amount in the discretion of the Manager.

No Escrow Agent: The Company has no intention of placing any of the proceeds raised under this offering in escrow prior to being available to the Company. Until the minimum threshold of $6,000,000.00 is met, investors' funds will be revocable and will remain at the investors' bank/financial institution. If we do not raise $6,000,000.00 within 12 months, we will cancel the offering and release all investors from their commitments.

Suitability Requirements: This offering is limited to persons who qualify as "accredited investors" within the meaning of Rule 501(a) of Regulation D, as promulgated by the SEC pursuant to the authority granted to the SEC under the Securities Act. The foregoing suitability standards represent the minimum suitability requirements for prospective investors and satisfaction of these standards does not necessarily mean that the investment offered herein is a suitable investment for each prospective

	investor. The Manager may, in their sole discretion, reject any subscription for Class A Units offered hereby.
Leverage:	We may employ conservative levels of borrowing in order to provide additional funds to support our business, including the acquisition of real estate assets. The Operating Agreement grants our Manager significant latitude and discretion in its ability to use a credit or debt facility, loan or warehouse line of credit in our operation. In addition, in connection with our acquisition of real estate assets, the seller may provide seller financing.
Borrowing:	Although the Manager will attempt to ensure that all financing for acquisitions will be on a non-recourse basis to the Fund, the Fund's assets may be pledged or made subject to any security device to secure the indebtedness of the Fund.
Risk Factors:	Any investment in the Class A Units is speculative and involves a significant degree of risk. A potential investor should purchase Class A Units only if it can afford to bear the entire economic risk of its investment. See Section titled "Risk Factors" for a detailed discussion of the risk factors involved in purchasing the Class A Units.
Accountants:	The Manager may engage an independent certified public accountant for the Company and the Manager may, in its discretion and in accordance with generally accepted accounting principles, engage additional or replace independent certified public accountants for the Company from time to time as the same may deem necessary in its sole and absolute discretion.
Fund Administrator:	The Manager intends to engage a third party fund administrator to provide professional oversight over all investor accounting and administrative functions of the Company. The costs and expenses associated with the third party fund administrator will be borne by the Company.
Outside Interests of Manager:	The Manager will devote to the Company such time and effort as is reasonably necessary to diligently manage the Company's business and affairs. However, it is anticipated that the Manager will be engaged in other activities as well, including interests in other companies whose primary purpose is to acquire, own, operate and dispose of real estate and real estate-related investments. The Manager may, at any time, form new companies or ventures for the purpose of engaging in activities either related or unrelated to, but not in direct competition with, those engaged in by the Company, notwithstanding that the Manager will own all of the Class B Units.
Preferred Return	6.0% annual, non-compounded preferred return calculated on each Member's respective unreturned capital contribution (the "**Preferred Return**"). The Preferred Return shall not begin to accrue with respect

to each Member until each such Class A Member's capital contribution becomes available for use by the Company.

The Preferred Return is not a guaranty of payment, an interest rate, or a return on investment but, rather, a formula by which the amount the Fund may distribute to a Class A Member in excess of the repayment of the Class A Member's capital contribution is determined. Any such distributions are contingent on the Fund having sufficient available cash for distribution from its business. There is no guarantee that the Class A Members will receive all or any part of their Preferred Return or the return of their unreturned capital contributions.

Distribution Waterfall:

Distributions of Net Available Cash From Operations: The Manager shall cause the Company to distribute net available cash from operations (if net available cash from operations are available) as follows:

- First, pro rata to the Class A Members until each Class A Member has received its respective Preferred Return;
- Second, 75% pro rata to all Class A Members and 25% to the Class B Member.

Distributions of Net Capital Transaction Proceeds: Subject to the right of the Manager to reinvest net capital transaction proceeds during the period that is six (6) years after the final admission date, the Manager shall case the Company to distribute net capital transaction proceeds as follows:

- First, pro rata to the Class A Members until each Class A Member has received its respective Preferred Return;
- Second, pro rata to the Class A Members and Class B Member until each Member's capital contribution to the Company has been reduced to zero (-0-);
- Third, 75% pro rata to all Class A Members and 25% to the Class B Member until each Class A Member has received a cumulative return (inclusive of all distributions of net available cash from operations including the Preferred Return) on each Class A Member's capital contributions equal to 50%;
- Fourth, 50% pro rata to all Class A Members and 50% to the Class B Member.

Reserves; Expenses:

The Company, in the Manager's sole and absolute discretion, may establish reserves to fund operating and other expenses of the Company including, without limitation, for the reimbursement of any expenses due to the Company Manager.

The Company will be responsible for all costs and expenses associated with the acquisition, ownership, operation and disposition of each real estate asset acquired by the Company, including, without limitation, property taxes, property management costs and expenses, insurance and utilities. In addition, the Company will pay for all CPA related

costs for tax return preparation, financial statement preparation, and/or audits, legal fees and costs, filing, licensing, or other governmental fees, other third party audits, Fund organizational costs and Fund administration costs.

Access to Information: Prospective investors are urged to request from the Manager any information reasonably considered to be relevant to a decision to invest in the Company. The Manager will timely review all such inquiries and, to the extent that the Manager are able to do so (subject to confidentiality and regulatory considerations), it will respond to all reasonable requests for additional information.

Side Letter: The Manager may enter into agreements with certain investors that will result in different terms of an investment in the Company than the terms applicable to other investors. As a result of such agreements, certain investors may receive additional benefits which other investors will not receive. The Manager will not be required to notify the other investors of any such agreement or any of the rights and/or terms or provisions thereof, nor will the Manager be required to offer such additional and/or different terms or rights to any other investor. The Manager may enter into any such agreement with any investor at any time in its sole discretion.

Parallel Funds: The Manager may, in its discretion and to the extent permitted by applicable law, create or sponsor partnerships or other vehicles that will be formed for participating pro-rata and pari passu in the portfolio of assets of the Fund. ("**Parallel Fund**"). The Parallel Fund may consist of certain investors who for a variety of reasons may not wish to participate in the investments through the Fund. Any costs associated with the formation and administration of a Parallel Fund will be paid by the investors in the Parallel Fund. It is the intention of the Manager that the Manager of the Fund will also act as the Manager of the Parallel Fund; *provided, however*, if such an arrangement were to become prohibited or result in a conflict of interest, a separate Manager will be established. The Parallel Fund will contain the similar economic terms, rights, restrictions and obligations for its investors as are applicable to investors in the Fund. Like the restrictions on transfer of Interests in the Fund, investors in the Parallel Fund will not have the right to transfer their interest in the Parallel Fund without the consent of the Manager, except in certain limited circumstances to permitted transferees.

Co-Investment Opportunities: The Manager may cause the Company to invest in investments through a joint venture structure or a tenant-in-common ownership structure with one or more additional investors which such investors may include, in the sole discretion of the Manager, Members, Affiliates of the Manager or third parties, including lenders.

Sales Literature: The Manager has prepared for distribution to potential investors in connection with this offering various items of supplemental sales literature. This literature is solely to be used for the purpose of

	providing information to potential investors; however, the offering of Class A Units is made solely via this Memorandum and NOT via the supplemental sales literature.
Legal Counsel:	No independent counsel has been retained to represent the investors in the Company. Each investor should retain its own counsel and other appropriate advisers as to legal, regulatory and tax matters affecting investment in Class A Units and its suitability for such investor.

PLAN OF DISTRIBUTION

The offering shall remain open until the maximum aggregate offering amount of $6,000,000.00 has been reached. We will not use an underwriter for the sale of Class A Units. The Class A Units will be offered for sale by associated persons of Smart Living Fund, LLC, including Smart Living, Inc., John Lekas and Tyler Lekas.

We reserve the right to reject any investor's subscription in whole or in part for any reason, in our sole and absolute discretion. If the offering terminates or if any prospective investor's subscription is rejected, all funds received from such investors will be returned without interest or deduction.

The Company may, at the Manager's discretion, engage certain broker-dealers who are members of the National Association of Securities Dealers, Inc. The broker-dealers may receive commissions of up to 3% of the gross proceeds.

Commencement of Offering Period.

The offering period will commence upon the date of this Memorandum.

Class A Unit Certificates will not be issued.

We will not issue Class A Unit certificates, instead our Class A Units will be recorded and maintained on the Company's membership Class A Unit register.

Transferability of our Class A Units.

Our Class A Units are not freely transferable by our Members. The transfer of our Class A Units are subject to certain restrictions imposed by applicable securities laws or regulations, compliance with the transfer provisions of our Operating Agreement, as applicable, and regulatory compliance and receipt of appropriate documentation.

The transfer of any our Class A Units in violation of the Operating Agreement, will be deemed invalid, null and void, and of no force or effect. Any person to whom our Class A Units are attempted to be transferred in violation of the Operating Agreement will not (i) be entitled to vote on matters coming before the Members; (ii) receive distributions from the Company or (iii) have any other rights in or with respect to our Class A Units, as applicable.

Capital Commitments; Capital Calls

Capital commitments will be drawn down periodically pursuant to written capital calls issued by the Manager to the Members. Capital contributions from each Member in the amount stated in a capital call notice will be due when specified in the capital call notice but no earlier than ten (10) days after the date of such capital call.

If a Member fails to make all or any portion of a capital contribution required pursuant to a capital call in the permissible period set forth in the Operating Agreement, and does not cure the deficiency within five (5) days after receipt of notice of deficiency, the Fund shall be entitled to one or more of the various remedies delineated in the Operating Agreement.

ESTIMATED USE OF PROCEEDS

The below table sets forth our estimated use of proceeds from this offering. We will realize gross proceeds from the offering of up to $50,000,000.00 if we raise the maximum amount. We anticipate the proceeds will generally be used as detailed below. The estimates set forth below do not take into account the use of any financial leverage and are not intended to represent the order of priority in which the proceeds may be applied. We expect to use substantially all of the net proceeds from this offering (after paying or reimbursing organization and offering costs and expenses, which include legal and accounting costs) to acquire real estate. We may not be able to promptly use the net proceeds of this offering to acquire real estate assets. In the interim, we may invest in money market accounts. Such money market accounts will not earn as high of a return as we expect to earn on our real estate investments.

The offering scenario presented below are for illustrative purposes only and the actual amounts of proceeds, if any, may differ.

	Target Offering	
Use	**Dollar Amount**[1]	**Percentage**
Fund Investments	$48,050,000.00	96.9%
Organization and Offering Expenses[2]	$50,000.00	0.10%
Commissions[3]	$1,500,000.00	3.0%
Gross Proceeds	$50,000,000.00	100%

(1) This is a "best efforts" offering. We will not begin operations or admit investors as Members until we have raised at least $6,000,000.00 in Class A Units in this offering. Until the minimum threshold is met, investors' funds will be revocable and will remain at the investors' bank/financial institution. If we do not raise $6,000,000.00 within 12 months, we will cancel the offering and release all investors from their commitments.

(2) Class A Units will be offered and sold directly by us, our Manager and the Manager's management team and employees. Neither us, our Manager, nor the Manager's management team or employees will receive commissions.

(3) The Company may, at the Manager's discretion, engage certain broker-dealers who are members of the National Association of Securities Dealers, Inc. The broker-dealers may receive commissions of up to 3% of the gross proceeds.

MANAGEMENT

Our Manager

We operate under the direction of our Manager, which is responsible for directing the management of our business and affairs, managing our day-to-day affairs. The Manager is a single purpose limited liability company established solely to serve as our Manager. The Manager will be managed by the individuals identified below, who are not required to devote all of their time to our business and are only required to devote such time to our affairs as their duties require.

We will follow investment guidelines adopted by our Manager and the guidelines and policies set forth in this Memorandum unless they are modified by our Manager. Our Manager may establish further written policies on the real estate assets we acquire and will monitor our administrative procedures, investment operations and performance to ensure that the policies are fulfilled. As noted earlier, our Manager may change our guidelines and objectives at any time without approval of our Members.

Our Manager performs its duties and responsibilities pursuant to our Operating Agreement. We have agreed to limit the liability of our Manager and to indemnify our Manager against certain liabilities.

Key Personnel of our Manager

As of the date of this Memorandum, the following individuals are considered key personnel of our Manager.

John Lekas

John is a Co-Founder of the Manager. John began his career at A.G. Edwards & Sons in 1986. In 1993, he entered the Portfolio Management Program at Smith Barney. In 1997 he started Leader Capital Corp, a Registered Investment Advisory and Broker-Dealer. John has over 30 years of investment experience and has managed fixed income securities on a discretionary basis for over 17 years. This makes John an expert in running funds, providing transparency to investors and providing financial analysis on future acquisitions for the Company. John holds FINRA series licenses: 6, 7, 8 and 63 in addition to being a Registered Investment Advisor.

Tyler Lekas

Tyler is a Co-Founder of the Manger. Tyler began his career at First Investors as a financial advisor in 2013. He then moved to Stifel Nicolaus in 2014 where he had a hybrid book of both retail and institutional money. In 2016, he started the acquisition and management of mobile home parks. He traveled to 50 different parks around the country and put 8 under contract. This experience helped him form the Manager in 2017 with his father, John Lekas. The Manager purchased its first mobile home park in early 2018. Tyler will be providing the buying process, on site management of each park, inspections for new acquisitions and the general infrastructure of each mobile home park.

Compensation of Key Personnel

We do not currently have any employees as of the drafting of this Memorandum. The Manager reserves the right to, on behalf of the Company, hire employees or contractors if the Manager determines that to be in the best interests of the Company. If the Company does hire employees or contractors, the Company will be responsible the payment of such employees or contractors (the compensation for the employees and

contractors will not reduce the compensation or amounts payable to the Manager), which compensation will be determined by the Manager. All employees or contractors of the Company will be managed by the Manager.

We will be managed by certain personnel of our Manager. These individuals receive compensation for his or her services from the Manager and not from the Company; however, we do indirectly bear some costs associated with the compensation paid to these individuals. These individuals, in their capacity of key personnel of our Manager will be instrumental in managing our day-to-day affairs.

Limited Liability and Indemnification of our Manager and Others

Subject to certain limitations, our Operating Agreement limits the liability of our Manager and its officers, members and managers, for monetary damages and provides that we will indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to our Manager and its officers, members and managers.

Term and Removal of the Manager

Under our Operating Agreement, our Manager will serve as manager for an indefinite term and that our Manager may only be removed by the Members of the Company, or may choose to withdraw as our manager, under certain limited circumstances.

The Members may only remove our Manager at any time with thirty (30) days prior written notice for "cause," following the affirmative vote of two-thirds of our Members. If the Manager is removed for "cause", the Members will have the power to elect a replacement Manager upon the affirmative vote or consent of the holders of a majority of our Units.

