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Confidential Private Offering Memorandum

RELIANT INCOME FUND, LLC

Class D Membership Interests, Class F Membership Interests and Class G Membership Interests, expiring July 21, 2025, and Class J Membership Interests, Class K Membership Interests, and Class M Membership Interests

Capital Contributions of up to $500,000,000

Minimum Capital Contribution of $50,000 for Class F and Class G Membership Interests, $25,000 for Class D Membership Interests, $50,000 for Class J Membership Interests, $75,000 for Class K Membership Interests and $100,000 for Class M Membership Interests

The Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, the offering of which expires July 21, 2025, and the Class J Membership Interests, Class K Membership Interests and Class M Membership Interests (collectively, the "**Interests**") of Reliant Income Fund, LLC (the "**Company**") offered hereby have not been registered with the Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state in reliance upon exemptions under the Securities Act and those state laws. The sale or other disposition of the Interests is severely restricted as set forth in the Company's Sixth Amended and Restated Limited Liability Company Operating Agreement (the "**Operating Agreement**"), attached hereto as Exhibit C. By execution of the Subscription Agreement attached hereto as Exhibit A and the acquisition of Interests in the Company, each subscriber represents that he, she or it is acquiring such Interests for investment and without a view to distribution, and that the subscriber will not sell or otherwise dispose of the Interests in violation of the terms of the Operating Agreement or without registration or other compliance with the above acts and the rules and regulations issued thereunder.

THE INTERESTS OFFERED HEREBY ARE HIGHLY SPECULATIVE, AND AN INVESTMENT IN THE SECURITIES INVOLVES A HIGH DEGREE OF RISK. THE COMPANY IS OFFERING THE INTERESTS SOLELY TO ACCREDITED INVESTORS THAT SATISFY CERTAIN SUITABILITY STANDARDS, INCLUDING THE ABILITY TO AFFORD A COMPLETE LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS" BEGINNING ON PAGE 15.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE REGULATORY AUTHORITY NOR HAS THE SEC OR ANY STATE REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE INTERESTS MAY NOT BE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL IN FORM AND SUBSTANCE ACCEPTABLE TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

The Interests may be purchased only by persons who are accredited investors that meet certain suitability standards set forth in the Subscription Agreement and the accreditation process set forth therein.

The date of this Memorandum is June 30, 2025.

THE COMPANY, PURSUANT TO THIS CONFIDENTIAL OFFERING MEMORANDUM ("**MEMORANDUM**"), IS OFFERING FOR SALE UP TO $500,000,000 OF CLASS D MEMBERSHIP INTERESTS, CLASS F MEMBERSHIP INTERESTS, CLASS G MEMBERSHIP INTERESTS, THE OFFERING OF WHICH EXPIRES JULY 21, 2025, AND CLASS J MEMBERSHIP INTERESTS, CLASS K MEMBERSHIP INTERESTS, CLASS M MEMBERSHIP INTERESTS WITH A MINIMUM CAPITAL CONTRIBUTION OF $25,000 FOR CLASS D MEMBERSHIP INTERESTS, $50,000 FOR CLASS F, CLASS G AND CLASS J MEMBERSHIP INTERESTS, $75,000 FOR CLASS K MEMBERSHIP INTERESTS, AND $100,000 FOR CLASS M MEMBERSHIP INTERESTS. THE MANAGER OF THE COMPANY (THE "**MANAGER**") INTENDS TO ACCEPT SUBSCRIPTIONS ON A ROLLING BASIS AS IT RECEIVES THEM FROM INVESTORS IT DEEMS, IN ITS SOLE DISCRETION, TO BE QUALIFIED INVESTORS WHO HAVE MET THE SUBSCRIPTION REQUIREMENTS OF THIS OFFERING.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE INTERESTS ARE ALSO SUBJECT TO SEVERE RESTRICTION ON TRANSFERABILITY UNDER THE TERMS OF THE OPERATING AGREEMENT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS MEMORANDUM IS SUBMITTED ON A CONFIDENTIAL BASIS FOR USE BY A LIMITED NUMBER OF SUITABLE INVESTORS SOLELY IN CONNECTION WITH THE PURCHASE OF THE INTERESTS AS DESCRIBED HEREIN. THE USE OF THIS MEMORANDUM FOR ANY OTHER PURPOSE IS NOT AUTHORIZED. THIS MEMORANDUM MAY NOT BE REPRODUCED OR REDISTRIBUTED, IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISCLOSED TO, OR RELIED UPON BY, ANY PERSON OTHER THAN THE INVESTORS TO WHOM IT IS SUBMITTED, EXCEPT AS MAY BE REQUIRED BY LAW OR BY ANY REGULATORY AUTHORITY HAVING APPROPRIATE JURISDICTION. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS (WHETHER ORAL OR WRITTEN) IN CONNECTION WITH THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM AND IN THE EXHIBITS HERETO AND DOCUMENTS SUMMARIZED HEREIN. ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED. PURCHASERS OF THE INTERESTS DESCRIBED HEREIN SHOULD NOT RELY ON INFORMATION NOT CONTAINED IN THIS MEMORANDUM.

THE SECURITIES OFFERED HEREBY WILL BE SOLD SUBJECT TO THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT (THE "**SUBSCRIPTION AGREEMENT**"), ATTACHED HERETO AS EXHIBIT A, CONTAINING CERTAIN REPRESENTATIONS, WARRANTIES, COVENANTS, TERMS AND CONDITIONS. ANY INVESTMENT IN THE INTERESTS OFFERED HEREBY SHOULD BE MADE ONLY AFTER A COMPLETE AND THOROUGH REVIEW OF THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. IT IS SPECULATIVE AND SUITABLE ONLY FOR PERSONS WHO HAVE SUBSTANTIAL FINANCIAL RESOURCES AND HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT. FURTHER, THIS INVESTMENT SHOULD ONLY BE MADE BY THOSE WHO UNDERSTAND OR HAVE BEEN ADVISED WITH RESPECT TO THE TAX CONSEQUENCES OF AND RISK FACTORS ASSOCIATED WITH THE INVESTMENT AND WHO ARE ABLE TO BEAR THE SUBSTANTIAL ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. SEE "INVESTOR SUITABILITY STANDARDS," "SUMMARY OF OPERATING AGREEMENT" AND "INCOME TAX ASPECTS."

IN CONNECTION WITH THE OFFERING AND SALE OF THE INTERESTS, THE COMPANY RESERVES THE RIGHT, IN ITS DISCRETION, TO REJECT ANY SUBSCRIPTION BY SUBSCRIBERS. THIS MEMORANDUM IS NOT AN OFFER TO SELL TO OR A SOLICITATION OF AN OFFER TO BUY FROM, NOR SHALL ANY SECURITIES BE OFFERED OR SOLD TO, ANY PERSON IN A JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

FOR PENNSYLVANIA INVESTORS. IT IS THE POSITION OF THE PENNSYLVANIA SECURITIES COMMISSION THAT INDEMNIFICATION IN CONNECTION WITH A VIOLATION OF THE SECURITIES LAW IS AGAINST PUBLIC POLICY AND VOID.

NOTICE TO RESIDENTS OF FLORIDA. WHEN SALES OF INTERESTS OF THE FUND ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, ANY SALE OF INTERESTS IN FLORIDA MADE PURSUANT TO THE FLORIDA LIMITED OFFERING EXEMPTION (CONTAINED IN CHAPTER 517 OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT) IS VOIDABLE BY THE PURCHASER EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE FUND, AN AGENT OF THE FUND, OR AN ESCROW AGENT OR 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER (WHICH COMMUNICATION SHALL BE DEEMED TO OCCUR BY THE PURCHASER'S RECEIPT OF THIS MEMORANDUM), WHICHEVER OCCURS LATER.

* * * * *

EACH PROSPECTIVE INVESTOR IS HEREBY OFFERED THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE COMPANY OR PERSONS ACTING ON BEHALF OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND THE ANTICIPATED BUSINESS AND OPERATIONS OF THE COMPANY, AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION. INQUIRIES AND REQUESTS FOR ADDITIONAL INFORMATION SHOULD BE DIRECTED TO THE COMPANY'S MANAGER AS FOLLOWS:

Stephen G. Meyer, Chief Executive Officer
John Sweeney, Executive Chairman of Manager
Reliant Income Fund, LLC

550 E. Swedesford Road,
Suite 210
Wayne, PA 19087
Phone: (877) 395-1290
Fax: (888) 700-4988

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SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum. Certain statements may relate to future events or the future performance of the Company ("forward-looking statements"), which involve known and unknown risks and other uncertainties or factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under the heading "Risk Factors."

The Company

The Company is a limited liability company organized under the Delaware Limited Liability Company Act (the "**LLC Act**") in March 2019 to purchase and/or invest in various forms of Real Estate Assets, either directly or through joint ventures. "**Real Estate Assets**" includes residential and commercial mortgage notes, and residential and commercial real estate. Real Estate Assets also includes short-term business loans commonly called "fix and flip" loans as well as residential multifamily properties, including affordable housing.

Asset Strategy

The Company intends to purchase performing, re-performing and non-performing mortgage notes in the secondary mortgage market from independent wholesalers, servicers and direct originators of these mortgage notes. The typical exit strategies will include a loan modification with the homeowner, a refinancing and continued servicing of the note, a re-sale of the note to a third party or foreclosure and re-sale of the property underlying the note. For re-performing and performing notes, the Company will either hold the notes to generate cash flow or search for ways to exit the notes.

As part of the Company's effort to reduce overall negative carry as defined in the following sentence, the Company may also purchase newly originated secured and performing commercial and short-term business loans with the intention of collecting interest that merely equals or comes close to equaling costs incurred by the Company in purchasing such loans. The Company measures, as a cost, all accruing Interests at their varying preferred rates from the time of investment in the Company and for each day that such capital contributions are not deployed into Real Estate Assets, a cost we internally or sometimes refer to as "negative carry". The Company has an interest in reducing negative carry as much as possible, and the purchase of newly originated secured and performing commercial and short-term business loans has been an important means by which to do this. However, the Company has established enough of a pipeline of deals to deploy capital in other Real Estate Assets to address negative carry. As such, the Company is transitioning away from these purchases but the program may feature again in the future. For more information, see the section below entitled "The Business –Short Term Business Loans."

The Company has entered into joint ventures to acquire residential and commercial Real Estate Assets. The Company seeks to earn a preferred return on its capital commitment to these joint ventures and to retain an equity position in order to share in the returns earned by the joint venture. For instance, the Company has entered into joint venture arrangements with various co-

sponsors in connection with the acquisition of certain multifamily properties. For more information, see the section below entitled "The Business –Multifamily Transactions."

In addition, the Company has entered into a joint venture arrangement with American Mortgage Investment Partners Management LLC, a Delaware limited liability company ("**AMIP**"), the purpose of which is to allow the Company to capitalize on AMIP's operating platform for the efficient acquisition, oversight, and resolution of mostly distressed residential mortgage loans throughout the United States. For more information, see the section below entitled "The Business –Non-Performing Residential Mortgage Loans."

More details on these and other joint venture arrangements, including, without limitation, the various mortgage loan acquisitions with the U.S. Department of Housing and Urban Development (HUD), please see the section below entitled "The Business".

Financial Statistics

On a consolidated basis, as of December 31, 2020, the Company owned approximately $98.9 million in assets and as of December 31, 2021, the Company owned approximately $166 million in assets and as of December 31, 2022, the Company owned approximately $278 million in assets, as of December 31, 2023, the Company owned approximately $369 million in assets, as of December 31, 2024, the Company owned approximately $427 million in assets, and as of March 31, 2025, the Company owned approximately $448 million* in assets, a substantial majority of which in all cases are direct and indirect ownership of Real Estate Assets. For a description of the Company's assets and liabilities, see the Financial Statements, attached as Exhibit F to this Memorandum.

**Indicates unaudited figure*

For the years ended December 31, 2019, 2020, 2021, 2022, and 2023 the Company earned net income of approximately $1,573,181, $14,990,567, $16,599,353, $419,236 and $20,037,859, respectively, and as set forth in the financial statements attached as Exhibit F hereto, the Company earned net income of approximately $32,375,484 for the year ended December 31, 2024, and for the three (3) months in 2025, ending March 31, 2025, the Company earned net income of approximately $11,941,819*. However, there can be no assurance that the Company will be able to continue to implement its business plan and continue to earn any additional profits.