Our Operating Agreement defines "Cause" as:

- The commencement of any proceeding relating to the bankruptcy or insolvency of our Manager, including an order for relief in an involuntary bankruptcy case not dismissed within sixty (60) days or our Manager authorizing or filing a voluntary bankruptcy petition;
- Final and non-appealable adjudication of fraud by the Manager against the Company; or
- The dissolution of our Manager.

Our Manager may elect to withdraw as our Manager if we become required to register as an investment company under the Investment Company Act, with such withdrawal deemed to occur immediately before such event. Our Manager will determine whether any succeeding manager possesses sufficient qualifications to perform the management function. In the event of the removal or withdrawal of our Manager, our Manager will reasonably cooperate with us and take all commercially reasonable steps to assist in making an orderly transition of the management function.

LEGAL MATTERS

From time to time the Fund and/or the Manager may be subject to claims and litigation arising in the ordinary course of business. The Fund and the Manager intend to defend themselves vigorously against any claims or litigation to which they may become subject to in the future. Neither the Company nor Manager

are now, or within the past five (5) years have been, involved as a defendant in any material litigation or arbitration.

COMPENSATION TO THE MANAGER

The following discussion summarizes the forms of compensation to be received by the Manager. All of the amounts described below will be received regardless of the success or profitability of the Company. The following compensation was not determined through arm's-length negotiations. Neither our Manager nor its affiliates will receive any selling commissions or dealer manager fees in connection with the offer and sale of our Class A Units.

Management Fee:

The Company shall pay to the Manager an annual asset management fee equal to one percent (1.0%) of the total initial capital contributions of investors as determined on the last calendar day of each month. The asset management fee shall be earned and paid promptly after the end of each calendar month. The Manager may defer or delay payment of any portion of this fee in its discretion.

Acquisition Fee:

The Company shall pay to the Manager an acquisition fee of one-half of one percent (0.5%) of the total purchase price of each real estate asset acquired by the Company or a special purpose entity. The Manager may defer or delay payment of any portion of the acquisition fee in its discretion. This acquisition fee shall be due and payable at the time the Company (or a special purpose entity) acquires title to each real estate asset.

Property Management Fee:

The Company shall pay to the Manager a property management fee for each mobile home park equal to four percent (4.0%) of the gross monthly rental income received with respect to each mobile home park. This property management fee shall be payable on a monthly basis by the Company to the Manager.

Reimbursement of Expenses:

The Company will reimburse the Manager for all actual costs and expenses incurred in connection with the formation, organization, legal, marketing (including the marketing of this offering), accounting, registration and operation of the Company.

Distribution as Class B Member:

The Manager, as Class B Member will own 100% of the Class B Units in the Company and as such shall be entitled to receive 25% of the Company's distributions of net cash and net capital transaction proceeds.

CONFLICTS OF INTEREST

The Company is subject to various conflicts of interest arising out of its relationship with our Manager and the Manager's key personnel, members, managers or affiliates. None of the agreements and arrangements

between us and our Manager and the Manager's key personnel, members, managers or affiliates, including those relating to compensation, resulted from arm's length negotiations. In addition, no assurances can be made that other conflicts of interest will not arise in the future. These conflicts of interest include, but are not limited to, the following:

Allocation of Time

We rely on our Manager's key personnel who act on behalf of our Manager. These key personnel will continue to engage in other activities on their own behalf and on the behalf of others. As a result, each person will face conflicts of interest in allocating their time to the Company and the other activities to which they are each involved. However, we believe that our Manager and its key personnel have the capability to dedicate such time to the affairs of the Company as may be reasonable required.

Additional Manager Compensation

Since an affiliate of our Manager will receive substantial additional compensation once Members have received their Preferred Return (through the ownership of Class B Units), our Manager may have incentive to invest in riskier opportunities that it might believe would produce a greater return, a portion of which our Manager would keep. Since this potential additional return might result in additional risk and exposure, the interests of our Manager and Members may be adverse in this respect.

Competition by the Company with Other Affiliated Companies

The Manager and the Manager's key personnel, members, managers or affiliates may engage for their own accounts or for the accounts of others in other business ventures, including other public or private limited partnerships or limited liability companies. Neither the Company nor any Member will be entitled to an interest therein. The Manager and its key personnel, members, managers or affiliates may invest in real estate or other activities similar to those of the Company for their own accounts, and expect to continue to do so. Our investment objectives and underwriting criteria may differ substantially from those of additional real estate investment programs sponsored by our Manager.

Manager and its key personnel, members, managers or affiliates may be members or managers of other entities which have investment objectives that have some similarities to the Company, which may cause the Manager and its key personnel, members, managers or affiliates to pursue investments that are competitive with those of the Company. However, the decision as to the suitability of the investment by the Company will be determined by our Manager in its sole discretion.

Other Investments

The Manager and its principals will devote to the Fund such time and effort as is reasonably necessary to manage the Fund's business, investments and affairs. The Manager's principals have other business interests, including interests in other companies whose primary purpose is to acquire, own, operate and dispose of real estate and real estate-related investments. The performance of and financial returns on such other investments may be at odds with those of the Company.

Diverse Membership

The Members may include taxable and tax-exempt persons and entities and may include persons or entities organized in various jurisdictions including foreign investors. As a result, conflicts of interest may arise in connection with decisions made by our Manager that may be more beneficial for one type of Member than for another type of Member. In addition, our Manager may pursue real estate assets that may have a negative

impact on other investments made by certain Members in separate transactions. In selecting real estate assets appropriate for the Company, our Manager will not consider the investment, tax or other objectives of any Member individually.

Lack of Separate Representation

The Manager and the Company are not represented by separate counsel. The attorneys and other experts who have prepared the documents for this offering also perform other services for our Manager. This representation will continue.

Manager or Affiliates of the Manager as a Member

The Manager currently owns 100% of our Class B Units of membership interest and the Manager or an affiliate of the Manager may become a holder of Class A Units. Any purchase of Class A Units by our Manager or an affiliate of the Manager will be made according to the terms of this Memorandum and be in such form and in such amount as determined by our Manager in its sole discretion, without notice or approval of the other Members. The Manager or an affiliate of the Manager may also determine to have the Company accept its investment while rejecting the investments of others (though it does not intend to do so). As additional Class A Units are issued, the increase in Class A Units may reduce the amounts the Company has available to make distributions to Members, as distributions will need to be distributed amongst more Class A Units. In addition, our Manager or an affiliate of the Manager will be eligible to have the same rights to request the Company to redeem its Class A Units as any other Member. Any such redemption may reduce the amount of funds available for the redemption or repayment of the interests of other Members.

Furthermore, while our Manager in its capacity as Manager or representative is obligated to consider the interests of the Members as a whole, our Manager or an affiliate of the Manager may vote in its capacity as a Member without considering the interests of the other Members. The interests of our Manager or an affiliate of the Manager in their capacity as a Member may be adverse to the interests of other Members.

Indemnification

Pursuant to the Operating Agreement, the Company will indemnify its Manager and any of its affiliates, agents, or attorneys from any action, claim, or liability arising from any act or omission made in good faith and in performance of its duties under the Operating Agreement. If the Company becomes obligated to make such payments, such indemnification costs would be paid from funds that would otherwise be available to distribute to investors or invest in further real estate assets. To the extent these indemnification provisions protect our Manager and its affiliates, agents, or attorneys at the cost of the investors in the Company, a conflict of interest may exist.

Other Services or Potential Compensation

We may engage affiliates of our Manager to perform services for and on behalf of the Company and we may, in connection with such services, pay to such affiliate's reasonable compensation for these services.

Term of our Manager

Our Operating Agreement provides that our Manager will serve as our manager for an indefinite term, but that our Manager may be removed by us, or may choose to withdraw as manager, under certain circumstances. Our Members may remove our Manager at any time with thirty (30) days prior written notice for "cause," following the affirmative vote of two-thirds of our Members. Unsatisfactory financial

performance does not constitute "cause" under the Operating Agreement. Our Manager may withdraw as manager if we become required to register as an investment company under the Investment Company Act, with such withdrawal deemed to occur immediately before such event. In the event of the removal of our Manager, our Manager will cooperate with us and take all reasonable steps to assist in making an orderly transition of the management function. Our Manager will determine whether any succeeding manager possesses sufficient qualifications to perform the management function. See "Management—Term and Removal of the Manager" above for additional details regarding the Manager's term.

Purchase of Mobile Home Park by Manager or Affiliate of the Manager

At such time as the Company is winding down and selling its mobile home parks for the purpose of liquidating, the Company at the Manager's discretion may sell one or more of is mobile home park assets to the Manager or an affiliate; provided, however, such transaction is an arms' length transaction and the Manager of an affiliate is paying the fair market value of each mobile home park. The fair market value shall be determined by a certified MAI appraiser with at least five years' experience appraising mobile home parks, the cost of which shall be borne by the buyer.

DESCRIPTION OF CLASS A UNITS

The following descriptions of our Class A Units, certain provisions of Delaware law and certain provisions of our certificate of formation and Operating Agreement, which will be in effect upon consummation of this offering, are summaries and are qualified by reference to Delaware law, our certificate of formation and our Operating Agreement, copies of which are filed as exhibits to the offering statement of which this Memorandum is a part.

We are a Delaware limited liability company organized under the Delaware Limited Liability Company Act, or Delaware LLC Act, and will remain in existence until dissolved in accordance with our Operating Agreement. The limited liability company interests in our Company will be denominated in units of membership interest, Class A Units and Class B Units. Class A Units are being offered to prospective investors under this Memorandum. Our Operating Agreement provides that we may issue an unlimited number of units of membership interest with the approval of our Manager and without Member approval.

All of the Class A Units offered by this Memorandum will be duly authorized and validly issued. Upon payment in full of the consideration payable with respect to the Class A Units, as determined by our Manager, the holders of such Class A Units will not be liable to us to make any additional capital contributions with respect to such Class A Units (except for the return of distributions under certain circumstances as required by the Delaware LLC Act). Members have no conversion, exchange, sinking fund or appraisal rights, no pre-emptive rights to subscribe for any securities of the Company and no preferential rights to distributions. However, Members will be eligible to participate in our quarterly redemption plan, as described below in under "Quarterly Redemption Plan."

Purpose

Under our Operating Agreement, we were formed as a specialized real estate investment fund to acquire and operate mobile home parks located in the Southeast United States, focusing on mobile parks consisting of 50 to 150 spaces for people aged 55 and older located within the state of Florida. Notwithstanding the foregoing, the Company shall not be prohibited from investing in mobile home parks located across the United States.

Capital Commitments; Capital Calls

Capital commitments will be drawn down periodically pursuant to written capital calls issued by the Manager to the Members. Capital contributions from each Member in the amount stated in a capital call notice will be due when specified in the capital call notice but no earlier than ten (10) days after the date of such capital call.

If a Member fails to make all or any portion of a capital contribution required pursuant to a capital call in the permissible period set forth in the Operating Agreement, and does not cure the deficiency within five (5) days after receipt of notice of deficiency, the Fund shall be entitled to one or more of the various remedies delineated in the Operating Agreement.

Additional Capital

No investor shall be required to make any addition capital contributions beyond such investor's initial capital contribution.

Distributions

We expect that our Manager will declare distributions with a daily record date, and pay distributions quarterly in arrears. Members will be entitled to declared distributions on each of their Class A Units from the time the Class A Units are issued to the Member until the redemption date as described below under "Quarterly Redemption Plan."

We are not prohibited from distributing additional Class A Units in lieu of making cash distributions to Members. Our Operating Agreement also gives the Manager the right to distribute other assets rather than cash. The receipt of our securities or assets in lieu of cash distributions may cause Members to incur transaction expenses in liquidating the securities or assets. We do not have any current intention to list our Class A Units on a stock exchange or other trading market, nor is it expected that a public market for the Class A Units will develop. We also do not anticipate that we will distribute other assets in kind.

We expect that our cash flow from operations available for distribution will be lower in the initial stages until we have raised significant capital and made substantial investments. Furthermore, we will make certain payments to our Manager and its affiliates for services provided to us. See section titled "Management Compensation." Such payments will reduce the amount of cash available for distributions. Finally, payments to fulfill redemption requests under our redemption plan will also reduce funds available for distribution to remaining Members.

Restrictions on Ownership and Transferability

The Operating Agreement provides that a Member is generally prohibited from transferring any of its Units in the Company. However, in accordance with the Operating Agreement, a Member may transfer its Units to (i) another Member; (ii) a family member or an entity controlled by such transferring Member; or (iii) any other transfer following application of a right of first refusal to the Company and a second right of refusal to the other Members; provided, however, that any transfer must also be approved by the Manager in writing and such transfer is not prohibited by applicable federal or state securities laws.

Each investor will be required to represent that such investor will acquire his, her or its Class A Units for investment purposes only and not with a view to resale or distribution of all or any part thereof.

Buy-Out of Member's Class A Units

Under certain circumstances, the Company shall have the right to repurchase Class A Units from investors. Those circumstances are outlined in Article 10 of the Operating Agreement and include, the divorce, legal incompetency or financial insolvency of an investor, the breach of the Operating Agreement by an investor, the withdrawal from the Company of an investor, the dissolution of an investor that is an entity and the fraud, willful misconduct or gross negligence of an investor.

Voting Rights

Our Members will have voting rights only with respect to certain matters, as described below. Each outstanding Class A Unit entitles the Member to one vote on all matters submitted to a vote of Members. Generally, matters to be voted on by our Members must be approved by either a majority or supermajority (two-thirds), as the case may be, of the votes cast by all Class A Units present in person or represented by proxy. If any such vote occurs, you will be bound by the majority or supermajority vote, as applicable, even if you did not vote with the majority or supermajority.

The following circumstances will require the approval of holders representing a majority or supermajority, as the case may be, of the Class A Units:

- the taking of any action in contravention of the provisions of the Operating Agreement;
- any merger of the Company with or into another business entity;
- removal of our Manager as the manager of our company for "cause" as described under "Management—Term and Removal of the Manager";
- the appointment of a new manager upon the removal, resignation or withdrawal of the Manager; and
- all such other matters as our Manager, in its sole discretion, determines will require the approval of Members, or as otherwise required by law.

Meetings of Members

Our Operating Agreement provides that special meetings of Members may only be called by our Manager. There will be no annual or regular meetings of the Members.

Adjustments for Distributions

Upon the redemption of any Class A Units, the redemption price will be reduced by the aggregate sum of distributions, if any, declared on the Class A Units subject to the redemption request with record dates during the period between the quarter-end redemption request date and the date of redemption. If a redemption date with respect to Class A Units comes after the record date for the payment of a distribution to be paid on those Class A Units but before the payment or distribution, the registered holders of those Class A Units at the close of business on such record date will be entitled to receive the distribution on the payment date, notwithstanding the redemption of those Class A Units or our default in payment of the distribution.

Payment of Taxes

If any person exchanging a certificate representing Class A Units wants us to issue a certificate in a different name than the registered name on the old certificate, that person must pay any transfer or other taxes required by reason of the issuance of the certificate in another name or establish, to the satisfaction of us or our agent, that the tax has been paid or is not applicable.

Liquidation Rights

In the event of a liquidation, termination or winding up of our Company, including if we do not raise the $6,000,000.00 minimum threshold from third parties, whether voluntary or involuntary, we will first pay or provide for payment of our debts and other liabilities. Thereafter, Members will share in our funds remaining for distribution pro rata in accordance with their respective interests in our Company.

Operating Agreement

Our Operating Agreement designates Smart Living, Inc.. as Manager. Our Manager will be entitled to vote on matters submitted to our Members, although its approval will be required with respect to certain amendments to the Operating Agreement that would adversely affect its rights. Our Manager will not have any redemption, conversion or liquidation rights by virtue of its status as the Manager; however, our Manager will receive distributions from the Company in the form of a performance fee – see section titled "Compensation to the Manager."

Our Operating Agreement further provides that the Manager, in exercising its rights in its capacity as the Manager, will be entitled to consider only such interests and factors as it desires, including its own interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any of our Members and will not be subject to any different standards imposed by our Operating Agreement, the Delaware LLC Act or under any other law, rule or regulation or in equity.

Agreement to be Bound by our Operating Agreement; Power of Attorney

By purchasing Class A Units and executing a copy of the Subscription Agreement, you will be admitted as a Member of our Company and will be bound by the provisions of, and deemed to be a party to, our Operating Agreement. Pursuant to Operating Agreement, each Member and each person who acquires a Class A Unit grants to our Manager a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants our Manager the authority to make certain amendments to, and to execute and deliver such other documents as may be necessary or appropriate to carry out the provisions or purposes of, our Operating Agreement.

No Fiduciary Relationship with our Manager

We operate under the direction of our Manager, which is responsible for directing the management of our business and affairs, managing our day-to-day affairs, and implementing our strategy. Our Manager performs its duties and responsibilities pursuant to our Operating Agreement. Our Manager maintains a contractual, as opposed to a fiduciary relationship, with us and our Members. Furthermore, we have agreed to limit the liability of our Manager and to indemnify our Manager against certain liabilities.

Limited Liability and Indemnification of our Manager and Others

Subject to certain limitations, our Operating Agreement limits the liability of our Manager and Manager's key personnel, members, managers and affiliates, for monetary damages and provides that we will indemnify and pay or reimburse reasonable expenses in advance of final disposition of a proceeding to our Manager, its officers, members, and managers and affiliates.

Our Operating Agreement provides that to the fullest extent permitted by applicable law our Manager and key personnel, members, managers and affiliates will not be liable to us. In addition, pursuant to our Operating Agreement, we have agreed to indemnify our Manager and our Manager's key personnel, members, managers and affiliates, to the fullest extent permitted by law, against all expenses and liabilities (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Company and attorney's fees and disbursements) arising from the performance of any of their obligations

or duties in connection with their service to us or the Operating Agreement, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made party by reason of being or having been the manager, and the Manager's key personnel, members, managers and affiliates.

Amendment of Our Operating Agreement.

Our Operating Agreement may be amended, restated or modified from time-to-time by a simple majority of the Members and consented to by the Manager. Proposed amendments will be emailed to the Members by the Manager and Members may consent or disapprove such amendment by responding to the Manager's email. A Member shall be deemed to consented to any proposed amendment that a Member fails to respond (either consenting or disapproving of such amendment) to a proposed amendment via email within ten (10) business days of such email being sent to the Member by the Manager.

Books and Reports

We are required to keep appropriate books of our business at our principal offices. We will use the accrual method of accounting to report income and deductions for tax purposes, will prepare its financials using GAAP and will compute net cash from operations and net capital transaction proceeds based on actual cash receipts, disbursements and reserves For financial reporting purposes and federal income tax purposes, our fiscal year and our tax year are the calendar year.

The Manager shall cause the Company, at the Company's expense, to file such tax returns as may be required by law. The Manager shall use commercially reasonable efforts to deliver to the Members (i) quarterly performance reports on the Company's investments, including summary financial information for each investment and (ii) information necessary for completion of tax returns, including a Form 1065 Schedule K-1 (if applicable) and otherwise as required by law, within the time period prescribed by law.

Determinations by our Manager

Any determinations made by our Manager under any provision described in our Operating Agreement will be final and binding on our Members, except as may otherwise be required by law.

Quarterly Redemption Plan

While you should view your investment as long-term, we have adopted a redemption plan, whereby Members may request, on a quarterly basis, that we redeem their Class A Units. Class A Units may not be redeemed until they have been held for at least one year. The redemption price will be subject to the following price discounts depending upon when the Class A Units are redeemed:

Holding Period	Effective Redemption Price (as a percentage of the lesser of the redeeming Member's Unrecovered Investment or the fair market value of the Member's Units as determined below.)
Less than 12 months	No redemption allowed
After 12 months to 24 months	65%
After 24 months to 36 months	75%
After 36 months	85%

In addition, the redemption price will be reduced by the aggregate sum of distributions, if any, that are considered a return of capital to such redeeming Member. Furthermore, a Member requesting redemption will be responsible for any third-party costs incurred in effecting such redemption, including but not limited to, bank transaction charges, custody fees and/or transfer agent charges. The redemption plan may be suspended at any time without notice.

Redemption of our Class A Units will be made quarterly upon written request to us at least 60 days prior to the end of the applicable quarter. Redemption requests, may in the sole and absolute discretion of the Manager, be honored approximately 30 days following the end of the applicable quarter, which we refer to as the redemption date. Members may withdraw their redemption request at any time up to 3 business days prior to the redemption date. If we agree to honor a redemption request, the Class A Units to be redeemed will cease to accrue distributions or have voting rights as of the redemption date.

We cannot guarantee that the funds will be sufficient to accommodate all redemption requests made in any quarter. In the event that we do not have sufficient funds available to redeem all of the Class A Units for which redemption requests have been submitted in any quarter, we plan to redeem our Class A Units on a pro rata basis on the redemption date. In addition, if we redeem less than all of the Class A Units subject to a redemption request in any quarter, with respect to any unredeemed Class A Units, you can: (i) withdraw your request for redemption; or (ii) ask that we honor your request in a future quarter, if any, when such redemptions can be made pursuant to the limitations of the redemption plan when sufficient funds are available. Such pending requests will be honored on a pro rata basis along with any new requests received in that future quarter. For investors who hold Class A Units with more than one record date, redemption requests will be applied to such Class A Units in the order in which they were purchased, on a first in first out basis.

We are not obligated to redeem Class A Units under the redemption plan. The difference between the effective redemption price and the Member's unrecovered investment or fair market value of the Class A Units shall be considered a redemption fee.

The fair market value of a Member's Units shall be based on the Member's pro rata share of the Company's appraised value of all of the Company's real estate assets plus the Company's cash. The value of the Company's real estate assets shall be determined on an annual basis, the timing of which shall be determined in the Manager's sole and absolute discretion, by a nationally recognized commercial real estate brokerage firm. The costs and expenses associated with the Company's annual appraisal of its real estate assets shall be borne by the Company.

The Manager may, in its sole discretion, amend, suspend, or terminate the redemption plan at any time without notice, including protecting our operations and our non-redeemed Members, to prevent an undue burden on our liquidity or for any other reason. Therefore, you may not have the opportunity to make a redemption request prior to any potential termination of our redemption plan.

RISK FACTORS

AN INVESTMENT IN THE CLASS A UNITS INVOLVES A HIGH DEGREE OF RISK. EACH INVESTOR SHOULD CAREFULLY CONSIDER THE RISKS AND UNCERTAINTIES DESCRIBED BELOW AND THE OTHER INFORMATION IN THIS MEMORANDUM BEFORE DECIDING WHETHER TO INVEST IN THE CLASS A UNITS. THE OCCURRENCE OF ANY OF THE FOLLOWING RISKS, AMONG OTHERS, COULD MATERIALLY AND ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND OPERATING RESULTS. IN ANY SUCH CASE, INVESTORS MAY LOSE PART OR ALL OF THEIR INVESTMENT. THE RISKS AND

UNCERTAINTIES DESCRIBED BELOW ARE NOT EXCLUSIVE AND ARE INTENDED TO REFLECT THE MATERIAL RISKS THAT ARE SPECIFIC TO US, MATERIAL RISKS RELATING TO OUR INDUSTRY, AND MATERIAL RISKS RELATED TO COMPANIES WHO UNDERTAKE AN OFFERING OF SECURITIES SUCH AS THOSE BEING OFFERED HEREBY.

Risks Relating to our Business

The Company is recently organized and has no operating history.

We are a recently formed company and have no operating history. We have no assets, no operating revenues and our prospects of future profitable operations may be delayed or never realized. We may encounter difficulties that prevent us from operating our anticipated business as intended or that will prevent us from doing so in a profitable manner. We, and the investment in Class A Units described in this Memorandum, must be evaluated in view of possible delays, additional expenses and other unforeseen complications that are often encountered by new business ventures. Our financial condition, results of operations and ability to make or sustain distributions to our Members will depend on many factors, including:

- our ability to identify attractive real estate that are consistent with our strategy;
- our ability to consummate acquisition of real estate assets on favorable terms;
- real estate appreciation or depreciation in and around markets across the United States;
- the level and volatility of interest rates, and our access to short- and long-term financing on favorable terms;
- economic conditions in and around markets across the United States, as well as the condition of the financial and real estate markets and the economy generally.

The Offer is being conducted as a best effort offering.

This offering is being conducted on a "best reasonable efforts" basis. No guarantee can be given that all or any of the Class A Units will be sold, or that sufficient proceeds will be available to conduct successful operations. Receipt of a relatively small amount of capital from the sale of Class A Units may reduce our ability to spread investment risks through diversification of our portfolio of real estate assets.

Because no public trading market for a purchaser's Class A Units currently exists, it will be difficult for you to sell your Class A Units and, if you are able to sell your Class A Units, you will likely sell them at a discount to your purchase price.

Our Operating Agreement does not require our Manager to seek Member approval to liquidate our assets by a specified date, nor is there a public market for our Class A Units. Additionally, the transfer or sale of Class A Units will be further restricted as set forth in our Operating Agreement, the provisions of the Securities Act of 1933, as amended, and Rule 144 thereunder. In its sole discretion, including to protect our operations and our non-redeemed Members, to prevent an undue burden on our liquidity, our Manager could amend, suspend or terminate our redemption plan without notice. Further, the redemption plan includes numerous restrictions that would limit your ability to sell your Class A Units. Because of the illiquid nature of our Class A Units, you should purchase our Class A Units only as a long-term investment and be prepared to hold them for an indefinite period of time. We describe the transfer restrictions set forth in the Operating Agreement in more detail under the section titled "Description of Our Class A Units".

If we are unable to find suitable real estate assets, we may not be able to achieve our investment objectives or pay distributions.

Our ability to achieve our investment objectives and to pay distributions depend upon the performance of our Manager to locate, acquire, manage and operate real estate assets. You will have no opportunity to evaluate the economic merits or the terms of the real estate prior to making a decision to purchase our Class A Units. You must rely entirely on our Manager and its principals. We cannot assure you that our Manager will be successful in sourcing suitable real estate assets, and that, if suitable real estate assets are located, our objectives will be achieved. If we, through our Manager and its principals, are unable to find suitable real estate assets promptly, we will hold the proceeds from this offering in an interest-bearing account. If we would continue to be unsuccessful in locating suitable real estate assets, we may ultimately decide to liquidate. In the event we are unable to timely locate suitable real estate assets, we may be unable or limited in our ability to pay distributions to Members and we may not be able to meet our investment objectives.

We could experience delays in locating suitable real estate assets, which could in turn limit our ability to make distributions and lower the overall return on an investment.

We rely upon our Manager's team of professionals to locate suitable real estate assets. To the extent that our Manager's professionals face competing demands upon their time in instances when we have capital ready for the acquisition of real estate assets, we may face delays in execution. Further, because we are raising a "blind pool" without any pre-selected real estate assets, it may be difficult for us to invest the net offering proceeds promptly and on attractive terms. Our financial results in the fiscal periods immediately following completion of this offering may not be representative of our future potential. Prior to the full deployment of the net proceeds from this offering, we may invest the undeployed net proceeds in money market accounts. We expect that these initial investments will provide a lower net return than we expect to receive from the investments described in this Memorandum, however, delays we encounter would likely limit our ability to pay distributions and potentially lower our Member's overall returns.

An investment in us is more speculative because this is a "blind pool" and you will not have the opportunity to evaluate any real estate assets before we acquire them.

We have not yet acquired any real estate assets and we are not able to provide you with any information to assist you in evaluating the merits of any specific real estate asset. We will seek to invest substantially all of the offering proceeds available for investment, after the payment of fees and expenses, in real estate assets as described in this Memorandum. However, because you will be unable to evaluate the economic merit of those real estate assets before we acquire them, you will have to rely entirely on the ability of our Manager to select suitable real estate assets. Furthermore, our Manager will have broad discretion in implementing and modifying policies regarding the real estate assets and you will not have the opportunity to evaluate them.

There may be a period of time before our Manager fully invests the proceeds of this offering. We will attempt to invest the proceeds as quickly as prudence and circumstances permit; however, no assurance can be given as to how quickly the proceeds will be invested. Consequently, the distributions you receive on your investment may be reduced pending the investment of the offering proceeds in real estate assets. These factors increase the risk that your investment may not generate returns comparable to our competitors.

Our Manager does not have a strong incentive to avoid losses and thus you may be more likely to sustain a loss on your investment.

While our Manager or its affiliates may purchase Class A Units in us, our Manager will have little exposure to the losses we may experience. Without our Manager having significant exposure to our losses you may be at a greater risk of loss because our Manager does not have much to lose from the decrease in our value as do other Managers who make more significant equity investments in companies.

Changes that adversely impact or affect our Manager's financial health or our relationship with our Manager or affiliates of our Manager could negatively impact our performance and your return.

Our Manager has been engaged to manage our operations and our portfolio of real estate assets. Thus, our ability to achieve our investment objectives and to pay distributions is greatly dependent upon the performance of our Manager and its team of professionals in the identification and acquisition of real estate assets, the management and operation of our real estate assets and the operation of our daily activities. Our Manager's ability to successfully manage our operations and our real estate assets would be impacted by any adverse changes in our Manager's financial condition or our relationship with our Manager.

The implementation of our investment strategy is highly dependent on our Manager and the Manager's key personnel in successfully conducting this offering.