**Indicates unaudited figure*

From December 1, 2023 through March 31, 2024, the Company sold an additional $715,000 of Class D Membership Interests for an aggregate of $7,130,000 of Class D Membership Interests, sold an additional $6,285,000 of Class F Membership Interests, for an aggregate of $31,645,000 of Class F Membership Interests (including an aggregate of approximately $900,000 of investments transferred by investors from an affiliated entity), and sold an additional $31,420,000 of Class G Memberships, for an aggregate of $132,055,000 of Class G Membership Interests (including an aggregate of approximately $3,730,000 of investments transferred by investors from an affiliated entity). The Company used a substantial amount of the net proceeds of these offerings to purchase Real Estate Assets.

From March 31, 2024 through March 31, 2025, the Company sold an additional $1,101,039 of Class D Membership Interests for an aggregate of $8,231,339 of Class D Membership Interests, $786,339 of which Class D Membership Interests are outstanding as of March 31, 2025, sold an additional $17,030,215 of Class F Membership Interests, for an aggregate of $47,775,215 of Class F Membership Interests (including an aggregate of approximately $800,000 of investments transferred by investors from an affiliated entity), $32,170,215 of which Class F Membership Interests are outstanding as of March 31, 2025, and sold an additional $83,250,946 of Class G Memberships, for an aggregate of $211,575,946 of Class G Membership Interests (including an aggregate of approximately $3,740,000 of investments transferred by investors from an affiliated entity), $207,290,946 of which Class G Membership Interests are outstanding as of March 31, 2025. The Company used a substantial amount of the net proceeds of these offerings to purchase Real Estate Assets.

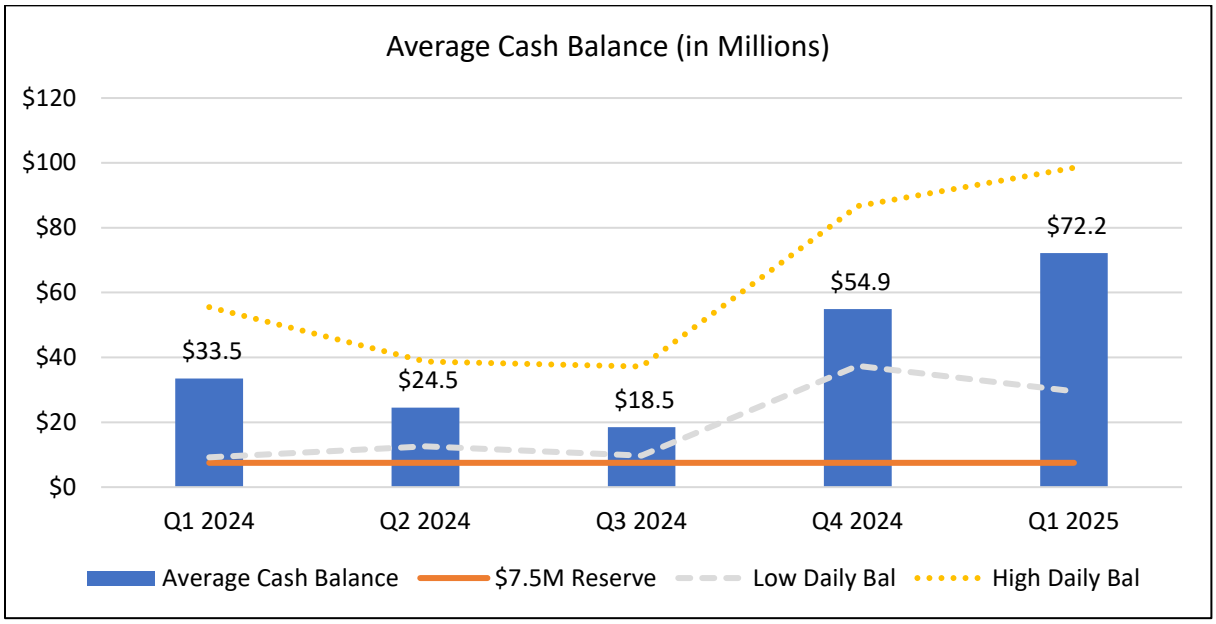
Through March 31, 2025, the Company paid the Class B Members aggregate Operating Preferred Returns of approximately $7,009,778, Class C Members aggregate Operating Preferred Returns of approximately $54,278,280, Class D Members aggregate Operating Preferred Returns of approximately $357,335, Class E Members aggregate Operating Preferred Returns of approximately $2,141,473, Class F Members aggregate Operating Preferred Returns of approximately $3,886,407, and Class G Members aggregate Operating Preferred Returns of approximately $22,088,970. As of March 31, 2025, there are accrued but unpaid Operating Preferred Returns to Class B Members of approximately $259,165, to Class C Members of approximately $11,394,789, to Class D Members of approximately $38,594, to Class E Members of approximately $1,023,315, to Class F Members of approximately $1,063,615, and to Class G Members of approximately $7,888,279. These Class B, Class C, Class D, Class E, Class F, and Class G Members have elected to defer payment of their Operating Preferred Returns until redemption in exchange for the ability to compound these returns.

As of March 31, 2025, there are outstanding Class B Membership Interests with a redemption value of approximately $4,955,000, Class C Membership Interests with a redemption value of approximately $30,785,000, Class D Membership Interests with a redemption value of approximately $435,000, Class E Membership Interests with a redemption value of approximately $00, Class F Membership Interests with a redemption value of approximately $15,540,000, and Class G Membership Interests with a redemption value of approximately $00, for a total of approximately $51,715,000 that Members could call at any time, and the Company would have to redeem within ninety (90) days of the redemption request. In addition, the chart below highlights optional redemption rights now available to be exercised or that will be available through 2028, based on information as of March 31, 2025. There can be no assurance that the Company will have adequate cash on hand to satisfy these obligations as they come due, and these numbers will grow as Investor Members purchase additional Interests.

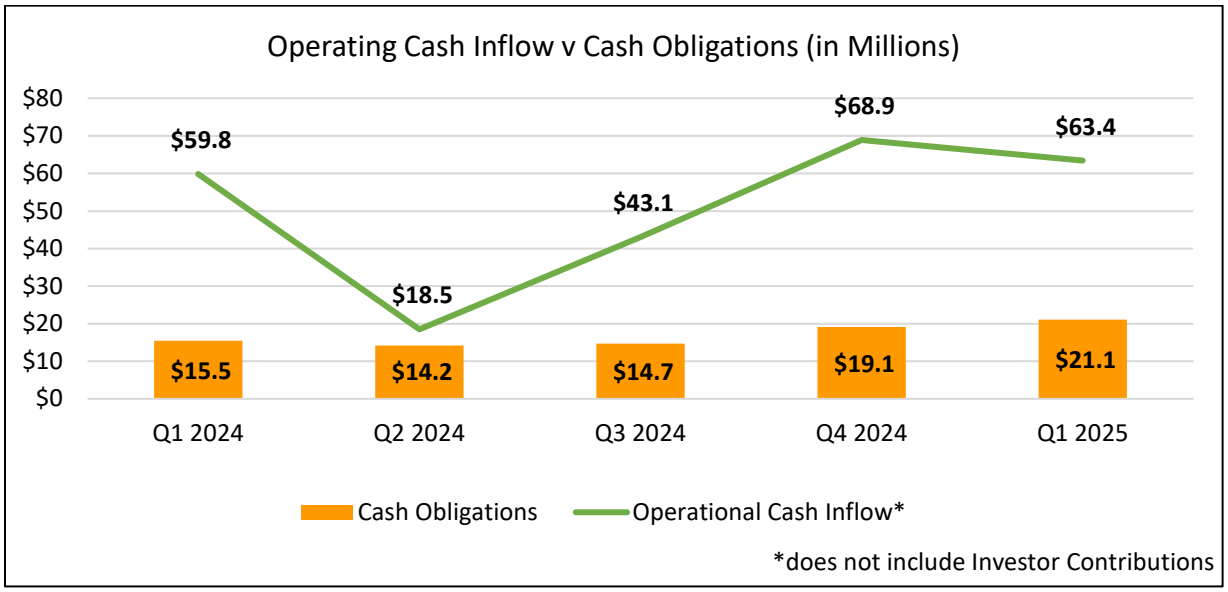
Redemption Amount	**Year End**
$121,644,699	2025
$108,656,854	2026
$76,287,990	2027
$28,087,955	2028

Cash Flow Management

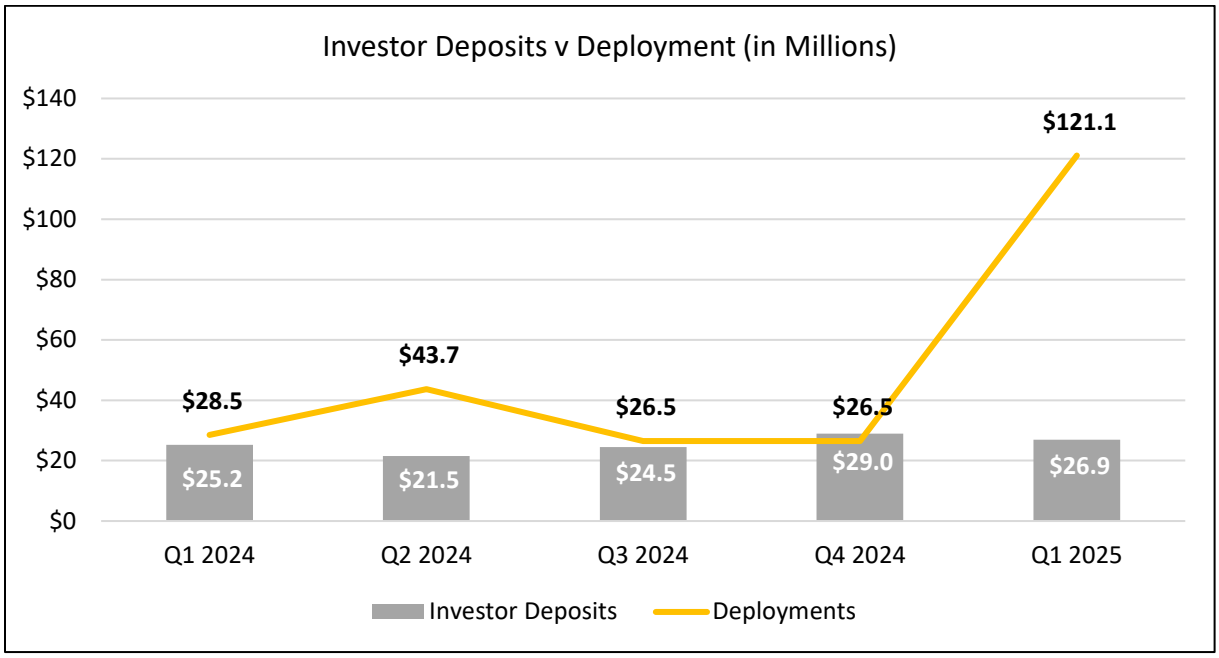
For illustrative purposes, the charts below show cash flow management throughout 2024, including average cash balances, gross operating cash inflows (excluding investor contributions) versus Company obligations, such as payment of Operating Preferred Returns and redemptions, and finally investor capital contributions versus deployment into assets. **Please note that past performance is no indication of future results.**



The quarterly average cash balance is consistently $11M - $65M above our $7.5M reserve threshold. Additionally, our lowest cash balance over the past five quarters, $9.2M, exceeds our reserve.



Operational cash inflow, which is proceeds received through operational activity and excludes investor contributions, exceeds cash obligations that include operating expenses, fund expenses, and investor payments, such as payment of Operating Preferred Returns and redemptions.



Over the past five quarters, investors have contributed an aggregate $127.1M and we have deployed and aggregate $246.3M into asset acquisitions. While investor deposits may have exceeded deployment in Q4 2024, the chart shows deployment of this cash in Q1 of 2025.

The Manager

The Manager has sole responsibility for the day-to-day management and control of the Company and all day-to-day aspects of its business. No Member, other than the Class A Member, shall take part in, or interfere in any manner with the management, conduct or control of the business and affairs of the Company and shall not have any right or authority to act for or bind the Company. The Manager shall be elected solely by the Class A Member. There is one Manager, or such other number as may be determined from time to time by the Class A Member. The Class A Member may remove any Manager at any time with or without cause. The present Manager is Partners for Payment Relief DE, LLC, which is presently wholly owned by PPR Financial Holdings, LLC ("**Holdings**"). By and through an administrative services agreement by and between the Company and PPR Note Co., LLC ("**PPR**"), a Company affiliate, the Manager has delegated and shall continue to delegate certain tasks to PPR. Accordingly, Class D Members, Class F Members, Class G Members, Class J Members, Class K Members, and Class M Members have no right to elect the Manager and shall have no right to participate in the management of the Company.