Our Manager and its key personnel will conduct this offering. Our Manager is in the early stages of its development and has no operating history. The success of this offering, and our ability to implement our business strategy, is dependent upon the ability of our Manager and its personnel to sell our Class A Units. If this strategy is not successful in selling our Class A Units, our ability to raise proceeds through this offering will be limited and we may not have adequate capital to implement our business plan. If we are unsuccessful in implementing our business plan, you could lose all or a part of your investment.

Because we rely on our Manager's professionals, if our Manager fails to retain any key personnel, our business could be negatively impacted.

Because we do not have any employees at this time, we are dependent upon the experience and abilities of our Manager's team of professionals. As a result, our Manager's team of professionals will make virtually all decisions with respect to our management and operations, including the determination with respect to our business, including, but not limited to, the identification and acquisition of real estate assets. The Members will not have a voice in our management decisions and our Manager does not give any assurances that the Company will operate at a profit. Our operations and success will depend to a large degree on the continued employment or service of our Manager's professional team. None of the individuals employed by our Manager are subject to an employment agreement with our Manager, and the loss of service of any of our Manager's professionals for any reason could adversely affect our business and operations. Which in turn impact the value of your investment and our ability to make distribution to the Members.

Our Manager's key personnel are not required to devote their full-time attention to our business.

Our Manager's principals and key personnel are not required to devote their respective individual capacities full-time to our business and affairs, but only such time as may reasonably be required.

We would be subject to certain additional risk if our Manager withdraws or is terminated.

We are presently managed by one Manager. If our Manager withdraws from the Company, is terminated by the Members, for cause or otherwise, or is terminated as Manager by dissolution or bankruptcy, it may be difficult or impossible for the Members to locate a suitable replacement for our Manager. If the Members are unable to replace our Manager, we would proceed with liquidating our assets, which may or may not be able to be successfully execute.

There is a risk of loss of funds we may temporary hold in a money market account.

We intend to place all cash which is not otherwise committed or deployed in real estate assets in money market accounts. Each money market account will consist of investments that are immediately liquid, and that, in our judgment, are sufficiently safe while producing a yield on our cash.

As a Member you have not selected our Manager and you have limited ability to influence the operating decisions.

The Operating Agreement provides that the affairs and business of the Company will be managed under the direction of our Manager. As the sole manager, our Manager will hold almost complete control over all material decisions affecting the business and affairs of the Company and can take almost any action with the consent of the Members. Members do not elect or vote on our Manager, and have only very limited voting rights on matters affecting our business, and therefore limited ability to influence our business and operational decisions.

Our Members will have voting rights only with respect to certain matters, primarily relating to amendments to our Operating Agreement and removal of our Manager for "cause". Each outstanding Class A Unit entitles the Member to one vote on all matters submitted to a vote of Members. Generally, matters to be voted on by the Members must be approved by a majority of the votes cast by all Members present in person or represented by proxy, although the vote to remove our Manager for "cause" requires a supermajority vote or 66.67% or greater. If any vote occurs, you will be bound by the majority or supermajority vote, as applicable, even if you did not vote with the majority or supermajority.

We have no operating capital, no significant assets and no revenue from operations.

We have no operating capital and for the foreseeable future will be dependent upon our ability to finance our operations from the sale of equity or other financing alternatives. There can be no assurance that we will be able to successfully raise capital. The failure to successfully raise capital and identify real estate assets, could result in our bankruptcy or other event which would have a material adverse effect on us and our Members. We have no significant assets or financial resources, so such adverse event could put your investment dollars at significant risk.

The price at which are Class A Units are being offered was arbitrarily determined; the actual value of your Class A Units may be substantially less than what you pay.

We established the offering price of our Class A Units on an arbitrary basis. The Class A Unit selling price bears no relationship to our book or asset values or to any other established criteria for valuing Class A Units. Because the offering price is not based upon any independent valuation, the offering price may not be indicative of the proceeds that you would receive upon liquidation.

The Subscription Agreement you will execute in connection with the purchase of Class A Units in this offering, will bind you to certain arbitration provisions contained therein, which provisions limit your ability to bring class action lawsuits or seek remedy on a class basis.

By purchasing Class A Units in this offering, investors agree to be bound by the arbitration provisions contained in our Subscription Agreement. Such arbitration provisions apply to claims that may be made regarding this offering and, among other things, limits the ability of investors to bring class action lawsuits or similarly seek remedy on a class basis. This arbitration provision allows for either us or an investor to elect to enter into binding arbitration in the event of any claim in which we and the investor are adverse parties, including claims regarding this offering. While not mandatory, in the event that we elected to invoke the arbitration clause contained in the Subscription Agreement, the rights of the adverse investor to seek redress in court would be severely limited.

Further, the Subscription Agreement restricts the ability of individual investors to bring class action lawsuits or to similarly seek remedy on a class basis, unless otherwise consented to by us. These restrictions on the ability to bring a class action lawsuit is likely to result in increased costs, both in terms of time and money, to individual investors who wish to pursue claims against us.

Members are subject to the risk that distributions may not equal the tax burden to Members.

So long as we are a limited liability company, we will be taxed as a partnership. Members will therefore be allocated their share of our income, deduction, gain and loss each year. Normally, an investment in the Company will cause the taxable income of Members who are subject to state and federal income tax to increase. Consequently, an increase in a Member's taxable income will subject that Member to an increased income tax liability. Members must obtain cash to satisfy that liability. That cash can come from a wide variety of sources. Members need to be aware that the Preferred Return and any distributions of cash from operations paid to a Member may not be sufficient to satisfy the income tax liability attributed to the Member's allocable share of the Company income and gain. Hence, the Member may be forced to either borrow or use cash from another source to satisfy their income tax liabilities associated with an investment in the Company.

Members may experience a loss on dissolution and termination of the Company.

In the event of a dissolution or termination of the Company, the proceeds realized from the liquidation of our assets, if any, will be distributed to the Members, but only after the satisfaction of claims of creditors. Accordingly, the ability of a Member to recover all or any portion of its investment in the Company under such circumstances will depend on the amount of funds so realized and claims to be satisfied therefrom. There is no guarantee of a return of the Member's capital account.

Under certain circumstances, Members could lose the limited liability protection typically afforded Members of a limited liability company.

In general, holders of membership interests in a limited liability company are not liable for the debts and obligations of a limited liability company beyond the amount of the capital contributions they have made or are required to make under their subscription agreement. Under the Delaware Limited Liability Company Act, members of a limited liability company would be held personally liable for any act, debt, obligation or liability of a limited liability company to the extent that Members of a business corporation would be liable in similar circumstances. In this regard, the court may consider the factors and policies set forth in established case law with regard to piercing the entity veil, except that the failure to hold meetings may not be considered a factor tending to establish that the Members have personal liability for any act, debt, obligation or liability of the limited liability company if the certificate of formation and limited liability company agreement do not expressly require the holding of meetings of Members and managers. The Manager intends to take action to avoid personal liability on the Members by complying with the Operating Agreement and applicable state-imposed formalities.

The merits of this offering have not been approved by any broker/dealer.

The Company will not market and sell the Class A Units through any broker/dealers. Broker/dealers have a duty to a prospective purchaser to ensure that an investment is suitable for that purchaser, that the broker/dealer has conducted adequate due diligence with respect to an offering and that the offering complies with federal and state securities laws. Although the Company has a duty under applicable securities laws to make sure this Memorandum is accurate and complete, this Memorandum has not been reviewed by an independent third party, including broker/dealers.

There can be no assurance that we will have sufficient working capital or cash flow to meet our fixed expenses or other ongoing needs.

Our operating expenses (including certain compensation and fees to the Manager and its affiliates) must be paid, regardless of profitability (See "Compensation to the Manager"). We do not plan to set aside any of the proceeds from this offering as working capital. Accordingly, it is possible that we may be required to borrow funds or liquidate a portion of our investments to pay our expenses or to meet unanticipated working capital needs. There can be no assurance that such funds will be available when they are required by us.

An investment in the Class A Units is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Our business is speculative, and consequently there can be no assurance that we will satisfy any of our business goals. An investment in the Class A Units involves a high degree of risk, and no assurance can be given that our cash flow, profits, and capital will be sufficient to make current or liquidating distributions as planned. Investors may not realize any return on their investment, and could lose their entire investment altogether.

The Fund may invest in interests in real property jointly with an unrelated third party.

The Fund may invest in interests in real property jointly with other parties, which may be affiliates of the Manager or the Fund, or may be unrelated third parties. To the extent the Fund invests jointly with an unrelated third party, such third party may not agree with the Fund with regard to the management, operation or refinance of the property, or other aspects relating to the investment property, or concerning the method, timing or execution of an exit strategy for the investment property. In such event, the Fund may be required to hold an investment with limited or no means to dispose of the asset on favorable terms or at all, which could adversely affect the Fund's results of operations and financial condition with negative implications for the value of an investment in the Fund.

The Fund may purchase interests in real property directly, and not through separate limited liability entities.

Generally, the Fund will acquire its investment properties or interests in investment properties indirectly through limited liability entities. To the extent that the Fund purchases properties or interests in real property directly, and not through separate limited liability entities, any liability of the Fund relating to one investment property may be enforced against other assets of the Fund, including other investment properties owned directly or indirectly by the Fund. Such judgments may adversely affect the Fund's results of operations and financial condition with negative implications for the value of an investment in the Fund.

Our use of a credit or debt facility, loan or warehouse line of credit could adversely impact our operations.

We may choose to borrow money from time to time from one or more credit or debt facilities, loans or warehouse line of credits, and may pledge one or multiple Mobile Home Parks as collateral for any such borrowing. The Operating Agreement grants our Manager significant latitude and discretion in its ability to use a credit or debt facility, loan or warehouse line of credit in our operations. The Manager will not procure a credit or debt facility, loan or warehouse line of credit unless it is non-recourse to the Members. The Manager (and/or its affiliates) may agree to provide a guaranty for a given credit or debt facility, loan or warehouse line of credit, but will not be required to do so. Any credit or debt facility, loan or warehouse line of credit will likely have covenants that affect us and our Manager.

Although the purpose of a credit or debt facility, loan or warehouse line of credit is to provide flexibility and additional liquidity options to us, reduce required Member equity, as well as potentially increase the overall Member return, the use of a credit or debt facility, loan or warehouse line of credit is inherently risky and can instead increase the risk of loss.

Risks Specifically Related to Real Estate Investments

Risks Associated with Development of the Mobile Home Parks.

The Company may acquire and renovate mobile home parks, individual mobile homes, and various amenities of the Mobile Home Parks it acquires. Additionally, some Mobile Home Parks may have additional property or buildings which the Manager will need to manage, such as vacant land that can be developed as additional mobile home spaces, mini-storage, warehouses, etc. These activities may be exposed to the following risks:

- The Company may be unable to obtain, or experience delays in obtaining necessary zoning, occupancy, or other required governmental or third party permits and authorizations, which could result in increased costs or the delay or abandonment of opportunities;
- The Company may incur costs that exceed original construction estimates due to increased material, labor or other costs;
- Occupancy rates and rents at the Mobile Home Parks may fail to meet the Manager's expectations for a number of reasons, including changes in the market and economic conditions beyond the Manager's control and the development by competitors of competing communities;
- The Company may be unable to complete any development and lease its Mobile Home Parks on its projected schedule, resulting in increased costs and a decrease in anticipated revenues;
- The Company may incur liabilities to third parties during the development process, for example, in connection with managing existing improvements on its sites or in connection with providing services to third parties, such as the construction of shared infrastructure or other improvements; and
- The Company may incur liability if its Mobile Home Parks are not constructed and operated in compliance with accessibility provisions of the Americans with Disabilities Act, the Fair Housing Act or other federal, state or local requirements. Noncompliance could result in imposition of fines, an award of damages to private litigants, and a requirement that the Company undertake structural modifications to remedy the noncompliance.

Our Mobile Home Parks will be subject to the risks typically associated with real estate.

Our investments in Mobile Home Parks may be affected by real estate property values. Therefore, our investments will be subject to the risks typically associated with real estate. The value of real estate may be adversely affected by a number of risks, including:

- natural disasters such as hurricanes, earthquakes and floods;
- acts of war or terrorism, including the consequences of terrorist attacks;
- adverse changes in national and local economic and real estate conditions;
- an oversupply of (or a reduction in demand for) space in the areas where particular properties are located and the attractiveness of particular properties to prospective tenants;
- political changes, changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance therewith and the potential for liability under applicable laws;

- costs of remediation and liabilities associated with environmental conditions affecting properties; and
- the potential for uninsured or underinsured property losses.

We have no established investment criteria limiting the geographic concentration of our investments in Mobile Home Parks. If our investments are concentrated in an area that experiences adverse economic conditions, our investments may lose value and we may experience losses.

The Mobile Home Parks we acquire may be located in one geographic area. These investments may carry the risks associated with significant geographical concentration. We have not established and do not plan to establish any investment criteria to limit our exposure to these risks for future investments. As a result, the Mobile Home Parks we acquire, may be overly concentrated in certain geographic areas, and we may experience losses as a result. A worsening of economic conditions in the geographic area in which our investments may be concentrated could have an adverse effect on our business, including reducing the demand for new financings, limiting the ability of customers to pay financed amounts and impairing the value of our collateral.

Our Mobile Home Parks are illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions.

The illiquidity of our target investments may make it difficult for us to sell such investments if the need or desire arises. As a result, we expect many of our investments will be illiquid, and if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments and our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect our results of operations and financial condition.

Our due diligence process may not reveal all factors affecting or may not reveal all weaknesses present with a Mobile Home Park we acquire.

There can be no assurance that our due diligence processes will uncover all relevant facts that would be material to a decision to acquire a particular Mobile Home Park. If possible, we will assess the strength of each Mobile Home Park and any other factors that we believe are material. In making the assessment and otherwise conducting customary due diligence, we will rely on the resources available to us and, in some cases, investigations by third parties. There can be no guarantees that this due diligence process, if any, will uncover all necessary, pertinent or material facts, including negative facts, regarding a particular Mobile Home Park.

Future disruptions in the financial markets or deteriorating economic conditions could adversely impact the real estate market as well as the market for real estate investments generally, which could hinder our ability to implement our business strategy and generate returns to you.

We intend to acquire a diversified portfolio Mobile Home Parks. Future disruptions in the financial markets or deteriorating economic conditions may also impact the market for our investments and the volatility of our investments. The returns available to investors in our targeted investments are determined, in part, by: (i) the supply and demand for such investments and (ii) the existence of a market for such investments, which includes the ability to sell or finance such investments. During periods of volatility, the number of investors participating in the market may change at an accelerated pace. If either demand or liquidity increases, the cost of our targeted investments may increase. As a result, we may have fewer funds available to make distributions to investors.

All of the factors described above could adversely impact our ability to implement our business strategy and make distributions to our investors and could decrease the value of an investment in us.

The market in which we participate is competitive and, if we do not compete effectively, our operating results could be harmed.

The real estate market is competitive and rapidly changing. We expect competition to persist and intensify in the future, which could harm our ability to increase volume on our platform.

Our principal competitors include private equity funds, real estate investment trusts, hedge funds, private investors, institutional investors, others engaged in the property acquisition businesses as well as online lending platforms. Competition could result in reduced volumes, reduced fees or the failure of the Company to achieve or maintain more widespread market acceptance, any of which could harm our business. In addition, in the future we may experience new competition from more established internet companies possessing large, existing customer bases, substantial financial resources and established distribution channels. If any of these companies or any major financial institution decided to enter the online lending business, acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our operating results could be harmed.

Most of our current or potential competitors have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their investment platforms and distribution channels. Our potential competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and broader customer relationships than we have. These competitors may be better able to develop new products, to respond quickly to new technologies and to undertake more extensive marketing campaigns.

Distributions to Members will be dependent upon cash flow the Company receives from its Mobile Home Parks.

The Company will only make distributions to its Members after it receives rental income from its Mobile Home Parks. If the Company does not receive any or all rental payments from its Mobile Home Parks, distributions made to you will be correspondingly reduced in whole or in part.

The Manager will not create or contribute funds to a separate account in order to fund requests for withdrawal from the Company and redemption of your investment. Because funds are not set aside periodically to fund such withdrawals, you must rely on cash flow from the Mobile Home Parks; however, to the extent the Manager is unable to liquidate Mobile Home Parks, any Class A Units which are unredeemed will remain subject to Company operations, which may include Company losses.

Members will not have any input into our purchasing, operational, leasing or sales guidelines and we may alter or change these guidelines without the consent of any Member.

Our Manager may change our guidelines with respect to purchasing, operating, leasing and selling Mobile Home Parks at any time without the consent of our Members, which could result in our acquisition of Mobile Home Parks that are different from, and possibly riskier than, the Mobile Home Parks described in this Memorandum, all of which could adversely affect the value your investment and our ability to make distributions.

Uninsured losses on the Mobile Home Parks will result in losses.

The Manager will obtain title and casualty insurance on the Mobile Home Parks. The Manager may also, but is not required to, arrange for earthquake and/or flood insurance. However, there are certain types of losses (generally of a catastrophic nature) which are either uninsurable or not economically insurable, such as losses due to war, floods or mudslide. Should any such disaster occur, the Company could suffer a loss of the purchase price on a Mobile Home Park.

Rises in insurance costs could affect your returns.

Real estate properties are typically insured against risk of fire damage and other typically insured property casualties, but are sometimes not covered by severe weather or natural disaster events such as landslides, earthquakes, or floods. Changes in the conditions affecting the economic environment in which insurance companies do business could affect the borrower's ability to continue insuring the property at a reasonable cost or could result in insurance being unavailable altogether.

Environmental issues may affect the operation of a Mobile Home Park.

Federal, state and local laws and regulations relating to the protection of the environment may require a current or previous owner or operator of real estate to investigate and clean-up hazardous or toxic substances or petroleum product releases at such property. The owner or operator may have to pay a government entity or third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with the contamination. These laws typically impose clean-up responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one (1) person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages and costs resulting from environmental contamination emanating from that site.

As part of the Manager's due diligence investigation of potential Mobile Home Park acquisitions, the Manager may order Phase I environmental reports on each property. Nonetheless, even if the Manager obtains a Phase I environmental report, we cannot be assured that existing environmental assessments of the Mobile Home Parks will reveal all environmental liabilities, that any prior owner of the Mobile Home Parks will not create a material environmental condition not known to us, or that a material environmental condition will not otherwise exist as to any Mobile Home Park we will acquire. The existence of hazardous or toxic substances or the failure properly to remediate such matters may adversely affect the sale of the Mobile Home Parks and Cash Distributions and potentially result in a loss of value.

The value of a Mobile Home Park may decline in value.

The value of a Mobile Home Park will be subject to the risks generally incident to the ownership of improved real estate, including changes in general or local economic conditions, increases in interest rates for real estate financing, physical damage that is not covered by insurance, zoning, entitlements, and other risks. A decline in property values could result in the purchase price of a Mobile Home Park being higher than the actual value which could consequentially affect your returns. Although real estate assets are generally cyclical in nature, the Company's operating history since its inception does not yet span any prolonged down cycles in the real estate market.

There are risks associated with the use of leverage.

The Company may borrow funds from a third party lender to purchase Mobile Home Parks. These loans would be secured by one or more Mobile Home Parks held by the Company. In order to obtain such a loan, the Company may assign part or its entire asset portfolio to the lender. Such borrowed money may bear

interest at a variable rate, and if prevailing interest rates rise, the Company's cost of money could exceed the income earned from that money, thus reducing the Company's profitability or causing losses. As secured debt, these loans will have a priority security interest in the assets of the Company, and, in the event of a liquidation, the holders of such debt would have a priority interest in such assets and would be entitled to a liquidation preference. In an event of default by the Company, the Members could lose part or all of their interest in the assets of the Company and the value of their underlying investment. Furthermore, leveraging the Company may also result in the receipt of some taxable income by investors that are otherwise tax-exempt.

Our Mobile Home Parks may be unable to compete successfully for tenants.

Our Mobile Home Parks compete for tenants with other mobile home parks and multi-family housing options, such as apartments. Some of these competitors may offer more attractive properties or lower rents than we do, and they may attract the high-quality tenants to whom we seek to lease our Mobile Home Parks. Additionally, some competing housing options may qualify for governmental subsidies that may make such options more affordable and therefore more attractive than our Mobile Home Parks. Competition for tenants could reduce our occupancy and rental rates and adversely affect us.

Long-term leases may not result in fair market lease rates over time; therefore, our income and cash available for distribution to our Members could be lower than if we did not enter into long-term leases.

We may enter into long-term leases with tenants. Our longer-term leases may provide for rent increases over time. If we do not accurately judge the potential for increases in market rental rates, the rent under our long-term leases with tenants may be significantly less than then-current market rental rates, even after contractual rental increases and applicable percentage rents. Further, we may have no ability to terminate those leases or to adjust the rent to then-current market rates. As a result, our revenues and cash available for distribution to our Members could be lower than if we did not enter into long-term leases.

Short-term leases may expose us to the effects of declining market rents.

Some of our leases to tenants may be for a term of one year. As these leases permit the tenants to leave at the end of the lease term without penalty, we anticipate our rental revenues may be affected by declines in market rents more quickly than if our leases were for longer terms. Short-term leases may result in high turnover, which involves costs such as restoring the Mobile Home Parks, marketing costs and lower occupancy levels. Because we have a limited operating history, our tenant turnover rate and related cost estimates may be less accurate than if we had more operating data upon which to base these estimates.

When evaluating a Mobile Home Park for acquisition, we make a number of significant estimates and assumptions that may prove to be inaccurate. This could cause us to overpay for a Mobile Home Park or incur restoration and marketing costs significantly in excess of our estimates.

Prior to the acquisition of a Mobile Home Park, we make a number of significant estimates and assumptions, including the amount of time it will take us to gain possession of the Mobile Home Park, the amount of time between acquiring the property and having it fully leased, annual operating costs, estimated sales price, rental rates and tenant default rates. These estimates and assumptions may prove to be inaccurate and cause us to overpay for Mobile Home Parks or overvalue our Mobile Home Parks. If we determine to make the estimates used in evaluating potential Mobile Home Parks more stringent, it would likely reduce the number of Mobile Home Parks that we deem acceptable for acquisition. Increases in the market prices for or decreases in the inventory of single-family homes in across the certain cities in the United States could also reduce the number of Mobile Home Parks available for acquisition. These factors could adversely affect our ability to deploy the net proceeds from this offering.

Risk of lack of knowledge in distant geographic markets.

Although we intend to focus investments in real estate in locations with which the Manager is generally familiar, we run a risk of experiencing challenges or issues associated with a lack of familiarity in some markets. Each market has nuances and idiosyncrasies that affect values, marketability, desirability, and demand for individual real estate asset that may not be easily understood from afar. While the Manager believes it can effectively mitigate these risks in a myriad of ways, there is no guarantee that investments in real estate assets in geographic markets outside areas in which the Manager is generally familiar, will perform as well as assets within geographic markets outside areas in which the Manager is generally familiar.

Risks Related to Conflicts of Interest

Certain conflicts of interest exist between us, our Manager and certain principals of the.

The Manager and certain principals of the Manager are subject to various conflicts of interest in managing the Company. All of the arrangements between such parties, including those relating to compensation, are not the result of arm's length negotiations, but rather based on what our Manager believes are reasonable and industry standard. Some of the conflicts inherent in the Company's transactions with our Manager and the Manager's principals and affiliates are described below. The Company, Manager and the Manager's principals and affiliates will work to balance their interest with the Company's interests. However, to the extent that such parties take actions that are more favorable to other entities than us, these actions could have negative impact on our financial performance and, consequently, on distributions to Members. For a more detailed look at the conflicts of interest, please refer to the section titled "Conflicts of Interest"

For a detailed discussion regarding those fees paid to our Manager or affiliates of the Manager, please see section titled "Compensation to the Manager."

The Operating Agreement contains limited remedies available to the Members for actions of our Manager.

We have agreed to limit the liability of our Manager and to indemnity our Manager and certain affiliated persons and entities of our Manager for liabilities incurred in connection with our affairs. Such liabilities may be material and have an adverse effect on the returns to the Members. Our indemnification obligation will be payable from our assets, and investors may be required to return certain amounts distributed to them to fund our indemnity obligations. These indemnification and limitation of liability provisions are detrimental to Members because they restrict the remedies available to them for actions that without those limitations might constitute breaches of duty, including fiduciary duties by our Manager. By purchasing Class A Units and executing a copy of the Subscription Agreement (which also constitutes your acceptance of and to the Operating Agreement) in connection with your purchase of Class A Units, you will have expressly consented to the provisions set forth in the Operating Agreement. In addition, we may choose not to enforce, or to enforce less vigorously, our rights under the Operating Agreement to maintain our ongoing relationship with our Manager.

The interest of our Manager and the Manager's principals and affiliates may have interests that conflict with the Members.

Our Manager has broad powers and authority under our Operating Agreement. This may result in one or more conflicts of interest between your interests and those of our Manager and the Manager's principals and other affiliates. Potential conflicts of interest include, but are not limited to, the following:

- our Manager and the Manager's principals and/or other affiliates may continue to originate and offer other real estate investment opportunities, including additional blind pool equity offerings similar to this offering and may make investments in real estate assets for their own respective accounts, whether or not competitive with our business;
- our Manager and the Manager's principals and/or other affiliates will not be required to disgorge any profits or fees or other compensation they may receive from any other business they own separately from us, and you will not be entitled to receive or share in any of the profits, fees or compensation from any other business owned and operated by our Manager and the Manager's principals and/or other affiliates for their own benefit; and
- our Manager and the Manager's principals and/or other affiliates are not required to devote all of their time and efforts to our affairs.

The Manager will serve as the originator and underwriter of all real estate assets.

The Manager will originate and select the real estate assets that we acquire. The Manager will have very wide discretion in originating and acquiring real estate assets. Furthermore, the Manager will not suffer losses in the event we suffer losses on real estate assets we acquire unless the Manager purchases Class A Units.

The Manager may engage in business with other companies, partnerships or businesses

The Manager and its principals, members, managers or affiliates may engage, for their own account or for the account of others, in other business ventures similar to that of the Company, including, others business with an investment strategy which is similar to that of the Company, and neither the Company nor any Member shall be entitled to any interest therein. Further, the Manager and its principals, members, managers or affiliates may be involved in creating additional mortgage or real estate funds that may compete with the Company. The Manager expects that they will establish and sponsor additional investment vehicles in the future that will acquire or invest in real estate or real estate-related assets. If a sale, financing, investment or other business opportunity would be suitable for more than one of these investment vehicles, the Manager will allocate such opportunities between the Company and such other entities using its business judgment. Any allocation of this type may involve the consideration of a number of factors that our Manager determines to be relevant, including:

- the investment objectives and criteria of the Company, and the other investment vehicles;
- the cash position of the Company and the other investment vehicles;
- the effect of the investment on the diversification the Company or the other investment vehicle's portfolio by type of investment, and risk of investment;
- the anticipated cash flow of the asset to be acquired;
- the income tax effects;
- the size of the investment; and
- the amount of funds available.

The Company will not have independent management and it will rely on the Manager and its principals, members, managers or affiliates for the operation of the Company. The Manager and these individuals and entities will devote only so much time to the business of the Company as is reasonably required. The Manager and its principals, members, managers or affiliates may have conflicts of interest in allocating

management time, services and functions between various existing companies, and business ventures in they may be or become involved with. The Manager believes it has sufficient staff to be fully capable of discharging its responsibilities.

The Manager and its affiliates may provide additional services.

The Manager and its affiliates may provide other services to persons dealing with the Company. The Manager and its affiliates are not prohibited from providing services to, and otherwise doing business with, the persons that deal with the Company.

Risks Related to Compliance and Regulation

The offering is not registered with the SEC or any state securities authorities and those entities have not made any determination that this Memorandum is adequate or accurate.

The offering of the Class A Units will not be registered with the SEC under the Securities Act or the securities agency of any state and the Class A Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to prospective investors meeting the suitability requirements set forth herein. Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, prospective investors will not have the benefit of review by the SEC or any state securities regulatory authority. The Class A Units are being offered and will be sold, to prospective investors in reliance upon a private offering exemption from registration provided in the Securities Act and state securities laws. If the Company should fail to comply with the requirements of such exemption, the prospective investors may have the right, if they so desired, to rescind their purchase of the Class A Units. It is possible that one or more prospective investors seeking rescission would succeed. This might also occur under the applicable state securities or "Blue Sky" laws and regulations in states where the Class A Units will be offered without registration or qualification pursuant to a private offering or other exemption. If one or more Members were successful in seeking rescission, the Company would face significant financial demands that could adversely affect the Company as a whole and, thus, the investment in the Class A Units by the remaining Members.

Risk associated with Investment Company Act exemption and regulation.

We intend to continue to conduct our operations so that neither we nor any of our subsidiaries is required to register as an investment company under the Investment Company Act. We anticipate that we will hold real estate and real estate-related assets directly or through wholly-owned subsidiaries.

We and our subsidiaries may rely on the exclusion provided by Section 3(c)(5)(C) under the Investment Company Act. Section 3(c)(5)(C) of the Investment Company Act is designed for entities "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." This exclusion generally requires that at least 55% of the entity's assets on an unconsolidated basis consist of qualifying real estate assets and at least 80% of the entity's assets consist of qualifying real estate assets or real estate-related assets. These requirements limit the assets those subsidiaries can own and the timing of sales and purchases of those assets.