The Manager has established an investment committee to formalize short to long term investment targets and allocations for the Company from year to year, given both external economic forces as well as shifting dynamics within the Company's targeted asset classes (i.e. non-performing residential mortgage loans, commercial real estate and short-term business loans).

The Manager has also established a board of directors to oversee and govern its affairs, as it manages and oversees the affairs of the Company.

For more information regarding the investment committee and the board of directors, please see the section below entitled "Management."

The Members

Partners for Payment Relief DE, LLC is the Class A Member of the Company. PPR Financial Holdings, LLC ("**Holdings**") is presently the sole owner of Partners for Payment Relief DE, LLC. Partners for Payment Relief DE, LLC, the Manager of the Company, is responsible for the management of the Company. The owners of Holdings, John Sweeney, David Van Horn and Robert Paulus, are either officers of the Company or serve in other capacities such as on the board of directors of the Manager and/or perform various roles for the Company with regards to operations, investor relations, business development and finance.

In terms of Investor Members, as of March 31, 2025, there are 24 Class B Members of the Company, 540 Class C Members of the Company, 18 Class D Members of the Company, 11 Class E Members of the Company, 207 Class F Members of the Company and 809 Class G Members of the Company.

Capitalized terms not defined in this section shall have the meaning set forth in the Operating Agreement. The purchasers of Class D Membership Interests in this Offering shall become Class D Members of the Company. The offering of Class D Membership Interests pursuant hereto shall expire and terminate July 21, 2025. The purchasers of Class F Membership Interests in this Offering shall become Class F Members of the Company. The offering of Class F Membership Interests pursuant hereto shall expire and terminate July 21, 2025. The purchasers of Class G Membership Interests in this Offering shall become Class G Members of the Company. The offering of Class G Membership Interests pursuant hereto shall expire and terminate July 21, 2025. Class D Members, Class F Members and Class G Members shall have no right to participate in the management of the Company. The Class D Members shall be entitled to receive an Operating Preferred Return of six percent (6%) per annum on their Capital Contributions, the Class F Members shall be entitled to receive an Operating Preferred Return of ten percent (10%) per annum on their Capital Contributions and the Class G Members shall be entitled to receive an Operating Preferred Return of twelve percent (12%) per annum on their Capital Contributions. Class D Members, Class F Members, and Class G Members are entitled to be paid their Operating Preferred Return on a monthly basis. In lieu of receiving monthly payments during the term of his/her/its investment, a Class D, Class F or Class G Member may elect to defer such payments. If a Class D, Class F or Class G Member elects to defer payments of the Operating Preferred Return, then the Company will defer payment of the Operating Preferred Return which shall accrue and earn its own Operating Preferred Return, or "compound" based on a per annum internal rate of return model, in each case, in accordance with a compound schedules, samples of which are provided at Exhibit E.

The purchasers of Class J Membership Interests in this Offering shall become Class J Members of the Company. The purchasers of Class K Membership Interests in this Offering shall become Class K Members of the Company. The purchasers of Class M Membership Interests in this Offering shall become Class M Members of the Company. Class J Members, Class K

Members and Class M Members shall have no right to participate in the management of the Company. The Class J Members shall be entitled to receive an Operating Preferred Return of eight percent (8%) per annum on their Capital Contributions, the Class K Members shall be entitled to receive an Operating Preferred Return of ten percent (10%) per annum on their Capital Contributions, and the Class M Members shall be entitled to receive an Operating Preferred Return of twelve percent (12%) per annum on their Capital Contributions. Class J Members, Class K Members, and Class M Members are entitled to be paid their Operating Preferred Return on a monthly basis. In lieu of receiving monthly payments during the term of his/her/its investment, a Class J, Class K or Class M Member may elect to defer such payments. If a Class J, Class K or Class M Member elects to defer payments of the Operating Preferred Return, then the Company will defer payment of the Operating Preferred Return which shall accrue and earn its own Operating Preferred Return, or "compound" based on a per annum internal rate of return model, in each case, in accordance with a compound schedules, samples of which are provided at Exhibit E.

The Company has the option at any time to force the redemption of the Class B Membership Interests, Class C Membership Interests, Class D Membership Interests, Class E Membership Interests, Class F Membership Interests, Class G Membership Interests, Class J Membership Interests, Class K Membership Interests, or Class M Membership Interests upon ten (10) days' written notice to the Class B Member, Class C Member, Class D Member, Class E Member, Class F Member, Class G Member, Class J Member, Class K Member or Class M Member at a price equal to the Class B Member's, Class C Member's, Class D Member's, Class E Member's, Class F Member's, Class G Member's, Class J Member's, Class K Member's or Class M Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the Redemption Date. At any time subsequent to the first anniversary of the date of its Capital Contribution, each Class B Member, Class F Member and Class J Member shall have the option to force the Company to redeem its Class B Membership Interest, Class F Membership Interest or Class J Membership Interest upon ninety (90) days' written notice to the Company at a price equal to the Class B Member's, Class F Member's or Class J Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the Redemption Date. At any time subsequent to the second anniversary of the date of its Capital Contribution, each Class K Member shall have the option to force the Company to redeem its Class K Membership Interest upon ninety (90) days' written notice to the Company at a price equal to the Class K Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the Redemption Date. At any time subsequent to the third anniversary of the date of its Capital Contribution, each Class C Member, Class E Member, Class G Member and Class M Member shall have the option to force the Company to redeem its Class C Membership Interest, Class E Membership Interest, Class G Membership Interest and Class M Membership Interest upon ninety (90) days' written notice to the Company at a price equal to the Class C Member's, Class E Member's or Class G Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the Redemption Date. At any time, subsequent to six (6) months after the date of its Capital Contribution, each Class D Member shall have the option to force the Company to redeem its Class D Membership Interest upon ninety (90) days' written notice to the Company at a price equal to the Class D Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the Redemption Date. Redemption obligations of the Company, as a cost thereto will reduce Net Cash From Operations, and thus cash available for distributions to Investor Members.

Other than payment of the Operating Preferred Returns or redemption payments, the Class B Members, Class C Members, Class D Members, Class E Members, Class F Members, Class G Members, Class J Members, Class K Members or Class M Members shall not be entitled to receive any allocation of the Company's revenues or expenses or distribution of any additional cash from the Company. Any additional revenues shall be allocated solely to the Class A Member and any additional cash available for distribution to the Members, if distributed, shall only be distributed to the Class A Member. Losses shall be allocated to all Members generally in accordance with positive capital accounts. See "Summary of the Operating Agreement."

The Class D Members, Class F Members, Class G Members, Class J Members, Class K Members and Class M Members are referred to herein collectively as the "**Investor Members**." The Investor Members together with the Class A Members, Class B Members, Class C Members and Class E Members are referred to herein collectively as the "**Members**."

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The Offering

The Company is seeking to raise up to $500,000,000 through an offering of the Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, the offering of which expires July 21, 2025, and the Class J Membership Interests, Class K Membership Interests and Class M Membership Interests (the "**Offering**"). In connection with the Offering, the Company reserves the right, in its sole discretion, to reject any subscription or portion thereof by any investor and to increase the size of the Offering.

Offering	A maximum of $500,000,000 of Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, Class J Membership Interests, Class K Membership Interests and Class M Membership Interests of the Company to qualified investors, the offering of which Class D Membership Interests, Class F Membership Interests and Class G Membership Interests shall expire July 21, 2025 (collectively, the "**Interests**"). A minimum Capital Contribution of $25,000 is required for Class D Membership Interests, a minimum Capital Contribution of $50,000 is required for Class F, Class G and Class J Membership Interests, a minimum Capital Contribution of $75,000 is required for Class K Membership Interests, and a minimum Capital Contribution of $100,000 is required for Class M Membership Interests. The Company may, in its sole discretion, accept larger Capital Contributions. Notwithstanding the foregoing and any provision herein to the contrary, the Company may accept lower minimums in connection with investments by employees of Company affiliates or otherwise, in its sole discretion. See "Terms of the Offering."
Operating Preferred Return	The Class D Members shall be entitled to receive an Operating Preferred Return equal to 6% per annum commencing on that date which is up to sixty (60) calendar days after the Company receives all subscription materials and full payment for the purchase and determines to accept the subscription. The Class J Members shall be entitled to receive an Operating Preferred Return equal to 8% per annum commencing on that date which is up to sixty (60) calendar days after the Company receives all subscription materials and full payment for the purchase and determines to accept the subscription. The Class F Members and the Class K Members shall be entitled to receive an Operating Preferred Return equal to 10% per annum commencing on that date which is up to sixty (60) calendar days after the Company receives all subscription materials and full payment for the purchase and determines to accept the

	subscription. The Class G Members and the Class M Members shall be entitled to receive an Operating Preferred Return equal to 12% per annum commencing on that date which is up to sixty (60) calendar days after the Company receives all subscription materials and full payment for the purchase and determines to accept the subscription. In addition, for subscriptions accepted during the last three days of any calendar month, although the investor's Operating Preferred Return will begin to accrue on the date the investment is accepted, the first payment of Operating Preferred Return, if applicable, will not occur until after the end of the calendar month following the month in which the subscription is accepted. Class D, Class F, Class G, Class J, Class K and Class M Members are entitled to be paid their Operating Preferred Return on a monthly basis. In lieu of receiving monthly payments during the term of his or her investment, a Class D, Class F, Class G, Class J, Class K or Class M Member may elect to defer such payments. If a Class D, Class F, Class G, Class J, Class K or Class M Member elects to defer payments of the Operating Preferred Return, then the Company will defer payment of the Operating Preferred Return which shall accrue and earn its own Operating Preferred Return, or "compound" based on a per annum internal rate of return model, in each case, in accordance with a compound schedules, samples of which are provided at Exhibit E. For additional information please see the section below entitled "The Members".
Use of Proceeds	The net proceeds of the Offering will be used to fund general working capital needs of the Company, principally the purchase of Real Estate Assets. See "Use of Proceeds."
Risk Factors	AN INVESTMENT IN THE INTERESTS IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. INVESTORS SHOULD BE ABLE TO WITHSTAND THE TOTAL LOSS OF THEIR ENTIRE INVESTMENT IN THE SECURITIES. PROSPECTIVE PURCHASERS SHOULD CAREFULLY REVIEW THE INFORMATION SET FORTH UNDER "RISK FACTORS" AS WELL AS OTHER INFORMATION CONTAINED IN THIS MEMORANDUM. THERE CAN BE NO ASSURANCE THAT THE COMPANY'S OBJECTIVES CAN BE ACHIEVED (SEE "RISK FACTORS" BEGINNING ON PAGE 15).

Restrictions on Transfer	Sales or other transfers of Interests may only be made in compliance with federal and state securities laws and are subject to substantial contractual restrictions set forth in the Operating Agreement. Interests are not transferable without the prior written consent of the Manager. In the event that all restrictions have been satisfied and the Manager consents to a transfer, an Investor Member nevertheless may be unable to dispose of his or her Interests, since it is highly unlikely that any market will exist for the Interests.
Redemption Rights	The Company has the option by delivering written notice to an Investor Member at any time to force the redemption of the respective Membership Interest at a price equal to the Investor Member's Capital Contribution for such Interest plus any accrued but unpaid Operating Preferred Return on the date of redemption. The Company shall fix a date for the redemption which shall not be more than ten (10) days after the date of such notice. At any time subsequent to the first anniversary of the date of its Capital Contribution, any Class B Member, Class F Member and/or Class J Member, at their own option, shall have the right to have the Company redeem the Class B Member's Membership Interest, Class F Member's Membership Interest and/or Class J Members's Membership Interest, as applicable, by delivering ninety (90) days' written notice of this election to the Company. The Company shall fix a date for the redemption which shall not be more than ninety (90) days after the date of such notice. On the redemption date, the Company shall pay the Class B Member, Class F Member and/or Class J Member, as applicable, the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions as of the redemption date. At any time subsequent to the second anniversary of the date of its Capital Contribution, any Class K Member, at their own option, shall have the right to have the Company redeem the Class K Member's Membership Interest by delivering ninety (90) days' written notice of this election to the Company. The Company shall fix a date for the redemption which shall not be more than ninety (90) days after the date of such notice. On the redemption date, the Company shall pay the Class K Member the amount of its accrued but unpaid Operating Preferred Return plus the

amount of its unreturned Capital Contributions as of the redemption date.