To classify the assets held by us or our subsidiaries as qualifying real estate assets or real estate-related assets, we intend to rely on SEC no-action letters and other guidance published by the SEC staff regarding those kinds of assets. There can be no assurance that the laws and regulations governing the Investment Company Act status of companies similar to ours, or the guidance from the SEC or its staff regarding the treatment of assets as qualifying real estate assets or real estate-related assets, will not change in a manner that adversely affects our operations. In fact, in August 2011, the SEC published a concept release in which

it asked for comments on this exclusion from regulation. To the extent that the SEC staff provides more specific guidance regarding any of the matters bearing upon our exemption from the need to register or exclusion under the Investment Company Act, we may be required to adjust our strategy accordingly.

Registration with the SEC as an investment company would be costly, would subject us to a host of complex regulations and would divert attention from the conduct of our business, which could materially and adversely affect us. In addition, if we purchase or sell any real estate assets to avoid becoming an investment company under the Investment Company Act, our net asset value, the amount of funds available for investment and our ability to pay distributions to our Members could be materially adversely affected. If we were required to register as an investment company but failed to do so, we could be prohibited from engaging in our business, and criminal and civil actions could be brought against us.

We are not subject to the banking regulations of any state or federal regulatory agency.

We are not subject to the periodic examinations to which commercial banks and other thrift institutions are subject. Consequently, our financing decisions and our decisions regarding establishing loan loss reserves are not subject to periodic review by any governmental agency. Moreover, we are not subject to regulatory oversight relating to our capital, asset quality, management or compliance with laws.

Recent legislative and regulatory initiatives have imposed restrictions and requirements on financial institutions that could have an adverse effect on our business.

The financial industry is becoming more highly regulated. There has been, and may continue to be, a related increase in regulatory investigations of the trading and other investment activities of alternative investment funds. Such investigations may impose additional expenses on us, may require the attention of senior management of our Manager and may result in fines if we are deemed to have violated any regulations.

Risk that the Manager may become subject to the provisions of the Investment Advisers Act of 1940

The Manager has not registered as an investment adviser under the Investment Advisers Act of 1940 (the "**Investment Advisers Act**") and intends to operate so as to not be required to register as an investment adviser with the SEC for as long as possible (based upon certain exemptions thereunder). Specifically, investment advisers are not required to register under the Investment Advisers Act so long as they have less than $110,000,000.00 in assets under management, and the Manager expects to be further exempted from registration so long as the Manager has less than $150,000,000.00 in assets under management based on the fact that it is a manager to a real estate fund that is a qualifying private fund exempt from registration under the Investment Company Act. If or when the Manager exceeds that threshold, unless it is eligible for another exemption, it will be required to register under the Investment Advisers Act and will be subject to various restrictive provisions provided for therein. The Manager cannot determine at this time, what, if any, impact such registration and restrictions will have on its business or the business of the Company.

Though the Manager does not intend to register under the Investment Advisers Act, it may be required to register under one or more state investment adviser acts ("**State Advisers Acts**"). State Advisers Acts are similar to the Investment Advisers Act but generally apply to investment advisers that are not subject to the Investment Advisers Act because of the amount of assets under management or other exemptions from registration. The Manager intends to seek exemptions from such registration where possible. If the Manager does have to register under one or more State Advisers Acts, such registration may create administrative and financial burdens on the Manager.

Laws intended to prohibit money laundering may require the Manager to disclose investor information to regulatory authorities.

We may be subject to certain provisions of the Patriot Act, including, but not limited to, Title III thereof, the International Money Laundering and Abatement and Anti-Terrorist Financing Act of 2001 ("**Title III**"), certain regulatory and legal requirements imposed or enforced by the Office of Foreign Assets Control ("**OFAC**") and other similar laws of the certain cities in the United States. In response to increased regulatory concerns with respect to the sources of our capital used in investments and other activities, we may request that you provide additional documentation verifying, among other things, your identity and source of funds to be used to purchase Class A Units. We may decline to accept a subscription if this information is not provided or on the basis of the information that is provided. Requests for documentation and additional information may be made at any time during which a Member holds Class A Units. We may be required to report this information, or report the failure to comply with such requests for information, to appropriate governmental authorities, in certain circumstances without informing a Member that such information has been reported. We will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures, including, but not limited to, those imposed or enforced by OFAC, the Patriot Act and Title III. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws and at this point it is unclear what steps we may be required to take; however, these steps may include prohibiting a Member from making further contributions of capital, depositing distributions to which such Member would otherwise be entitled into an escrow account or causing the withdrawal of an investor.

In certain circumstances, if you fail to meet certain fiduciary and other standards under Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the Internal Revenue Code of 1986, as amended ("Code") you could be subject to liability for losses and subject to civil penalties.

In considering the acquisition of Class A Units to be held as a portion of the assets of an "employee benefit plan" within the meaning of Section 3(3) of ERISA ("a **Benefit Plan**" or "**Plan**"), a Plan fiduciary, taking into account the facts and circumstances of such trust, should consider, among other things: (a) the effect of the "Plan Asset Regulations" (Labor Regulation Section 2510.3-101) including potential "prohibited transactions" under the Code and ERISA; (b) whether the investment satisfies the "exclusive purpose," "prudence," and "diversification" requirements of Sections 404(a)(l)(A),(B) and (C) of ERISA; (c) whether the investment is a permissible investment under the documents and instruments governing the plan as provided in Section 404 (a)(l)(D) of ERISA; (d) the Plan may not be able to distribute Class A Units to participants or beneficiaries in pay status because our Manager may withhold its consent; and (e) the fact that no market will exist in which the fiduciary can sell or otherwise dispose of the Class A Units and the Company has no history of operations. The prudence of a particular investment must be determined by the responsible fiduciary with respect to each employee benefit plan, taking into account the facts and circumstances of the investment.

There are special considerations that apply to investing in our Class A Units on behalf of pension, profit sharing or 401(k) plans, health or welfare plans, individual retirement accounts or Keogh plans. If you are investing the assets of any of the entities identified in the prior sentence in our Class A Units, you should satisfy yourself that:

- your investment is consistent with your fiduciary obligations under applicable law, including common law, ERISA and the Code;
- your investment is made in accordance with the documents and instruments governing the trust, plan or IRA, including a plan's investment policy;
- your investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA, if applicable, and other applicable provisions of ERISA and the Code;
- your investment will not impair the liquidity of the trust, plan or IRA;

- your investment will not produce "unrelated business taxable income" for the plan or IRA;
- you will be able to value the assets of the plan annually in accordance with ERISA requirements and applicable provisions of the applicable trust, plan or IRA document; and
- your investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil penalties and can subject the fiduciary to liability for any resulting losses as well as equitable remedies. In addition, if an investment in our Class A Units constitutes a prohibited transaction under the Code, the "disqualified person" that engaged in the transaction may be subject to the imposition of excise taxes with respect to the amount invested.

Any investor who intends to purchase Class A Units from funds belonging to a qualified retirement plan or IRA should carefully review the tax risks provisions of this Officering Circular as well as consult with their own tax advisors. The contents hereof are not to be construed as tax, legal, or investment advice. PROSPECTIVE BENEFIT PLAN INVESTORS ARE URGED TO CONSULT THEIR ERISA ADVISORS WITH RESPECT TO ERISA AND RELATED TAX MATTERS, AS WELL AS OTHER MATTERS AFFECTING THE BENEFIT PLAN'S INVESTMENT IN CLASS A UNITS. MOREOVER, MANY OF THE TAX ASPECTS OF THE OFFERING DISCUSSED HEREIN ARE APPLICABLE TO BENEFIT PLAN INVESTORS WHICH SHOULD ALSO BE DISCUSSED WITH QUALIFIED TAX COUNSEL BEFORE INVESTING IN CLASS A UNITS.

Tax Related Risks

There is general tax risk associated with this investment.

There are substantial risks associated with the federal income tax aspects of an investment in us. The Fund intends to be taxed as a partnership. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in our Class A Units are complex, and recent tax legislation has made substantial revisions to the Internal Revenue Code of 1986, as amended (the "**Code**"). Many of these changes, including changes in the taxation of limited partnerships and their limited partners, affect the tax benefits generally associated with an investment in a limited partnership. The following paragraphs summarize some of the tax risks to the Members that are U.S. Investors (as defined below under the section titled "Income Tax Considerations"). Because the tax aspects of this Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, each potential Investor is urged to consult with and rely on his, her or its own tax advisor concerning this Offering's tax aspects and his, her, or its specific situation. In addition, this Memorandum does not describe in detail any U.S. tax risks for Non-U.S. Investors (as defined below under the section titled "Income Tax Considerations"). Non-U.S. Investors are urged to consult with their own tax advisors as to the tax consequences to them of an investment in the Fund. No representation or warranty of any kind is made with respect to the IRS's or any other taxing authority's acceptance of the treatment of any item by us or by an Investor.

There is a substantial risk that we will be audited.

Our federal tax returns may be audited by the IRS. An audit may result in the challenge and disallowance of some of the deductions described in the returns. No assurance or warranty of any kind can be made with respect to the deductibility of any such items in the event of either an audit or any litigation resulting from an audit.

We may generate unrelated business taxable income.

If we generate taxable income, some or all of our income may be considered unrelated business taxable income. Tax-exempt entities should consult their own tax counsel regarding the effect of any unrelated business taxable income. In addition, tax-exempt entities will not be able to receive the Initial Gain Deferral or the Fund Gain Exclusion unless such entities have eligible taxable gain within 180 days of investing in the Fund.

Tax withholding from foreign residents may be required.

We may generate income effectively connected to a U.S. business. Prospective Non-U.S. Investors should be aware that an investment in the Fund may cause them to be treated as engaged in a U.S. trade or business and, as a result, may subject them to U.S. tax filing and payment obligations. To the extent that Fund income and gain allocable to a Non-U.S. Investor (as well as gain from the sale or other disposition of an interest in the Fund) are treated as effectively connected with the conduct of a such U.S. trade or business, the Fund will be required to periodically withhold U.S. federal income tax at regular U.S. income tax rates on such income, even if such investor has no other contacts with the U.S. Non-U.S. Investors that are entities treated as corporations for U.S. federal income tax purposes may also be subject to the branch profits tax, at a rate of 30%, on their income from the Fund that is treated as effectively connected with the conduct of such U.S. trade or business. In addition, Non-U.S. Investors will not be able to receive the Initial Gain Deferral or the Fund Gain Exclusion unless such entities have eligible taxable gain within 180 days of investing in the Fund.

There is a possible disallowance of our various deductions.

The availability, timing, and amount of deductions or allocations of income will depend not only upon general legal principles but also upon various determinations that are subject to potential controversy on factual and other grounds. Such determinations could include, among other things, whether fees paid to the Manager or its affiliates are non-deductible on the ground that such payments are excessive or constitute nondeductible distributions to the Manager or an Affiliate. If the IRS were successful, in whole or in part, in challenging us on these issues, the federal income tax benefits of an investment in us, if any, might be materially reduced.

We reserve wide discretion to allocate net income and net loss.

In order for the allocations of income, gains, deductions, losses and credits under the Operating Agreement to be recognized for tax purposes, such allocations must possess substantial economic effect. No assurance can be given that the IRS will not claim that such allocations lack substantial economic effect. If any such challenge to the allocation of losses to any Member were upheld, the tax treatment of the investment for such Member could be adversely affected.

There may be taxable income allocated in excess of distributions.

It is anticipated that the Fund may generate substantial ordinary income. Additionally, it is possible that the Fund will not have the cash available to make tax distributions when the Initial Gain Deferral expires in 2026. It is possible that a Member′s taxable income resulting from his or her interest will exceed the cash distributions received by such Member in any given year. This may occur, among other reasons, because funds we receive may be taxable income to us while we may use such funds for nondeductible operating or

capital expenses or the repayment of loans. Thus, there may be years in which a Member's tax liability exceeds his, her, or its share of cash distributions from us. Therefore, each Member should ensure that he, she, or it has sufficient funds from other sources to pay all tax liabilities resulting from the ownership of interests in the Fund.

Tax laws are subject to change.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect. Nonetheless, investors should be aware that new administrative, legislative, or judicial action could significantly change the tax aspects of an investment in us. Any such change may or may not be retroactive with respect to the transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in the Class A Units. We have not obtained, and do not plan to obtain, any ruling from the IRS on any matter affecting the Fund or any Member, or any tax opinion. See "Income Tax Considerations" for a discussion of such considerations.

INCOME TAX CONSIDERATIONS

Prospective investor are not to construe the contents of this Memorandum or any prior or subsequent communication from us or from the Manager, their affiliates and employees or any professional associated with this Offering as tax advice. Each Investor should consult his, her, or its own tax counsel and accountant as to tax matters concerning his, her, or its investment. No representation or warranties of any kind are intended or should be inferred with respect to the tax consequences which may accrue from investment in the Class A Units. No assurance can be given that existing tax laws will not be changed or interpreted adversely. If the tax laws are changed or interpreted adversely, holders of our securities could fail to realize all or a portion of the economic or tax benefits contemplated by them.

Introduction

The following is a summary of certain material federal income tax consequences of acquiring, holding and disposing of Class A Units. Because the federal income tax consequences of investing in the Company varies from investor to investor depending on each investor's unique federal income tax circumstances, this summary does not attempt to discuss all of the federal income tax consequences of such an investment. Among other things, except in certain limited cases, this summary does not purport to deal with persons in special situations (such as financial institutions, non-U.S. persons, insurance companies, entities exempt from federal income tax, regulated investment companies, dealers in commodities and securities and pass through entities). Further, to the limited extent this summary discusses possible foreign, state and local income tax consequences, it does so in a very general manner. Finally, this summary does not purport to discuss federal tax consequences (such as estate and gift tax consequences) other than those arising under the federal income tax. You are therefore urged to consult your tax advisers to determine the federal, state, local and foreign tax consequences of acquiring, holding and disposing of a Class A Unit.

The following summary is based upon the Code, as well as administrative regulations and rulings and judicial decisions thereunder, as of the date hereof, all of which are subject to change at any time (possibly on a retroactive basis). Accordingly, no assurance can be given that the tax consequences to the Company or its investors will continue to be as described herein.

The Company has not sought or obtained a ruling from the IRS (or any other federal, state, local or foreign governmental agency) as to any specific federal, state, local or foreign tax matter that may affect it.

Accordingly, although this summary is considered to be a correct interpretation of applicable law, no assurance can be given that a court or taxing authority will agree with such interpretation, the conclusions reached by Tax Counsel or with the tax positions taken by the Company.

Partnership Status

Based upon representations from us, Tax Counsel has rendered its opinion that, although the issue is not free from doubt, the Company will be initially classified as a partnership, and not as an association taxable as a corporation, for federal income tax purposes. Accordingly, the Members, subject to the discussion regarding publicly traded partnerships below, will be partners in such partnership for federal income tax purposes.

A publicly traded partnership (a "**PTP**") is generally treated as a corporation for federal income tax purposes. If the Company were treated as a PTP, the Members would not be treated as partners for federal income tax purposes, and income or loss of the Company would not be passed through to the Members. Instead, the Company would be subject to federal income tax on its income at the rates applicable to corporations. The imposition of any such tax would reduce the amount of cash available to be distributed to our Members. In addition, distributions from our Company to our Members would be ordinary dividend income to such Members to the extent of our earnings and profits. Accordingly, status of the Company as a PTP would materially reduce the after-tax return to a Member from its investment in the Company.

However, a partnership that otherwise would constitute a PTP taxable as a corporation generally will not be taxable as a corporation under an exception which is applicable if at least 90% of the gross income of the partnership for a taxable year consists of certain categories of income (the "**Qualified Income Categories**"). The Qualified Income Categories consist of income and gains from the buying and selling of commodities held as capital assets or futures, forwards, or options with respect to such commodities (where such activity is a principal activity of the partnership); dividends; interest (to the extent such interest is neither derived from the "conduct of a financial or insurance business" nor based upon "income or profits" of any person); certain capital gains; gain from the sale or other disposition of real property; income inclusions in respect of a controlled foreign corporation (a "**CFC**") (at least to the extent such inclusion is matched by a distribution out of earnings and profits in the taxable year of inclusion); income inclusions with respect to a passive foreign investment company (a "**PFIC**") (at least to the extent of those required income inclusions where the PFIC is treated as a qualified electing fund ("**QEF**") where such inclusion is matched by a distribution out of earnings and profits in the taxable year of inclusion); and certain other qualifying income.

In general, the income that the Company receives from its Loans should be expected to fit within one or more of the Qualified Income Categories as either interest or gains from the sale or disposition of real property. However, the interest earned by the Company may only be included within the Qualifying Income Categories if (a) the interest does not depend on the income or profits of any person and (b) the interest is not derived in the conduct of a financial business. We have represented that in future taxable years we anticipate that income described in clause (a) will, together with any other non-qualifying income, constitute less than 10% of the Company's gross income. There is no definitive guidance as to the level of activity that may, for purposes of clause (b), cause us to be treated as if we were engaged in a financial business. There is no assurance that the IRS will not successfully contend that our Company is engaged in a financial business or earns more than 10% of our gross income from such a business and, therefore, is a publicly traded partnership taxable as a corporation. The Manager intends to operate the Company in a manner that will comply with the above exception for qualified income. To the extent that such exception is not available, the Company may also rely upon other safe harbors from PTP status provided under Treasury regulations to the extent available. However, the continued availability of these safe harbors

cannot be known at present, and there is no assurance that the Company would qualify under any such safe harbors.

In addition, it is unclear whether or not income received from shared appreciation mortgages fits within one or more of the Qualified Income Categories. We believe the amounts received by the Company in connection with the sale of a property subject to a shared appreciation mortgage represents a gain from the sale or disposition of real property and therefore qualifies within one of the Qualified Income Categories. In the event that such income is deemed to not constitute income within the Qualified Income Categories, then the Company will take such steps as necessary to limit its investment in such instruments to constitute less than 10% of the Company's gross income.

The discussion set forth in the following paragraphs assumes that the Company will be taxed as a partnership (and not a PTP taxable as a corporation) for federal income tax purposes.

Taxation of Members

As a limited liability company, the Company is not itself subject to U.S. federal income tax but will file an annual company information return with the IRS. Each Member is required to report separately on his or her income tax return his or her distributive share of the Company's net long-term capital gain or loss, net short-term capital gain or loss, net ordinary income, deductions and credits. The Company may utilize a variety of investment and trading strategies which produce both short-term and long-term capital gain (or loss), as well as ordinary income (or loss). The Company will send annually to each Member a Schedule K-1 showing his or her distributive share of the Company items of income, gain, loss deduction or credit.

Each Member that is subject to U.S. federal income taxes (a "**U.S. Member**") will be liable for taxes on its distributive share of Company income regardless of whether the Company has made any distributions to the Member.

Allocations of the items of income, gain, loss, deductions and credits of the Company will be made in accordance with the Operating Agreement of the Company. Such allocations are intended to have "substantial economic effect." If an allocation to a Member does not have substantial economic effect, such Member's distributive share of profit or loss for tax purposes will be determined in accordance with such Member's interest in the Company, taking into account all facts and circumstances. Consequently, if the IRS were to successfully challenge the allocations set forth in the Operating Agreement, the Member may be allocated different amounts of income, gain, loss, deductions or credits than initially reported to such Member.

Upon any redemption of Class A Units of a U.S. Member, the Company may specially allocate separate Company items of income, gain, loss and deduction to a redeeming U.S. Member to the extent necessary such that the U.S. Member would have an adjusted tax basis in its Class A Units equal to the redemption payment. The Manager generally retains sole discretion in determining the character of any such items specially allocated to a particular redeeming U.S. Member. Although the Manager believes that these special allocations will be respected for federal income tax purposes, there are no assurances that such allocations could not be successfully challenged. If successfully challenged, a Member's allocable share of Company taxable income and loss may be affected.

To the extent that these special allocations are not made, or are made but successfully challenged, for U.S. federal income tax purposes, the U.S. Member would not have an adjusted tax basis in its Class A Units equal to the redemption payment. In that case, cash paid as part of a redemption to a U.S. Member in excess of the adjusted tax basis of its Class A Units will be treated as an amount received on the sale or exchange of its Class A Units and will generally be taxable as capital gain. Further, in that case, a U.S. Member may

not recognize a loss upon a partial redemption of its Class A Units or partial withdrawal of its capital in the Company, and may only recognize a loss upon a complete withdrawal or the redemption or termination of its entire Class A Units in the Company after the U.S. Member has received all distributions and payments in respect of such complete withdrawal, redemption, or termination. In such case, the Member generally would recognize a capital loss to the extent of any remaining tax basis in its Class A Units.

Any capital gain or loss so recognized by a U.S. Member upon redemption (or upon a distribution, withdrawal, termination or other disposition) of its Class A Units generally would be long-term capital gain or loss to the extent of the portion of the Member's Class A Units that are held for more than twelve months, and short-term capital gain or loss to the extent of the portion of the Member's Class A Units that is held for twelve months or less. For this purpose, a Member would begin a new holding period in a portion of its Class A Units each time it makes an additional investment in the Company. Cash distributed (including with respect to partial withdrawals and partial redemption payments) to a U.S. Member in excess of the adjusted tax basis of its Class A Units will be treated as an amount received on the sale or exchange of its Class A Units and will generally be taxable as capital gain. An in-kind distribution of property other than cash generally will not result in taxable income or loss to any Member.

Where the Company makes a distribution that constitutes a "substantial basis reduction" distribution (e.g., the complete redemption of a Member's Class A Units where the Member recognizes a tax loss in excess of $250,000), the Company is generally required to adjust its tax basis in its assets in respect of all Members. (The Company also is required to adjust its tax basis in its assets in respect of a transferee Member in the case of a sale or exchange of Class A Units, or a transfer upon death, when there exists "substantial built-in loss" (i.e., in excess of $250,000) in respect of Company property immediately after the transfer.) For this reason, the Company will require (i) a Member who receives a distribution from the Company in connection with a complete withdrawal, (ii) a transferee of Class A Units (including a transferee in case of death), and (iii) any other Member in appropriate circumstances to provide the Company with information regarding its adjusted tax basis in its Class A Units.

Allocations

Under the Operating Agreement, the Company's net capital appreciation or net capital depreciation for each accounting period is allocated among the Members without regard to the amount of income, gain or loss actually recognized by the Company for federal income tax purposes. The Operating Agreement provides that items of the Company's income, gain, loss, deduction and credit actually recognized by the Company during a fiscal year generally are to be allocated for federal income tax purposes among the Member pursuant to the principles of Treasury regulations issued under Sections 704(b) and 704(c) of the Code.

Under these principles, income, gain, loss, deduction and credit are generally allocated among the Members as of the end of the Company's taxable year, based upon the amounts of the Company's net capital appreciation or net capital depreciation that have been allocated to such Members for the current and prior fiscal years, in a manner designed to eliminate "book/tax disparities" in respect of such Member's Class A Units.

investors are urged to review the Operating Agreement for a more complete description of the manner in which the Company will allocate its income, gain and losses for book and federal income tax purposes.

The IRS could disagree with the Company's methods of allocating income, gain and losses for federal income tax purposes, which could cause Members to recognize more or less income, gain or loss than originally allocated to them for federal income tax purposes.

Income or Loss on Sale of Assets. Generally, the gains and losses realized by the Company on the sale of portfolio assets should be characterized primarily as capital gains or losses, except in respect of loans, to the extent of any accrued market discount not previously included in the income of the Company and any amount realized attributable to accrued but unpaid interest. See "Phantom Income and Related Considerations" below. Generally, capital assets must be held for more than twelve months for the gain from the sale of the capital assets to qualify as long-term capital gains. Gains or losses on sales of capital assets that are held for twelve months or less are treated as short-term gains or losses and are taxed at ordinary income rates. Company income may also include ordinary income, including from interest and rental income.

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 37.0% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than twelve months) of individuals is 20%. These rates are subject to change by new legislation at any time.

Also, there is an additional tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, "net investment income" generally includes gross income from interest and dividends and net gain attributable to the disposition of certain property, less certain deductions. Prospective Members should consult their tax advisors concerning the possible imposition of this tax in their particular circumstances.

Deductions of Losses and Expenses

Tax Basis and Amount at Risk

For federal income tax purposes, a Member may deduct losses and expenses allocated to it by the Company only to the extent of its adjusted tax basis in its Class A Units (or, in the case of individuals, certain non-corporate taxpayers and certain closely-held corporations, the lesser of such Member's adjusted tax basis in its Class A Units or its "amount at risk" with respect to such Class A Unit) as of the end of the Company's taxable year in which such losses occur or such expenses are incurred.

Generally, a Member's adjusted tax basis in its Class A Units is the amount paid for such Class A Units, reduced (but not below zero) by such Member's share of the Company's distributions, losses and expenses, and increased by such Member's share of the Company's liabilities, if any, and income and gain as determined for federal income tax purposes, including capital gains, with such reductions and increases made at the end of the Company's taxable year. (Tax basis is also important because gain or loss on cash distributions or partial or complete withdrawals from the Company is measured by reference to the adjusted tax basis of the Member's Class A Units, as discussed below).

Generally, a Member "amount at risk" with respect to a Class A Unit includes such Member's (1) cash contributions to the Company; (2) the adjusted basis of other property contributed by such Member to the Company; and (3) amounts borrowed for the purchase of Class A Units or for use by or in the Company for which such Member is personally liable or which are secured by property of such Member (not otherwise used by the Company) to the extent of the fair market value of the encumbered property. The "amount at risk" is increased by any income and gain (as determined for federal income tax purposes) derived by such Member from the Company, and is decreased by any losses (as determined for federal income tax purposes) derived by such Member from the Company and the amounts of any withdrawals or other distributions received by such Member from the Company. For purposes of the foregoing, "loss" derived by a Member from the Company is defined as the excess of allowable deductions for a taxable year allocated to such Member by the Company over the amount of income actually received or accrued by such

Member during that year from the Company. Disallowed loss that is suspended in any taxable year may be deducted in later years to the extent that the Member's amount at risk increases.

It is possible that a Member may be at risk with respect to its Class A Units in an amount that is less than its tax basis in such Class A Units.

In addition to the limitations discussed above, net capital losses are deductible by noncorporate taxpayers only to the extent of capital gains for the taxable year plus $3,000. Because of that limitation, a Member's distributive share of the Company's net capital losses is not likely to materially reduce the federal income tax on such Member's ordinary income.

Deductibility of Investment Expenditures by Noncorporate Investors

The Code provides that, in the case of a non-corporate taxpayer who itemizes deductions when computing taxable income, expenses incurred for the purpose of producing income (including investment management fees) generally must be aggregated with certain other "miscellaneous itemized deductions" and may be deducted only to the extent such aggregate expenses exceed 2% of such taxpayer's adjusted gross income. Further, such expenses are not deductible by a noncorporate Member in calculating his alternative minimum tax liability. In addition, the Code further limits the deductibility of investment expenses of an individual with an adjusted gross income in excess of a specified amount. Additionally, business expenses allocable to exempt interest income are not deductible.

The amount of a Member's allocable share of such expenses that is subject to this disallowance rule will depend on the Member's aggregate miscellaneous itemized deductions from all sources and adjusted gross income for any taxable year. Thus, the extent, if any, to which such fees and expenses will be subject to disallowance will depend on each Member's particular circumstances each year. It is intended that the allocation of profits and cash distributions made to the Manager with respect to the profit share is an allocable share of our earnings and not a fee. No assurance can be given however that the IRS could not recharacterize successfully the incentive allocations as a fee, in which case Members could be subject to the limitation on deductibility relating to miscellaneous itemized deductions and certain other itemized deductions of high income individuals with respect to such amount, as described above. Prospective Members are urged to consult their tax advisors regarding their ability to deduct expenses incurred by us.

Passive Activity Loss Rules

In the case of Members that are individuals, estates, trusts, certain closely-held corporations or personal service corporations, Section 469 of the Code generally restricts the deductibility of losses and credits from a "passive activity" against certain income that is not derived from a passive activity. For federal income tax purposes, such passive losses and credits are deductible by a Member only against such Member's passive income. Members should consult their tax advisors regarding the possible application to them of the limitations on the deductibility of losses from certain passive activities contained in Section 469 of the Code.

Tax Consequences of Distributions

For purposes of distributions from a Member's capital account in the Company, its interest is not divided into separate interests. Rather, a Member's interest in the Company is "singular" even if the Member has made capital contributions to the Company at different times, and a distribution from a capital account is treated for tax purposes as a distribution with respect to the entire related Class A Units. Thus, if a Member receives a distribution of some but not all of his capital account, the full amount of each withdrawal or distribution will be taxable to the extent the amount of the withdrawal or distribution exceeds such

Member's adjusted tax basis in such Class A Units. To the extent the amount of a distribution does not exceed a Member's tax basis in an Interest, such distribution generally is not reportable as taxable income but will reduce such tax basis, but not below zero. A Member generally will not recognize losses on distributions.

Because a Member's tax basis in its Class A Units is not increased by such Member's allocable share of the Company's income from investment activities until the end of the Company's taxable year, distributions during the taxable year could result in taxable gain to the Member even though no gain would result if the same withdrawals or distributions were made at the end of the taxable year. Furthermore, the share of the Company's income allocable to a Member at the end of the Company's taxable year would also be includible in such Member's taxable income and would increase such Member's tax basis in its remaining Class A Units as of the end of such taxable year.