At any time subsequent to the third anniversary of the date of its Capital Contribution, any Class C Member, Class E Member, Class G Member and/or Class M Member, at their own option, shall have the right to have the Company redeem the Class C Member's Membership Interest, Class E Member's Membership Interest, Class G Member's Membership Interest and/or Class M Member's Membership Interest, as applicable, by delivering ninety (90) days' written notice of this election to the Company. The Company shall fix a date for the redemption which shall not be more than ninety (90) days after the date of such notice. On the redemption date, the Company shall pay the Class C Member, Class E Member, Class G Member and/or Class M Member the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions as of the redemption date.

At any time subsequent to six (6) months after the date of its Capital Contribution, any Class D Member, at their own option, shall have the right to have the Company redeem the Class D Member's Membership Interest by delivering ninety (90) days' written notice of this election to the Company. The Company shall fix a date for the redemption which shall not be more than 90 days after the date of such notice. On the redemption date, the Company shall pay the Class D Member the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions as of the redemption date.

The Company shall also have the right to redeem an Investor Member's Interests for the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions upon the Investor Member's death, or upon the occurrence of certain other events affecting the Investor Member's ownership of the Interests. See "Summary of the Operating Agreement – Transfer Restrictions."

Subscription Agreement

The purchase of the Interests will be made pursuant to a Subscription Agreement attached hereto as Exhibit A (the "**Subscription Agreement**") together with completion of an accredited investor verification process involving Parallel Markets, LLC (or such other vendor that the Company shall

engage) described on Exhibit B. The Subscription Agreement will contain or otherwise involve, among other things, customary representations and warranties by the Company, certain covenants of the Company, investment representations of the purchasers, including representations that may be required by the Securities Act and applicable state "blue sky" laws, and appropriate conditions to closing, including, but not limited to, qualification of the offer and sale of the Interests under applicable state "blue sky" laws. A form of such Subscription Agreement and a description of the Accredited Investor Verification Process are attached hereto as Exhibits A and B respectively.

Suitability Standards

An investment in the Interests offered by this Memorandum is suitable only for the accredited investor who has business and financial experience such that the investor is capable of evaluating the merits and risks of an investment in the Company and of protecting the investor's interest in the transaction. Interests may be purchased only by persons who meet the suitability standards set forth herein and in the Subscription Agreement.

Subscription Procedure

In order to subscribe for the Interests, a subscriber must complete, execute and deliver to the Company (1) the Subscription Agreement in the form attached hereto as Exhibit A, (2) the Accredited Investor Verification Process described at Exhibit B hereto, (3) a joinder to the Operating Agreement in the form annexed hereto as Exhibit C, (4) a Form W-9 – Request For Taxpayer Identification Number and Certification, (5) any opt out election in the Privacy Notice annexed hereto as Exhibit G, and (6) an electronic banking transfer or check made payable to Reliant Income Fund, LLC in the amount of the purchase price of the Interests (a "**Subscriber**"). The Privacy Notice may be updated from time to time. Upon any election to change the Privacy Notice, the Company shall provide notice to you in accordance with applicable law.

The Company may take up to sixty (60) calendar days from the date it receives all of the aforementioned documents and payment to process a subscription and commence a Subscriber's investment. A Subscriber's Operating Preferred Return will not begin to accrue until the date that the Company completes processing the Subscriber's documentation and accepts the subscription.

Fees	The Company intends to make all payments due to any Investor by ACH payments directly to the bank account provided by the Investor in his or her Subscription Agreement. If the Investor is not an individual retirement account custodian and requests payment in any other format, then such payment may be reduced by an amount equal to the greater of (i) the actual cost incurred by the Company to accommodate such request or (ii) ten dollars ($10.00). In addition, if payment of the Purchase Price is made by check and the check is returned to the Company for insufficient funds or any other reason, then the Company will assess the Investor a fee equal to thirty-five dollars ($35.00). For a discussion of management fees, please see the section below entitled “Management—The Manager”.

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RISK FACTORS

An investment in the Interests offered hereby involves a high degree of risk. Prospective investors should carefully consider the following risk factors, in addition to the other information set forth in this Memorandum in connection with an investment in the Interests offered hereby. The following risk factors are not meant to be an exhaustive listing of all risks associated with an investment in the Company. Each prospective investor should consult his or her own professional advisers and should not construe the contents of this Memorandum or other information furnished by the Company as investment, legal or tax advice.

As there are significant restrictions on transferability of the Interests, you may not be able to liquidate the Interests when you want to and at a favorable outcome.

As there is no public or private market for the interests offered for sale hereunder (the "**Interests**") and there can be no assurance that a market will develop at any time in the future, purchase of the Interests should be considered a long-term investment. Sales or other transfers of the Interests may only be made in compliance with federal and state securities laws and are subject to substantial contractual restrictions set forth in the Operating Agreement. See "Terms of the Offering" and "Summary of the Operating Agreement – Transfer Restrictions." The holders of Interests will be required to agree not to transfer their Interests in violation of such laws. In addition, the Operating Agreement and the Subscription Agreement impose substantial limitations on any transfer of the Interests and the Interests are not transferable without the prior written consent of the Manager. In the event that all restrictions have been satisfied and the Manager consents to a transfer, an Investor Member nevertheless may be unable to dispose of his or her Interests, since it is highly unlikely that any market will exist for the Interests. Any holder of the Interests may be unable to liquidate his or her investment even in the event of an emergency or though his or her personal, financial circumstances would dictate such a liquidation, and the Interests may not be acceptable as collateral for loans.

The Company has a limited operating history.

The Company was formed in March 2019 and has a limited operating history on which Subscribers can evaluate making an investment decision. As set forth in the financial statements attached as Exhibit F hereto, for the period from January 1, 2025 to March 31, 2025, the Company earned net income of approximately $11,941,819*. For the period from January 1, 2024 to December 31, 2024, the Company earned net income of approximately $32,375,484. For the period from January 1, 2023 to December 31, 2023, the Company earned net income of approximately $20,037,859. For the period from January 1, 2022 through December 31, 2022, the Company earned net income of approximately $419,236. For the period from January 1, 2021, through December 31, 2021, the Company earned net income of approximately $16,599,353. For the period from January 1, 2020, through December 31, 2020, the Company earned net income of approximately $14,990,567. For the period from formation of the Company through December 31, 2019, the Company earned net income of approximately $1,573,181. However, there can be no assurance that the Company will be able to continue to implement its business plan and continue to earn any additional profits.

**Indicates unaudited figure*

The Investor Members will have no right to participate in the management of the Company.

Under the Operating Agreement, Members have no right to participate in the management of the Company. The management of the business and affairs of the Company will be vested exclusively in the Manager and an Investor Member will have no right to participate in many decisions which may materially affect the value of his, her or its investment. The Operating Agreement provides the Class A Member with the exclusive right to appoint the Manager and to replace the Manager involuntarily. As the Interests consist solely of Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, Class J Membership Interests, Class K Membership Interests and Class M Membership Interests, holders of such Interests will not have any of these rights. Accordingly, a Subscriber should not purchase any Interests unless he, she or it is willing to entrust all aspects of the management of the Company to the Manager.

Other than payment of Operating Preferred Returns and redemption payments, the Investor Members shall not be entitled to receive any additional allocation of the Company's revenues, expenses and distribution of any additional cash from the Company.

The Investor Members shall only be entitled to receive payment of their Operating Preferred Return and a return of their Capital Contribution at such time and pursuant to the terms and conditions set forth in the Operating Agreement. The Investor Members shall not be entitled to receive any additional distributions of cash and allocations of revenues and expenses from the Company.

The Company has limited liquid funds and limited ability to obtain bank financing. If we are unable to maintain adequate funding on acceptable terms, our results of operations and financial condition could suffer, and we could face difficulty in operating our business as planned.

The Company presently has limited operating funds. From March 2019 through March 31, 2025 the Company raised an aggregate of $57,395,000 from the sale of its Class B Membership Interests, an aggregate of $206,500,000 from the sale of its Class C Membership Interests, an aggregate of $8,231,339 from the sale of its Class D Membership Interests, an aggregate of $15,880,000 from the sale of its Class E Membership Interests, an aggregate of $47,775,215 from the sale of its Class F Membership Interests, and an aggregate of $211,575,946 from the sale of its Class G Membership Interests. The Company used substantially all of these funds to purchase Real Estate Assets and to pay its operating expenses. Accordingly, the Company has limited liquid funds and may not be able to satisfy its redemption obligations to Investor Members as they come due.

If the newly originated secured and performing commercial and short-term business loans that the Company purchases default and the market value of real estate in the respective geographic area where these properties are located declines, then the Company may not be able to recover all or a substantial amount of the loan or purchase price paid for the real property and it will be more difficult for the Company to pay Operating Preferred Returns to its Members or redeem their Interests after the optional redemption dates.

The Company is seeking equity financing in this Offering of up to $500,000,000 to finance its operations and to fund its purchase of Real Estate Assets. There is no assurance that such amount of financing will be sufficient for the Company's purposes, or that, if the Company needs additional funds, debt or equity financing will be available on favorable terms or at all. We currently have no existing bank lines of credit and have not established any definitive sources for additional financing, although this could change in the future. Failure to obtain such additional financing on acceptable terms when needed could restrict the Company's ability to fully implement its business plan. As such, if the Company is not able to secure additional financing and the Real Estate Assets purchased decline in value, then the Company may not be able to recover all or a substantial amount of the loan or purchase price paid for the real property and it will be more difficult for the Company to pay Operating Preferred Returns to its Members or redeem their Interests after the optional redemption dates.

If an excessive number of Investor Members request redemption of their unreturned Capital Contributions at the same time, then the Company may not have sufficient funds on hand to satisfy its redemption obligations.

The Class B Members, Class F Members and Class J Members have the right at any time after the first anniversary of the date of their Capital Contribution to request that the Company redeem their Class B Membership Interests, Class F Membership Interests or Class J Membership Interests. The Class K Members have the right at any time after the second anniversary of their Capital Contribution to request that the Company redeem their Class K Membership Interests. The Class C Members, Class E Members, Class G Members and Class M Members have the right at any time after the third anniversary of the date of their Capital Contribution to request that the Company redeem their Class C Membership Interests, Class E Membership Interests, Class G Membership Interests or Class M Membership Interests. The Class D Members have the right at any time after the date which is six (6) months after the date of their Capital Contribution to request that the Company redeem their Class D Membership Interests. In order to satisfy redemption requests, the Company will likely need to liquidate some of its Real Estate Assets and request repayment of some of its loans to affiliated companies. While the Company may be able to complete these actions within the ninety (90)-day redemption period and can delay redemptions for at least one (1) calendar quarter under certain circumstances as further described below, if too many Investor Members make redemption demands at the same time, then the Company may not have sufficient cash on hand to satisfy its redemption obligations.

As of December 31, 2024, the maturity date associated with Membership Interests in the Company equaling approximately $52 million in Capital Contributions has expired. While many Investor Members tend to remain as Members and not seek redemption following the maturity date

associated with their Membership Interests, there is no guarantee that such Investor Members will not seek redemption in the future.

As further described in the Operating Agreement, while the Company can limit redemptions of Membership Interests to five percent (5%) of unreturned Capital Contributions per calendar quarter, unless otherwise consented by the Manager, this right of the Company applies only to those Membership Interests purchased after February 1, 2023.

The Company does not have any contractual arrangements with note wholesalers or other direct note sources that guarantee a steady supply of mortgage notes to purchase. Accordingly, the Company may have difficulty locating a sufficient volume of notes that it deems qualified for purchase to enable it to pay the Operating Preferred Returns.

The Company does not have any contractual arrangements with note wholesalers or other direct note sources that guarantee a steady supply of mortgage notes to purchase. In the event that the Company is unable to locate a sufficient volume of notes that it deems qualified for purchase from wholesalers, originators, servicers or other sources, then it may be unable to pay the Operating Preferred Returns as they come due to the Investor Members or redeem the Membership Interests of the Investor Members upon exercise of the redemption rights.

Investor Members who elect to defer receiving payments of their Operating Preferred Return shall be allocated income equal to the amount of their Operating Preferred Return that has accrued but will not receive any cash payment to pay the related income tax when due and will need to fund such obligation out of their personal funds.