A Member receiving a cash distribution from the Company in complete liquidation of its Class A Units generally will recognize capital gain or loss to the extent of the difference (if any) between the proceeds received and his adjusted tax basis in such Class A Units. Such capital gain or loss will be long-term, short-term or some combination of both, depending on the timing of such Member's capital contributions to the Company. Notwithstanding the foregoing, Section 751 of the Code provides that a withdrawing Member will recognize ordinary income to the extent the Company holds certain ordinary income items such as short-term obligations or market discount bonds, the interest on which has not been included in the Company's taxable income, regardless of whether the Member would otherwise recognize a gain on such withdrawal.

State and Local Taxes

Each Member may be required to file returns and pay state and local tax on such Member's share of the Company's income in the jurisdiction in which such Member is a resident and/or other jurisdictions in which income is earned by the Company. Certain of such taxes could, if applicable, have a significant effect on the amount of tax payable by a Member in respect of his investment in the Company. A Member may be entitled to a deduction or credit against tax owed to such Member's jurisdiction of residence for taxes paid to other states or jurisdictions in which such Member is not a resident. The Company may be subject to certain taxes in certain states or localities despite the fact that it is not subject to federal income tax.

Tax Elections

The Manager, in its sole discretion, may make any tax elections provided for in the Code on behalf of the Company. These elections include the election under Section 754 of the Code to adjust the tax basis of the Company's assets when Class A Units in the Company are transferred or when a holder of Class A Units withdraws from the Company. The tax basis adjustment rules are mandatory when Class A Units are transferred to which there is a substantial built-in loss. A "substantial built-in loss" exists when the Company's adjusted basis in property exceeds by more than $250,000 the fair market value of such property. In lieu of the mandatory basis adjustment rules, special rules apply to electing investment partnerships and securitization partnerships.

Tax Audits

Adjustments in tax liability with respect to the Company's tax items generally will be made at the Company level in a single proceeding rather than in separate proceedings with each Member. In general, the Manager will represent the Company as the "tax matters partner" during any audit and in any dispute with the IRS and may enter into a settlement agreement with the IRS that may be binding on you. Before settlement,

however, a Member may file a statement with the IRS that the Manager does not have authority to bind such Member with respect to the Company.

The Manager has the authority to, and may, extend the period for the assessment of deficiencies or the claiming of refunds with respect to all Members in the Company. If an audit results in an adjustment, all Members may be required to pay additional tax, interest and possibly penalties. There can be no assurance that the tax return of the Company or any Member will not be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit.

The recently enacted Bipartisan Budget Act of 2015 changes the rules applicable to U.S. federal income tax audits of partnerships. Under the new rules (which are generally effective for taxable years beginning after December 31, 2017), among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. Although it is uncertain how these new rules will be implemented, it is possible that they could result in the Company being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and each Member could be required to bear the economic burden of those taxes, interest and penalties even though the Company, as a partnership, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. The changes created by these new rules are sweeping and, in many respects, dependent on the promulgation of future regulations or other guidance by the U.S. Treasury. Investors are urged to consult with their tax advisors with respect to those changes and their potential impact on their investment in Class A Units.

Withholding Taxes

The Company may be required, on behalf of a Member, to withhold and remit taxes to federal, state, local or other jurisdictions from such Member's allocable share of the Company's income. Withholding taxes may apply, for example, to persons who are subject to "back up" withholding. To the extent that the Company is subject to any taxes or fees that are based on the specific characteristics of one or more Members, such taxes or fees shall be specially allocated to such Member(s).

Disclosure of Tax Structure and Treatment

Notwithstanding anything to the contrary stated herein or in any other documents pertaining to an investment in the Company, an investor (and each employee, representative or other agent of a Member) may disclose to any and all persons, without limitation of any kind, the anticipated tax treatment and tax structure of the Company and transactions contemplated by the Company), and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure, if any.

Tax Information Reporting

While the Company will attempt to provide annual tax information to the Members on a timely basis, the Manager expects that information may not be available in sufficient time to permit the Company to distribute such information prior to April 15 of each year. As a result, the Company may not distribute such information to the Members until after April 15, and the Members may be required to obtain extensions of time for filing their income tax returns. To the extent practical, the Company expects to provide estimates of annual tax information to the Members prior to April 15 of each year in order to assist the Members in determining if any tax payments must be made on or prior to April 15 notwithstanding the extension of the filing deadline. U.S. Treasury regulations require taxpayers to make certain additional disclosures in connection with the filing of any tax return that reflects tax benefits from a "reportable transaction" as defined in the regulations, which include certain transactions that generate losses in excess of threshold

amounts. To the extent that the Company engages in a "reportable transaction," Members may be required to make certain disclosures in connection with their tax returns and may be subject to penalties if such disclosures are not made.

Unrelated Business Taxable Income

Tax-exempt entities and qualified plans, including public charities, private foundations, IRAs and other qualified retirement plans are subject to federal income tax on unrelated business taxable income ("**UBTI**"). The rates of such tax depend on the nature of the tax-exempt entity or qualified plan. UBTI is defined generally as gross income from any unrelated trade or business, less the allowable deductions that are directly related to the carrying on of the trade or business, with certain statutory modifications. For purposes of calculating UBTI, a partner in a partnership is considered to be engaged in the trade or business of the partnership. Thus, a Member will be considered to be engaged in the business of the Company for UBTI purposes. Whether the trade or business of the Company will generate UBTI will depend generally on (a) the character of the Class A Units with respect to each Member, (b) whether the Company has net taxable income and (c) the character of items of gross income generated by the Company.

As discussed above, a Member will include in income its distributive share of items of Company income and losses. A Member that is a tax-exempt entity or plan must categorize those items under the rules of Section 512 of the Code to determine whether they must be included in computing UBTI. Items of gross income that are generally excluded from UBTI include dividends, interest, and gains or losses from the sale of property held for investment. Items of Company income that would otherwise be excluded from UBTI, however, will generate UBTI if the income-producing property is considered "debt-financed property" within the meaning of Section 514 of the Code. Thus, it is possible that some of the investments held by the Company will constitute debt-financed property and will generate UBTI to an investor that is a tax-exempt entity or qualified plan. In addition, if an investor that is a tax exempt entity or qualified plan borrows money to acquire its Class A Units, those Class A Units will be treated as debt-financed property.

The foregoing is intended only as a general discussion of UBTI. The UBTI rules are complex, and their application depends in large part on the particular circumstances of each tax-exempt entity or qualified plan that invests in the Company. Any tax-exempt entity or qualified plan that is considering an investment in the Company should consult with its tax advisor regarding the impact of such an investment on UBTI.

Need for Independent Advice

THE TAX MATTERS RELATING TO THE COMPANY AND ITS PROPOSED TRANSACTIONS ARE COMPLEX AND SUBJECT TO VARIOUS INTERPRETATIONS. THE FOREGOING IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING, PARTICULARLY SINCE THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY MAY NOT BE THE SAME FOR ALL INVESTORS. ACCORDINGLY, THE COMPANY URGES POTENTIAL INVESTORS TO CONSULT THEIR TAX ADVISORS PRIOR TO INVESTING IN THE COMPANY.

ERISA CONSIDERATIONS

We reserve the right to refuse to issue Class A Units to any entity that is subject to Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). Each prospective investor, however, that is a pension, profit sharing or other employee benefit plan or trust subject to ERISA should consider the matters described below when evaluating a potential investment in the Class A Units of the Company.

The following is intended to be a summary only and is not a substitute for careful planning with a professional. Employee benefit plans subject to the ERISA, or Section 4975 of the Code, considering purchasing Class A Units should consult with their own counsel regarding the application of ERISA and the Code to their purchase.

It is anticipated that employee benefit plans subject to ERISA or Section 4975 of the Code (collectively, "**Plans**") will invest in the Company. In considering an investment in the Company, fiduciaries of Plans should consider their basic fiduciary duty under ERISA, which requires them to discharge their investment duties prudently and solely in the interest of Plan participants and beneficiaries. In making such a determination, a Plan fiduciary should be sure that the investment is in accordance with the governing instruments and the overall policies of the Plan, and that the investment will comply with the diversification and prudence requirements of ERISA. Plan fiduciaries should consider the role that an investment in the Company would play in the Plan's overall investment portfolio. Plan fiduciaries should also consider the tax aspects of an investment in the Company discussed, *above*, under "Income Tax Considerations".

In addition, provisions of ERISA and the Code prohibit transactions involving the assets of a Plan and persons who have specified relationships with a Plan, unless an exemption is available for such transaction. A Plan fiduciary should be sure that an investment in the Company will not constitute or give rise to a direct or indirect non-exempt prohibited transaction. In particular, Plan investors which have a pre-existing relationship with the Company must make an independent investment decision with respect to their participation in the Company and must not rely upon the Company for investment advice regarding such participation.

Fiduciaries of any Plans should understand the illiquid nature of an investment in the Company and that it is not expected that there will be any public market for the Class A Units. Accordingly, such fiduciaries should review both anticipated and unanticipated liquidity needs for their respective Plans, particularly those for a participant's termination or employment, retirement, death or disability, or plan termination. Such fiduciaries should be aware that distributions to certain participants are required to commence in the year after the participant attains age 70½.

A fiduciary of certain types of Plans is required to determine annually the fair market value of the assets of the Plan as of the close of the Plan's fiscal year. Because it is not expected that there will be any public market for the Class A Units, it may not be possible to assign a precise fair market value to the Class A Units from year to year.

Whether the Company's assets shall be deemed to constitute "plan assets" is addressed in the U.S. Department of Labor Final Regulation Relating to the Definition of Plan Assets, 29 CFR 2510, published November 13, 1986 (the "**DOL Regulation**"). Under the DOL Regulation, the assets of an investment fund such as the Company which has one or more ERISA plan investors will be considered to be "plan assets" unless:

- the interest in the investment fund acquired by the ERISA plan investor was acquired in a public offering;
- the investment fund is registered under the Company Act;
- the investment fund qualifies as a "real estate operating company" ("**REOC**") or "venture capital operating company"; or
- less than 25% of the total equity interests of the investment fund are held by Plans and entities deemed to hold "plan assets".

If at least 25% of our Class A Units will be held by Plans and entities deemed to hold "plan assets", the Manager intends to operate the Company so that it qualifies as a REOC under the DOL Regulation and the underlying assets of the Company are not considered "plan assets".

To qualify as a REOC, we must invest primarily in real estate properties that are being managed or developed, have a direct right to participate in the management and development of such properties and during each year, in the ordinary course of its business, engage directly in real estate management or development activities. In other words, an entity is a REOC if: (i) on its "initial valuation date and on at least one day within each annual valuation period", at least 50% of the entity's assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management and development activities and (ii) during each year, such entity in the ordinary course of its business is engaged directly in real estate management or development. The term "initial valuation date" is the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity's "annual valuation period" is a pre-established period not exceeding 90 days in duration, which begins no later than the first anniversary of the entity's initial valuation date.

If the Manager operates the Company as a REOC so that the assets of the Company do not constitute plan assets for purposes of ERISA, we may be precluded from purchasing or disposing of certain investments at various times during its term. We do not anticipate that we will qualify as a REOC.

Certain prospective Plans and IRAs, Keogh Plans which cover only self-employed persons and their spouses and other employee benefit plans which cover only the owners of a business and which are not subject to ERISA (each, an "Individual Retirement Fund") may currently maintain relationships with the Manager or other entities which are affiliated with the Manager. Each of such entities may be deemed to be a party in interest to or a fiduciary of any Plan or Individual Retirement Fund to which any of the Manager or its affiliates provides investment management, investment advisory or other services. ERISA prohibits Plan assets to be used for the benefit of a party in interest and also prohibits a Plan fiduciary from using its position to cause the Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Code with respect to Individual Retirement Funds. Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Company is a transaction which is prohibited by ERISA or the Code.

ERISA and its accompanying regulations is complex and, to a great extent, have not yet been interpreted by the courts or the administrative agencies. This discussion does not purport to constitute a thorough analysis of ERISA. EACH INVESTOR SUBJECT TO ERISA SHOULD CONSULT WITH ITS OWN LEGAL COUNSEL CONCERNING THE IMPLICATIONS UNDER ERISA OF AN INVESTMENT IN THE COMPANY. THE COMPANY DOES NOT ANTICIPATE ALLOWING PARTIES TO INVEST IN THE CLASS A UNITS IF SUCH PARTIES WOULD, BY VIRTUE OF THEIR INVESTMENT, CAUSE THE COMPANY, THE MANAGER OR ITS AFFILIATES TO BECOME ERISA FIDUCIARIES.

PRIVACY POLICY

The Manager is committed to protecting investors' privacy and maintaining the confidentiality and security of investors' personal information. In accordance with its legal obligations, the Manager is required to inform investors how it treats certain information concerning investors to aid their understanding in how it handles investors' personal information and how such information is used to service investors. Protecting

investors' personal information is an important priority for the Manager. Accordingly, it uses the personal information collected about investors in order to provide better service. The Manager may collect nonpublic personal information about investors from the following sources: (i) applications or forms (for example, name, address, Social Security number, birth date, assets and income); (ii) transactional activity in investors' accounts (for example, trading history and balances); and (iii) other interactions within the Manager or between the Manager and its affiliates (for example, discussions with staff). The Manager only discloses nonpublic personal information about investors or former investors (including information regarding transactions or experiences with investors or former investors) to affiliates in the areas of financial, advisory and securities services and nonaffiliated third parties who assist the Manager in providing services to the Company (for example, accountants and attorneys), each as permitted by law or as otherwise required by law. The Manager considers the protection of sensitive information to be a sound business practice and a foundation of customer trust and protects investors' personal information by maintaining physical, electronic and procedural safeguards. The Manager restricts inter-company access to investors' or former investors' nonpublic personal information to those employees who need to know that information to provide products or services to the Company.

ADDITIONAL INFORMATION

The Company will answer inquiries from potential investors in the Class A Units concerning the Class A Units, the Company, the Manager and other matters relating to the offer and sale of the Class A Units under this Memorandum. The Company will afford the potential investors in the Class A Units the opportunity to obtain any additional information to the extent the Company possesses such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum.

All potential investors in the Class A Units are entitled to review copies of any other material or non-material agreements relating to the Class A Units described in this Memorandum, if any. In the Subscription Agreement, you will represent that you are completely satisfied with the results of your pre-investment due diligence activities.

If you have additional questions about this offering, please contact:

Tyler Lekas
Phone: 971-409-5804
Email: tyler@smartlivingmhc.com

John Lekas
Phone: 503-522-1618
Email: john@smartlivingmhc.com

****** End of Document – Exhibits Follow ******

EXHIBIT A

SUBSCRIPTION BOOKLET

EXHIBIT B

OPERATING AGREEMENT