Investor Members are entitled to be paid their Operating Preferred Return on a monthly basis. In lieu of receiving monthly payments during the term of his or her investment, an Investor Member may elect to defer such payments and permit the accrued Operating Preferred Return to compound on a monthly basis. If an Investor Member elects to defer payments of the Operating Preferred Return, then the Company will defer payment of the Operating Preferred Return which shall accrue and earn its own Operating Preferred Return, or "compound" based on a per annum internal rate of return model, in each case, in accordance with a compound schedules, samples of which are provided at Exhibit E. Investor Members who elect to defer receiving payments of their Operating Preferred Return shall be allocated income equal to the amount of their Operating Preferred Return that has accrued but will not receive any cash payment to pay the related income tax when due. Accordingly, such Investor Members will need to fund such tax obligation out of their personal funds.

If the Company's joint venture partners do not cooperate in the purchase of Real Estate Assets or, upon any sale of such assets, do not permit distribution of the net proceeds of such sales to the Company, then the Company may not have access to significant amounts of capital.

The loss or change in our relationship with strategic joint venture partners, government sponsored entities and federal agencies would have an adverse effect on our business. As part of our business plan, the Company intends to enter into joint venture agreements and vendor

relationships with third parties that have access to a supply of Real Estate Assets. In most instances, the Company controls the joint venture entity as either manager or general partner and owns a majority of the joint venture entity. The Company attempts to include various controls and protections in the joint venture agreements that restrict the use of the Company's capital to the purchase and/or management of Real Estate Assets and protect the cash flow generated by these assets. If these controls and protections are not able to be included in the joint venture agreements or, once included, fail to work as designed, then the Company can lose access to substantial amounts of capital. In addition, upon any liquidity event or in the ordinary course of owning the Real Estate Assets, cash flow generated by such assets will be received by the joint venture. If the joint venture partner prevents the distribution of these Real Estate Assets to the Company, then the Company may not have access to these Real Estate Assets.

The Company faces significant competition that could harm its market share and results of operations.

The note purchasing business is highly competitive and has very low barriers to entry. The Company's present and potential competitors may be significantly larger and have, or may be able to obtain, greater financial resources than the Company. Consequently, there can be no assurance that the Company will not encounter increased competition that could limit its ability to implement its business plan. Such increased competition could restrict the Company's ability to locate secured notes for purchase, which could materially adversely affect the Company's operating results and reduce the amount of cash that the Company has available to distribute to its Members.

The real estate industry is subject to a wide variety of risks, any of which may adversely affect the Company's ability to implement its business plan.

The Company may invest directly in real estate. The direct ownership of real estate is subject to many risks including, but not limited to: declines in the value of real estate, general and local economic conditions, unavailability of mortgage funds, overbuilding, extended vacancies of properties increased competition, increases in property taxes and operating expenses, changes in zoning laws, loss due to costs of cleaning up environmental problems, casualty or condemnation losses, changes in neighborhood values and the appeal of properties to buyers or tenants, and changes in the interest rates. An economic downturn could have a material adverse effect on the real estate market, which in turn could result in the Company not achieving its investment objectives.

Real property investments are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws, interest rate levels and the availability of financing. The performance of the economy in each of the regions in which the real estate owned by the Company is located will impact the income from such properties and their underlying values. The financial results of major local employers also may have an impact on the cash flow and value of certain properties. The occurrence of any of these events could have a material adverse effect on the results of operations and cash flow of the Company.

Real estate development projects are subject to a wide variety of risks, any of which may adversely affect the Company's ability to implement its business plan.

As the Company may invest or participate in real estate development projects, it will be subject to the risks normally associated with development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Company, such as adverse weather or labor conditions or material shortages, whether due to tariffs or otherwise) and the availability of both construction and permanent financing on favorable terms. These risks, including, without limitation, the implementation of or increase of existing tariffs on steel and other building materials and equipment, could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Company.

If the geographic regions in which the Company purchases assets or makes loans experience economic downturns or substantial economic events, then the value of the Company's assets may decline and it will be more difficult for the Company to pay Operating Preferred Returns to its Members or to redeem their Interests after the optional redemption dates.

If the geographic regions in which the Company purchases assets or makes loans experience economic downturns or substantial economic events, then the value of the Company's assets may decline, and it will be more difficult for the Company to pay Operating Preferred Returns to its Members or to redeem their Interests after the optional redemption dates. This scenario could occur in other geographic regions and cause a decline in the value of the Company's assets, making it more difficult for the Company to pay Operating Preferred Returns to its Members or to redeem their Interests after the optional redemption dates.

Investments in apartment buildings and commercial properties will expose the Company to unique risks.

Investments in apartment buildings and commercial properties involve certain unique risks. Apartment buildings are particularly vulnerable to the risks that the population levels, economic conditions or employment conditions may decline in the surrounding geographic area. Any of these changes likely would have an adverse impact on the size or affluence of the tenant population in the area and a negative impact on the occupancy rates, rent levels and property values of apartment complexes in the area. Unlike many other types of real estate investments, apartment complexes do not have tenants occupying large portions of the property whose lease payments provide reliable sources of income for extended lease terms. Instead, apartment complexes typically have individual residential tenants with limited net worth and with lease terms that are typically for one (1) year or less. Apartment buildings generally experience frequent tenant turnover due to factors such as transient populations, new competition in the area, and changes in the tenants' economic status. In addition to continuously needing to replace vacating tenants, tenant turnover at apartment complexes causes the property owner to incur significant rehabilitation and maintenance costs in order to prepare units for new tenants. The preferred returns and quarterly distributions are often posted to the balance sheet. The cash received is not

recognized as income and the Company does not realize a significant revenue event until the apartment building is sold, which can be several years after purchase. This lack of significant revenues along with annual depreciation during the holding period create a tax deferral for the Company which can have an adverse effect on our net profits and can lead to volatile results as we can experience significant increases in net profits until the apartment building is sold and we recognize the long-term gain and show significant increase in net profit.

The Company's ownership or operation of multifamily/residential properties will expose it to risks.

The value and successful operation of multifamily and/or residential property may be affected by a number of factors, such as the location of the property, the ability of management to provide adequate maintenance and insurance, the types of services provided by the property, the level of mortgage rates, the presence of competing properties, the relocation of tenants to new projects with better amenities, adverse economic conditions in the locale, the amount of rent charged, and the oversupply of units due to new construction. In addition, ownership or operation of multifamily/residential properties will expose the Company to governmental regulations and restrictions, particularly the need to comply with municipal building codes and to obtain licenses and permits thereunder and changes in applicable laws and regulations (including tax laws); adverse changes in local market conditions, population trends, neighborhood values, community conditions, general regional and local economic conditions, local employment conditions and unemployment rates, interest rates and real estate tax rates; changes in fiscal policies; and uninsured losses and other risks that are beyond the control of the Manager. In addition, real estate is subject to long-term cyclical trends that give rise to significant fluctuation and cycles in real estate values. There is no assurance that the Company will be able to renovate, lease or sell any of its real estate properties as projected, which could have an adverse effect on the Company's ability to pay Operating Preferred Returns to its Members or to redeem their Interests after the optional redemption dates.

In many projects involving commercial or residential real estate, the Company will be dependent on the performance of property managers.

In many instances where the Company purchases or invests in commercial or residential real estate projects, either it or its joint venture partners will hire a property manager to supervise daily operations at the property. As such, the performance of the property will be highly dependent on the skills and continued performance of these property managers. If a property manager is not capable of managing a project, the Company or its joint venture partners may not discover this fact for months, which could lead to unexpected losses. In addition, if a skilled property manager terminates his relationship with the project, then the Company may not be able to find a suitable replacement in a timely manner. Any delay in replacing a property manager can lead to increased losses incurred on the project.

Upon a default in the Company's payment of the Operating Preferred Returns or redemption payment to an Investor Member, the Investor Member will have limited access to the assets of the Company.

If the Company is unable to pay the Operating Preferred Returns or redemption payments to the Investor Members when due, then the Investor Members will have limited access to the assets of the Company. The Company perfects its security interest in each secured asset that it purchases by either obtaining a pledge of assets or recording a mortgage assignment document or similar instrument in the appropriate jurisdictions where the underlying property is located.

The Company intends to lend funds to affiliated or related entities for the purchase of assets in a specific jurisdiction. In these instances, the Company will be granted a security interest in the purchased assets among other controls and recourse mechanisms. As each lien is recorded at the Company level, individual Investor Members have no right to this collateral.

Should the Company default on its payment obligations under the Operating Agreement, Investor Members who purchase Interests in this Offering can instruct the Company to execute a particular asset resolution with regards to its collateral by a majority vote. Any proceeds received by the Company from the liquidation of its Real Estate Assets must be shared by the Investor Members as a whole as no Investor Member has any preference right to any collateral of the Company. Furthermore, as the Company or its affiliates will purchase Real Estate Assets that include second lien residential mortgage notes, there is a chance that it will need to complete a higher number of note liquidations in order to realize sufficient proceeds to make any meaningful payments to the Investor Members. As the Real Estate Assets, loans to affiliates and cash are anticipated to be the only material assets of the Company, there may be limited assets available to cure payment defaults to Investor Members at any point in time.

Assets may be inequitably allocated among different purchase entities managed by the Manager of the Company or affiliates of the Manager.

The Manager or affiliates of the Manager, as applicable, manage other funds similar to the Company. While the Manager, or affiliates of the Manager as applicable, attempt to allocate potential asset purchases equitably among these purchase entities, there can be no assurance that these potential asset purchases will be allocated equitably. As a result, the Company may not receive the full economic value it otherwise would have received had it been afforded the opportunity to invest in the potential asset purchase.

Assets purchased in a joint venture or by an affiliate of the Company, using capital from multiple affiliated funds may be inequitably allocated and commingled, resulting in the Company not receiving the full economic value of the assets that were purchased using its capital.

With respect to any joint venture established by the Company to purchase or otherwise gain exposure to Real Estate Assets, the Company attempts to structure such joint ventures to ensure its capital is segregated from the capital of other affiliated entities. From time to time, when the Company bids on large pools of mortgage loans, for instance, the capital of other affiliated

funds may be pooled with the Company's funds to complete the purchase. The Company may accomplish this pooling of assets by making loans to, or receiving loans from, the affiliated funds. The borrowing entity, whether the Company or the affiliate, as applicable, will then add the loaned funds to its funds to complete the purchase of such mortgage loans. In these and other instances where capital from affiliates is used to purchase pools of assets, such as mortgage loans, the Company will attempt to allocate assets between the entities in an equitable manner and, where practicable, to segregate assets in a manner that permits each entity to receive the full economic benefit of its portion of such related pool of assets (e.g. mortgage loans). There can be no assurance however, that these and other jointly purchased assets will be allocated equitably and, as a result, the Company may not receive the full economic value of the assets purchased using its capital.

The Manager may alter the use of proceeds in this offering without notice to or approval of the Members.

The Use of Proceeds table included on page 42 of this Memorandum reflects the Company's anticipated use of proceeds if we are able to raise the full amount of this Offering. From time to time, the Company will evaluate the uses of its cash to determine whether the current allocation should be changed. The Manager may alter the use of proceeds in this Offering without notice to or approval of the Members. As a result, there is no assurance that the Manager will follow the Use of Proceeds section of the Memorandum, which may materially change. Accordingly, the Manager will have significant discretion in applying the net proceeds of this Offering. The failure of the Manager to apply such funds effectively could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Our success will be largely dependent upon our Manager and officers.

Our success will be largely dependent upon the continued involvement of the Manager and members of the executive team, particularly David Van Horn, John Sweeney, Robert Paulus and Stephen G. Meyer. The loss of the services of these individuals, as well as certain key employees, could have a material adverse effect on the implementation of the Company's business plan. If the Company loses the services of the Manager, or one or more members of the executive team, it would need to devote substantial resources to finding replacements, and until replacements were found, it would be operating without the skills or leadership of such personnel, any of which could have a significant adverse effect on the Company's business. Although each of David Van Horn, John Sweeney and Robert Paulus continue to own membership interests in Holdings and the investment committee and board of managers have been established specifically to create the institutional knowledge and processes necessary to work independently of any one individual within the Manager, there is no guarantee that such redundancies and institutional structure will adequately cover the loss of any of the above key employees, including upon any preplanned succession where a founder begins to step away from their day-to-day functioning or upon any unexpected death or accident with respect to any of these individuals.

The Manager and Class A Members will have potential conflicts of interest with regards to other businesses which they own and operate.

The Manager is required to devote only so much of its time to the business of the Company as it, in its sole judgment, determines to be reasonably necessary, and neither it nor any of its other members are restricted from engaging in other activities, even if they are competitive with the Company. Partners for Payment Relief DE, LLC is appointed as the Manager of the Company. The owners of Holdings, which owns Partners for Payment Relief DE, LLC, also own other companies that participate in the note purchasing business and may establish or purchase additional companies that will participate in the note purchasing business or other related aspects of the real estate business. For example, the owners of Holdings also own PPR Capital Management, LLC, Reliant Holdings Group, LLC and PPR Opportunity Manager, LLC, and any of their respective subsidiaries, including Reliant Freedom Fund LLC, which have similar business plans to the Company's business plan.

PPR Note Co., LLC ("**PPR**") is an administrative services company that performs administrative tasks for the Company and its affiliates. In connection with the administrative services provided, PPR procures the majority of the Company's operating expenses. These services include investor relations, human resources, finance, acquisitions, sale, asset and portfolio management services. These expenses are paid by and through the management fee charged to the Company, as further described herein. For more information on such administrative services and this relationship, see the section below entitled "Related Party Transaction—PPR Note Co., LLC". PPR is wholly owned by PPR Capital Management, LLC, which in turn is wholly owned, indirectly, by the owners of Holdings, David Van Horn, John Sweeney and Robert Paulus. Accordingly, the Company will be subject to various conflicts of interest arising out of these aforementioned activities. Such conflicts may involve arrangements between the Company and the Manager or the Class A Member and/or such related entity or entities described above, established by the Manager, the officers of the Company or its indirect owners, and may not be the result of arm's length negotiations. In addition, such transactions may result in unintended risks that negatively affect the Company's operating results.

There is a limitation on the personal liability of the Manager, the Class A Member and officers of the Company, and these entities and individuals are eligible for receiving indemnification from the Company for expenses or losses that they incur while providing services on behalf of the Company.

In general, the Operating Agreement provides that the Manager, the Class A Member and the officers of the Company will not be liable to the Company or the other Members for any act, omission or decision performed or omitted by him, provided such act, omission or decision was in good faith and without intent to defraud the Company and did not constitute a breach of any provision of the Operating Agreement. In addition, the Operating Agreement provides for indemnification by the Company of the Manager, Class A Member and the officers of the Company against liability resulting from any of such acts or omissions, except for those involving the Manager's, Class A Member's or an officer's fraud, willful misconduct or recklessness. As a result, purchasers of the Interests may have a more limited right of action against members of the

Manager, Class A Member and the officers of the Company than they would have absent such provisions.

The Company has the right to repurchase the Interests.

The Company has the right to repurchase an Investor Member's Membership Interests for the Capital Contribution paid by the Investor Member plus any accrued but unpaid Operating Preferred Returns in the event any of the following events occurs:

- delivery of written notice to the Investor Member by the Manager;
- death of an Investor Member;
- the transfer of any Investor Member's Interests in violation of the Operating Agreement;
- the Membership Interests held by an Investor Member are attached, levied upon or executed against in connection with the enforcement of any lien or encumbrance or are otherwise transferred by operation of law (other than the laws of descent, distribution or inheritance);
- bankruptcy of an Investor Member; or
- the issuance of an order of a court of competent jurisdiction ordering the transfer of the Membership Interest of any Investor Member to any third party including, but not limited to, an Investor Member's spouse pursuant to a divorce decree or property settlement.

Accordingly, a holder of the Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, Class J Membership Interests, Class K Membership Interests and Class M Membership Interests can be forced to sell his or her Interests prior to the date on which he or she wants them redeemed, which means that they would not be entitled to receive the full amount of Operating Preferred Return that they would have otherwise been entitled to receive.

There can be no assurance that the Company will have sufficient funds to make distributions of Operating Preferred Returns to the Investor Members or to redeem their Interests after the optional redemption dates.

The operating expenses of the Company, including obligations to make distributions of Operating Preferred Returns to Investor Members or to redeem their Interests, and/or to pay other operating expenses of the Company (e.g. the management fee payable to PPR), may exceed the Company's revenues, thereby resulting in no cash available for distribution by the Company to the Investor Members. While cash flow from operations have been sufficient in the past to meet such Company obligations (see e.g. the cash flow management charts on page 4 of this Memorandum), there is no guarantee that such cash flow will continue. The annual amount of Operating Preferred Returns that the Company is presently obligated to pay the Class B Members, Class C Members, Class D Members, Class E Members, Class F Members, Class G Members is approximately $34,203,682. Accordingly, the obligation to pay these Operating Preferred Returns to existing Members may have a material adverse effect on the Company's ability to pay operating Preferred Returns to Investor Members who purchase Membership Interests in this Offering.

In addition, existing Class B Members, Class C Members, Class D Members and Class E Members have similar redemption rights as the Investor Members who purchase Interests

in this Offering which, if exercised, will reduce the amount of cash that is available for distribution to the Investor Members participating in this offering. The chart on page 3 highlights optional redemption rights now due or that are coming due, through 2028. As optional redemption dates pass, the Company will have a contingent obligation to redeem increasing amounts of Membership Interests. There can be no assurance that the Company will have adequate cash on hand to satisfy these obligations as they come due.

Furthermore, the Manager has complete discretion to withhold from distribution part or all of any of the Company's net cash from operations which are otherwise available for distribution after the payment of expenses if it determines that such funds are reasonably required for working capital needs or reserves for fixed or contingent liabilities of the Company, including payment of redemption obligations. Accordingly, there can be no assurance that the operations of the Company will be profitable or that any distributions of the Company's cash flow will be available or made to the Investor Members in payment of their Operating Preferred Returns or redemption of their Interests.

The Company is at risk of the impact of cybersecurity breaches and identity theft or other catastrophic events.

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency in the future. The information and technology systems of the Company, the Real Estate Assets themselves and service providers related to the foregoing may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, use errors or malfeasance by their respective professionals or service providers, power, communications or other service outages as well as catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If unauthorized parties gain access to such information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify private and sensitive information. Although the Manager has implemented, and Real Estate Assets and service providers may implement, various measures to manage risks relating to these types of events, such measures may be inadequate and, if compromised, information and technology systems could become inoperable for extended periods of time, cease to function properly, or fail to adequately secure private information. Even with sophisticated prevention and detection systems, breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified in a timely manner or at all, potentially resulting in further harm and precluding appropriate remediation. The Manager, the Company, and/or Real Estate Assets may have to make significant investments to repair or replace information and technology systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Manager, the Company, a Real Estate Asset, and/or their service providers and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Members (and their beneficial owners) and the intellectual property and trade secrets of the Company and Real Estate Assets. Such a failure could harm the reputation of the Manager, the Company and/or a Real Estate Asset, require them to make a significant investment to remedy

the effects of any such failures, subject any such entity and their respective affiliates to legal clams and adverse publicity and otherwise affect their business and financial performance.

Our business may be adversely affected by the regulatory environment in which we operate and by governmental policies.

The regulatory environment applicable to our business is always changing, both at a federal level and at the state level. The level of regulation and supervision to which we are subject varies from jurisdiction to jurisdiction and based on the type of business activities that we conduct. In general, compliance with applicable law and regulations is costly because of the required new processes, forms, controls and additional infrastructure required to comply with the new requirements. Any failure to comply with these laws and regulations could result in significant statutory civil and criminal penalties, monetary damages, attorneys' fees and costs, possible revocation of licenses and damage to reputation, brand and valued customer relationships. This could have an adverse effect on the overall return on your investment in this offering.

The Company may be subject to additional disclosure requirements due to the Corporate Transparency Act.

Pursuant to the Corporate Transparency Act ("**CTA**"), beginning on January 1, 2024, certain "Regulated Entities" were required to file information concerning Beneficial Owners and Company Applicants with the Financial Crimes Enforcement Network ("**FinCEN**") so that the data can be accessed by law enforcement, the IRS, certain other agencies, and select financial services companies in a new federal government database called Beneficial Ownership Secure System (BOSS). The rule has gone through a number of differing interpretations, the last of which makes clear that the CTA only applies to foreign companies. While the Company does not believe Members will be required to provide additional information under the CTA, it is possible that the law may change in the future and that the Manager may need to request additional information from Members to allow the Company to make the necessary disclosures to comply with the CTA.

The Company may be required to register as an investment company or an investment adviser.

The Company intends to operate so as to not be regulated as an investment company under the Investment Company Act of 1940 (the "**Investment Company Act**") based upon certain exemptions thereunder. Companies that are subject to the Investment Company Act must register with the SEC and become subject to various registration, governance, and reporting requirements. Compliance with such restrictions would limit the Company's flexibility and create additional financial and administrative burdens on the Company. The Company believes it can avoid these restrictions based on one or more exemptions provided for companies like the Company. Specifically, the Company expects to be exempted from registration under the Investment Company Act because the Company will not make a public offering of the Interests and the Company will be primarily engaged in purchasing or acquiring mortgages and other liens on, and interests in, real estate as determined under exemptions from the Investment Company Act and rules issued thereunder. Accordingly, the Company does not expect to be subject to the restrictive provisions of the Investment Company Act. However, the SEC has indicated that it may seek to

narrow the exemption from registration for entities engaged in purchasing or acquiring mortgages and other liens on real estate. If the Company fails to qualify for exemption from registration as an investment company, its ability to conduct its business as described herein will be compromised. Any such failure to qualify for such exemption would likely have a material adverse effect on the Company.

Though the Manager does not intend to register under the Investment Advisers Act of 1940 ("**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.

The Company's reliance on exclusions from the Investment Company Act may impact certain investment decisions.

The Investment Company Act excludes a real estate program from the definition of an "investment company" if it is "primarily engaged" in, the origination or acquisition of mortgages and other liens on, and/or interests in, real estate. The Manager has not sought a no-action letter from the SEC to confirm that the Company is eligible for this exemption. However, the Manager will rely on guidance issued by the SEC stating that so long as qualifying percentages of the Company's assets consist of (1) mortgages and other liens on or interests in real estate; and (2) the remaining percentage of the Company's assets consist primarily of real estate related assets, the Company will remain exempt from the Investment Company Act registration requirements. As the Company is relying on an exemption that is dependent on the nature of the Company's investment holdings, the Manager may need to consider such restrictions when assessing a potential investment for the Company and may decide not to pursue an asset because such asset would jeopardize the Company's use of the exemption, as opposed to whether or not the asset would otherwise be a sound investment for the Company.

There are risks to investing in the Company using a self-directed Individual Retirement Account.

In certain circumstances, a self-directed individual retirement account is required to obtain separate tax identification number from their beneficial owner. If an investor is making an investment in the Company through a self-directed individual retirement account, then the Company is requesting that he or she provide a separate taxpayer identification number for his or her self-directed individual retirement account. An investor's failure to provide such tax identification number for its self-directed individual retirement account may subject the investor to legal penalties and costs for which he or she shall bear full responsibility. In addition, Members that are otherwise exempt from federal income taxation pursuant to Section 501(a) of the Code are subject to taxation with respect to any unrelated business taxable income ("**UBTI**"). Under Section 512(c) of the Code, when computing UBTI, a Tax-Exempt Investor must include its distributive share of income of any partnership of which it is a partner to the extent that such income would be

UBTI if earned directly by the Tax-Exempt Investor. Please see "Income Tax Aspects -Tax Exempt Members" for a discussion of this risk.

For those investors concerned with exposure to UBTI, please consider requesting offering documents for Reliant Freedom Fund, LLC, a Delaware limited liability company, which may be requested by contacting our Investor Relations team at investor.relations@pprcapitalmgmt.com.

Investments by benefit plans are subject to additional regulatory risks.

In considering the acquisition of Interests 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 Interests to participants or beneficiaries in pay status because the 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 Interests and the Company has a limited 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. Any Investor that invests funds belonging to a qualified retirement plan or individual retirement account should carefully review the tax risks provisions of this Memorandum 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 THE COMPANY. 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 THE FUND.

There are federal income tax risks to an investment in the Interests.

The federal income tax consequences of an investment in the Company constitute certain risks. Each potential investor should carefully consider the risks regarding an investment in the Company discussed under "Income Tax Aspects." The tax consequences of an investment in the Interests may be affected by particular circumstances affecting the individual investor, and it is recommended that each investor consult his or her tax advisor before investing in the Company.

THE BUSINESS

The Company is a Delaware limited liability company organized under the LLC Act in March 2019. The Company's business plan is to purchase and/or invest in Real Estate Assets such

as residential and commercial mortgage notes, and residential and commercial real estate. Real Estate Assets also include short-term business loans commonly called “fix and flip” loans as well as residential multifamily properties, including affordable housing.

To gain access to Real Estate Assets, the Company may enter into one or more joint ventures with joint venture partners that specialize in the applicable asset class. Typically, in such a joint venture, the Company earns an operating preferred return on its investment that is greater than or equal to the operating preferred returns due to the new Members.

By and through a joint venture or a special purpose entity wholly owned thereby, the Company may also obtain debt financing. At times, this leverage may take the form of a repurchase agreement, commonly referred to as a “repo” whereby the subsidiary sells the financed mortgage loans purchased by it from time to time to the third-party lender, with a concurrent obligation to repurchase such financed mortgage loans at a certain future date (a "**REPO**”). Such lender financings are governed by a master repurchase agreement but just as in typical lender facilities, such documents provide the lender counterparty with full recourse to the financed mortgage loans, as a collection account is typically established for the benefit of the lender counterparty and a custodial relationship is typically created for possession of the mortgage files related to the financed mortgage loans, again, for the benefit of the lender counterparty. Any secured collateral will be released from such security interests upon repayment of any and all outstanding obligations under the REPO, as in a typical loan facility transaction.

Updates on Asset Classes

--Non-Performing Residential Mortgage Loans

In September 2020, the Company entered into a joint venture arrangement with American Mortgage Investment Partners Management LLC (“**AMIP**”), creating an entity, Residential Credit Opportunities VI, LLC, a Delaware limited liability company (“**RCOVI**”) with the primary objective of acquiring distressed non-performing residential loans. RCOVI benefits from AMIP’s operating platform for the efficient acquisition, oversight, and resolution of mostly distressed mortgage loans throughout the United States. AMIP is a registered investment adviser that manages alternative assets, primarily mortgage loans, as well as other mortgage and real estate funds. As of March 31, 2025, the Company has made aggregate capital contributions to RCOVI of $85,058,374, of which all invested capital has been returned, and owns 100% of RCOVI. In addition, in November 2024, the then-existing securitization related to RCOVI was redeemed in full, paying off all bond balances. As of March 31, 2025, RCOVI has approximately $48,887,044 of third-party debt remaining and has approximately $75,313,439 of assets.

When RCOVI completed its lifecycle with respect to new purchases, the Company entered another joint venture arrangement with AMIP, creating the entity Residential Credit Opportunities VIII, LLC, a Delaware limited liability company (“**RCOVIII**”) with the same primary objective as in RCOVI of acquiring distressed non-performing residential loans. This occurred as of April 2022. As of March 31, 2025, the Company has made aggregate capital contributions to RCOVIII of $80,586,757, $30,435,015 of which is unreturned, and owns approximately 85% of RCOVIII, with AMIP committing approximately 15% of coinvest capital alongside the Company. As of

March 31, 2025, RCOVIII has refinanced, by and through a securitization, most debt financing from a third-party lender, with approximately $52,568,427 of third-party debt financing remaining, for total debt financing, including securitization, equaling approximately $165,964,905 and total assets equaling approximately $237,604,105. In addition, in May 2025 (A) the then-existing securitization related to RCOVIII was redeemed in full, paying off all bond balances, and (B) approximately the entire portfolio was re-securitized, paying off all remaining third-party debt. As such, as of June 1, 2025, RCOVIII has securitization debt financing of approximately $172,524,000, zero ($0) third-party debt, and has approximately $191,982,121 of assets.

When RCOVIII completed its lifecycle with respect to new purchases, the Company entered another joint venture arrangement with AMIP, creating the entity Residential Credit Opportunities X, LLC, a Delaware limited liability company ("**RCOX**") with the same primary objective as in RCOVI and RCOVIII of acquiring distressed non-performing residential loans. This occurred as of April 2024. Moreover, RCOX entered a REPO in April 2024, and closed its first purchase of distressed, non-performing residential loans on April 23, 2024 and April 30, 2024, for an aggregate purchase price of approximately $40,308,195, with REPO debt proceeds financing approximately $29,503,640 of such purchase price. As of March 31, 2025, the Company has made aggregate capital contributions to RCOX of $112,301,384, of which $72,201,384 remains unreturned. As of March 31, 2025, RCOX refinanced, by and through a securitization, most debt financing from a third-party lender, with approximately $83,580,968 of third-party debt financing remaining, for total debt financing, including securitization, equaling approximately $345,440,945 and total assets equaling approximately $416,552,528.

The following summarizes the several joint venture transactions involving Company mortgage loan purchases from U.S. Housing and Urban Development ("**HUD**"). For more information on the HUD and other auctions please see discussion below in the section entitled "*Our Strategy --NPL/RPL Joint Ventures*".

As of October 31, 2022, the Company extended loans in the aggregate amount of $50,790,636* to Home Preservation Partnership, LLC ("**HPPSPV**") a special purpose vehicle in which the Company owns a 49% interest, and a non-profit organization owns 51% interest. As of March 31, 2025, there are no loans outstanding to HPPSPV from the Company and asset values were approximately $1.2 million for residential non-performing reverse mortgage loans and $6.1 million for related post-foreclosure real property retained (REO).

**Indicates unaudited figure*

In August 2022, the Company, by and through its joint venture special purpose vehicle HPPSPV, secured loan financing from a third-party bank in connection with its purchase of vacant residential reverse mortgage loans from HUD (the "**August 2022 Transaction**"). HPPSPV was awarded approximately $73,156,617 in loans from HUD, of which approximately $43,021,623 was received in debt and participation financing from such third-party bank. Because the Company also extended debt to HPPSPV in connection with the August 2022 Transaction, debt extended by the Company was required to be subordinated to support such senior loan amounts. HPPSPV received additional debt financing in the amount of approximately $24,107,595 in connection with the August 2022 Transaction, by and through the lending facility available to RCOVI, a Company joint venture with AMIP. As of March 31, 2025, total outstanding debt and

participation obligations to lender (excluding RCOVI) was $0 and total asset value (residential non-performing reverse mortgage loans only and not including related post-foreclosure real property retained (REO)) was approximately $263,000. Asset value would be greater were REO included in the above calculation. In connection with RCOVI with respect to the August 2022 Transaction as of March 31, 2025, total related debt under that lending facility was approximately $1.8 million and total asset value (residential non-performing reverse mortgage loans and related post-foreclosure real property retained (REO)) was $2.5 million.

In February 2024, the Company, by and through a loan to Odessa Housing Finance Corporation, a Texas non-governmental organization, as depositor of a special purpose entity borrower, purchased $2.9 million of vacant residential reverse mortgage loans from HUD (the "**Odessa Transaction**"). As of March 31, 2025, total asset value (residential non-performing reverse mortgage loans and related post-foreclosure real property retained (REO)) was $882,000.

In October 2024, by and through a relationship with a qualified non-profit, the Company was awarded approximately $6,200,000 in vacant residential reverse mortgage loans from HUD (the "**FLC Transaction**"). The transaction closed in December 2024. As of March 31, 2025, approximately $6,200,000 of assets remain.

--*Short Term Business Loans*

In May 2021, the Company entered a joint venture and lending relationship with Foundation CREF LLC, a Delaware limited liability company ("**CREF**") and its wholly owned subsidiary, Foundation CREF Funding II, LLC, a Delaware limited liability company ("**CREFII**") for the sourcing and purchase of short-term business loans commonly called "fix and flip" loans (collectively, "**STBLs**"). CREF and CREFII operate a commercial private lending business whereby they lend/originate short, intermediate, and long-term business loans for the purpose of financing purchase, remediation, and refinancing of one-to-four single family residential units, nationwide. CREF also owns and operates a pre-foreclosure and pre-MLS property auction portal. These businesses provided a source of desired assets for purchase as well as possible exit sources for these and other Real Estate Assets of the Company (e.g. possible sale of other real estate owned (REO) property owned by the Company). The Company entered in a number of transactions with CREF and CREFII, including various secured facility lines. However, following an assessment of the relationship in the second quarter of 2025, including the loss of key personnel at CREF, as well as the healthy pipeline of other transactions available to the Company, the Company decided to end its joint venture with CREF on account of the joint venture no longer offering the benefits it offered at the outset of the investment. As such, as of the date hereof, the Company no longer has any outstanding facilities or other transactions with CREF and/or CREFII.

Even though its relationship with CREF and CREFII may have ended, and the Company has no plans to reengage in the purchase of STBLs in the future, STBLs remain a potentially viable purchase option to address negative carry, should that situation arise in the future.

--Multifamily Transactions

On August 26, 2021, by and through a joint venture subsidiary of the Company, we purchased real property located at 1000 Montreal Road, Clarkston, GA 30021 (the "**Parc 1000 Property**") for $31,040,000, with debt financing of $27,268,000. Our initial contribution was $8,500,000 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are initially contemplated. The investment horizon is approximately nine (9) years from acquisition (extended from approximately three (3) years), provided however that there is no restriction on an earlier sale of the property following stabilization once the "value-add" improvements are completed. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025, an internal valuation of the Parc 1000 Property is $36,825,000, with debt outstanding of $25,163,008.

On April 26, 2022, by and through a joint venture subsidiary of the Company, we purchased real property located at 3799 N Decatur Road, Decatur, GA 30021, commonly called the "Brentwood Apartments" (the "**Brentwood Property**") for $24,180,000, with initial debt financing of $20,651,725. Our initial contribution was $7,605,627 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are contemplated. The investment horizon is approximately four (4) years from acquisition (extended by one (1) year), provided however that there is no restriction on an earlier sale of the property following stabilization once the "value-add" improvements are completed. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025, an internal valuation of the Brentwood Property is $25,000,000, with debt outstanding of $18,989,494, following a recent debt refinancing with a new lender.

On June 10, 2022, by and through a joint venture subsidiary of the Company, we purchased various real property located at 301 Highland Drive, Athens, GA 30605, 160 Elkview Drive, Athens, GA 30607, and 122 N Bluff Road, Athens, GA 30607 (collectively, the "**Athens Property**") for $44,590,000, with debt financing of $38,000,000. Our initial contribution was $15,050,000 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are contemplated. The investment horizon is approximately four (4) years from acquisition (extended by one (1) year), provided however that there is no restriction on an earlier sale of the property following stabilization once the "value-add" improvements are completed. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025, an internal valuation of the Athens Property is $63,500,000, with debt outstanding of $38,631,083. The Athens Property was refinanced in 2024 with the same lender.

On October 4, 2023, by and through a joint venture subsidiary of the Company, we partnered to purchase and develop 1.68+/- acre of permitted land located at 1418 Frontier Valley Drive, Austin, TX 78741 (the "**Frontier Valley Property**") for $21,745,000, with debt financing of $9,270,000. Our initial contribution was $11,726,038 with additional contributions possible as the Company may determine necessary. This is a "new construction" transaction whereby a 101-

unit residential building will be constructed with a portion of the units restricted to work force housing, in return for certain tax benefits. Construction began in late October, 2023 and was completed in 2025. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. The sale of the property is anticipated to occur, assuming favorable market conditions, within the next twelve months. As of March 31, 2025, an internal valuation of the Frontier Valley Property, as constructed at this time, is $25,150,000, with debt outstanding of $5,186,172.

On November 30, 2023, by and through a joint venture subsidiary of the Company, we purchased real property located at 5455 N Marginal Road, Cleveland, OH 44114, commonly called "The Shoreline" (the "**Shoreline Property**") for $27,800,000, with debt financing of $21,000,000. Our initial contribution was $7,310,000 with additional contributions possible as the Company may determine necessary. This is an "operational takeover" transaction whereby the primary opportunity rests in the taking over for subpar management of the property. The investment horizon is approximately three (3) years from acquisition, provided however that there is no restriction on an earlier sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025 an internal valuation of the Shoreline Property is $31,825,000, with debt outstanding of $21,000,000.

On December 21, 2023, by and through a joint venture subsidiary of the Company, we purchased real property located at 13900 Newton Street, Overland Park, KS 66233 commonly called "The Louis Overland Park" (the "**Louis Property**") for $44,340,000, with debt financing of $23,240,000. Our initial contribution was $8,000,000 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are contemplated. The investment horizon is approximately three (3) years from acquisition, provided however that there is no restriction on an earlier sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025 an internal valuation of the Louis Property is $55,400,000, with debt outstanding of $22,593,754.

On May 30, 2024, by and through a joint venture subsidiary of the Company, we purchased real property located at 5319 Nolensville Pike, Nashville, TN 37211 commonly called "Compass Vista" (the "**Compass Vista Property**") for $30,300,000, with debt financing of $23,660,000 (loan assumption). Our initial contribution was $6,500,000 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are contemplated. The investment horizon is approximately four (4) years from acquisition, provided however that there is no restriction on an earlier sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025 an internal valuation of the Compass Vista Property is $55,400,000, with debt outstanding of $23,660,000.

On July 16, 2024, by and through a joint venture subsidiary of the Company, we purchased real property located at 919 Aintree Park Dr, Mayfield, OH 44143 commonly called "The Village at Mayfield" (the "**Mayfield Property**") for $37,550,000, with debt financing of $29,900,000. Our initial contribution was $9,870,000 with additional contributions possible as the

Company may determine necessary. This is a "value-add" transaction whereby significant renovations are contemplated, including updates to kitchens, flooring and bathrooms. The investment horizon is approximately four (4) years from acquisition, provided however that there is no restriction on an earlier sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025 an internal valuation of the Mayfield Property is $45,850,000, with debt outstanding of $29,900,000.

On January 27, 2025, by and through a single entity subsidiary of the Company, we partnered to purchase and develop .17 +/- acre of permitted land located at 600 Cumberland Rd, Austin, TX 78704 (the "**Cumberland Property**") for $6,000,000. Additional equity and financing attributed to the land will occur in 2025. This is a "new construction" transaction whereby a 122-unit residential building will be constructed with a portion of the units restricted to work force housing, in return for certain tax benefits. Construction is set to begin in the latter half of 2025. As of March 31, 2025, an internal valuation of the Cumberland Property is $6,000,000.

On January 28, 2025, by and through a joint venture subsidiary of the Company, we purchased real property located at 4440 Roanoke Pkwy, Kansas City, MO 64111 commonly called "Infinity at Plaza West" (the "**Infinity Property**") for $29,290,000, with debt financing of $21,673,797 (loan assumption). Our initial contribution was $9,000,000 with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby significant renovations are contemplated, including updates to kitchens, flooring and bathrooms. The investment horizon is approximately three (3) years from acquisition, provided however that there is no restriction on an earlier sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property. As of March 31, 2025 an internal valuation of the Infinity Property is $32,125,000, with debt outstanding of $21,565,070.

On March 21, 2025, by and through a joint venture subsidiary of the Company, we partnered to purchase real property located at 5121 Yonah Way, Knoxville, TN 37918 commonly called "Highline at Knoxville Phase I" (the "**Highline Phase I**") for $38,060,000, with debt financing at $26,641,932. This is part of a build-to-rent project. Additionally, by and through the same joint venture, we partnered to purchase and develop an adjacent 25.60+/- acres of permitted land (the "**Highline Phase II**") for $5,690,000, with debt financing of $38,500,000. Our total contribution was $18,157,972 with additional contributions possible as the Company may determine necessary. Highline Phase I is a developed property and consists of 110 units, which units are in lease-up. Highline Phase II is a ground-up construction whereby an additional 151 units will be developed to conform to the units within the Highline Phase I. Vertical development of Highline Phase II began right after closing. As of March 31, 2025, an internal valuation of the Highline Phase I and Highline Phase II is $55,550,000 (inclusive of bare land), with debt outstanding of $65,141,932, which includes new construction financing for Highline Phase II, where values will not be updated from the initial purchase price of bare land until construction thereon is completed.

On April 30, 2025, by and through a joint venture subsidiary of the Company, we purchased real property located at 4401 W Deer Run Dr, Brown Deer, WI 53223 commonly called "The

Villas at Foxwood" (the "**Foxwood Property**") for $38,300,000, with debt financing of $24,159,000 Our initial contribution was $18,395,458, with additional contributions possible as the Company may determine necessary. This is a "value-add" transaction whereby only relatively slight renovations are contemplated. The investment horizon is approximately three (3) years from acquisition, provided however that there is no restriction on an earlier or later sale of the property. While there may be some cash flow to the Company prior to sale, it is anticipated that the bulk of the returns will come upon sale of the property.

Our Strategy

In implementing our business plan, we are adopting the following strategies:

- **Acquisition of Real Estate Assets** – We plan to acquire Real Estate Assets that will provide growth potential and higher risk adjusted returns:

    - Build our sourcing network to increase our access to various product types;
    - Build our relationship network to partner with best-in-class companies that will provide operating and economic benefits;
    - Diversify our product types to include commercial, performing, re-performing, non-performing, government sponsored programs, real estate owned ("**REO**"), and other Real Estate Assets aimed at providing stability in cyclical market conditions; and
    - Expand our business with a particular emphasis on leveraging the proprietary asset evaluation and selection processes of our partners.

- **Allocate Capital Effectively** – Allocating capital effectively is essential for optimizing the performance of a real estate company. We have developed an economic capital model that we use to quantify the amount of equity capital needed to support the activities of our business lines, and we assess the performance of those business lines based on their ability to generate returns commensurate with the capital employed. Using this strategy, we allocate our capital to the business lines that offer attractive risk-adjusted returns.

- **Improve Operating Efficiencies** – We continuously establish cost effective processes to better align with the performance of the Real Estate Assets.

- **Expansion of Operator Network** – We intend to expand our operator network to utilize their resources and skillsets to operate effectively and efficiently. For example, the Company will utilize third-party servicers to service the Real Estate Assets within regulatory requirements and emphasize our sales and trading functions.

The following is a description of our more significant targets for Real Estate Assets that we intend to acquire:

--Investments in Commercial Properties (residential multifamily properties)

The Company may engage directly or indirectly with companies that acquire commercial real estate properties with a focus on the following principles:

- Strategic acquisition and asset management of residential multifamily properties in emerging U.S. markets that offer solid job and economic growth;
- Target properties that represent excellent value-add opportunity with strong cash flows; and
- Add value to acquired properties by performing strategic exterior and interior unit upgrades that help to increase rents.

The Company seeks these types of investments because of the potential for appreciation of property value. The Company may attempt to structure these transactions as a secured or unsecured loan with equity component. In some instances, the Company is able to refinance its principal investment at approximately the third anniversary of its investment and recover most if not all its principal investment while retaining an equity ownership interest in the project. This allows the Company to redeploy its funds in additional investments that diversify its risk and yield new preferred returns while continuing to receive equity disbursements from cash flow and the eventual sale of the original project. The Company also seeks to experience a tax benefit from the property depreciation on each of these projects.

The Company will seek to make investments in joint venture companies or special purpose vehicles and or purchase apartment buildings or commercial real estate properties. The Company has relationships with various companies that acquire apartment buildings throughout the United States. The Company may participate in these acquisitions on both a lending and/or equity investment basis.

The Company generally acquires its apartment and commercial property deals as joint ventures with partners that have experience in the type of commercial property they are acquiring. In this manner, the Company can leverage the expertise of its partners while deploying its capital productively. The Company and its joint venture partners analyze the following physical characteristics in selecting their target acquisitions of apartments and commercial properties:

- Location of the property (e.g. strong metropolitan statistical area);
- Condition of property as compared to its surroundings i.e. low-grade property located in a great area may be more desirable than a high-grade property in a less desirable area;
- Number of units;
- Size and mix of units;
- Construction/condition of the property;
- Possible deferred maintenance;
- Proximity of property to quality commercial shopping areas;
- Average income of the demographic population in the area of the property; and/or
- Growth rate of the area.

The Company and its joint venture partners also analyze the following financial characteristics in selecting their target acquisitions of apartments and commercial properties:

- Current occupancy of the property;
- Turnover rate;

- Delinquency/bad debts;
- Rental rate statistics compared to area comparable rental rates;
- Net operating income presently generated by the property;
- Average expenses per unit;
- Ability to obtain debt to assist in purchase of property - average, good, or great debt;
- Calculation of estimated real estate tax increases subsequent to purchase of property;
- If renovations and updates are required, the level of achievable rent increases as compared to the required renovations; and/or
- Probable length of hold and possible exit strategies.

While these physical and financial characteristics will be weighted differently for each project, in general terms the more positive characteristics that a property exhibits the more desirable a target acquisition it is to the Company and its partners.

The Company and its joint venture partners generally perform due diligence reviews of each project that include, among other items, lease audits, review of property condition reports and cap-ex schedules, title searches and environmental reviews and studies.

Our investments in apartment buildings create unique accounting issues in that they are generally recorded as long-term assets on the balance sheet throughout our holding period. The preferred returns and quarterly distributions are often posted to the balance sheet. The cash received is not recognized as income and the Company does not realize a significant revenue event until the apartment building is sold, which can be several years after purchase. This lack of significant revenues along with annual depreciation during the holding period create a tax deferral for the Company which can have an adverse effect on our net profits and can lead to volatile results as we can experience significant increases in net profits until the apartment building is sold and we recognize the long-term gain and show significant increase in net profits.

--Residential Mortgage Notes – Acquired In-House

The Company may directly or indirectly acquire performing, non-performing and re-performing residential mortgage notes that present a potential economic upside. Assets are acquired in volume in order to achieve a discount in asset price. Assets acquired by the fund can be modified to improve value, held in our portfolio utilizing a servicer once re-performing for cash flow, or dispositioned as REO if vacant property or through the foreclosure process.

Recapitalization is realized through homeowner payments, cashout/payoffs, refinancing, short sales, individual or bulk note sales, or REO disposition.

--NPL/RPL Joint Ventures

The Company may enter into other joint ventures with third parties that have access to a supply of Real Estate Assets including non-performing and performing commercial or residential mortgage notes. For example, in certain instances, the Company will simply engage the joint venture partner to provide certain services, such as pre-selection of assets or to take advantage of that partner's existing relationships with mortgage sellers. If a joint venture entity is required to

be established to gain exposure to certain assets, in most instances, the Company wholly owns that joint venture and/or owns a majority of the joint venture entity to ensure that the Company controls the entity or at least 50% thereof. However, in some cases, the joint venture partner (e.g., a non-profit partner) must control the joint venture in order to qualify for government set asides for mortgage asset sales. Such set-asides are either in the form of auctions or direct negotiated trades not available to for-profits. For instance, U.S. Housing and Urban Development ("**HUD**") auctions hundreds of millions of dollars in distressed mortgage loans throughout the year. In the past, HUD established a set aside auction in which only non-profits or non-profit joint ventures were eligible to compete. These set-aside auctions had a limited number of participants, historically presenting an opportunity for the Company to serve as the financing party for such non-profit participants. In all, the Company has found these joint ventures to be a valuable resource for the Company in gaining access and exposure to desired mortgage assets.

Recently, due to a change in U.S. government administration policy, HUD has removed these set-aside auction opportunities. As such, unless HUD reverses its decision, any Company participation in future HUD auctions will be alongside other for-profit entities, and thus the Company will likely not be utilizing non-profit partners.

In the event of set-aside purchase opportunities, the Company may also extend loans to non-profit organizations that provide access to the supply of non-performing residential real estate mortgage notes. In these instances, the Company attempts to include various controls and protections in the loan agreements that restrict the use of the Company's loan proceeds to the purchase and/or management of non-performing residential real estate mortgage notes and protect the cash flow generated by these assets.

In certain joint venture arrangements, the joint venture may enter into third-party financing arrangements to purchase mortgage loans in HUD or other auctions. Such third-party financing arrangements will have typical market standard provisions benefiting the third-party financier, as senior lender to the Company, as applicable.

Regardless of the opportunity, in situations where the joint venture partner must control the joint venture and/or own the acquired mortgage loan, directly, the Company seeks control over and recourse to such mortgage assets of the joint venture using mechanisms other than traditional title ownership. However, either in the case of loans to non-profit organizations or joint ventures or equity contributions to joint ventures, if the controls and protections put in place in the various transaction documents fail to work as designed, then the Company can lose access to substantial amounts of capital. In addition, upon any liquidity event, or in the ordinary course of owning the non-performing residential real estate mortgage notes, cash flow generated by the asset will be received by the joint venture. If the joint venture partner prevents the distribution of these assets to the Company, then the Company may not have access to these assets.

--Secured Commercial Notes and Short-Term Business Loans

The Company may also find opportunities to originate and purchase commercial real estate mortgage notes through its joint venture partners. Commercial notes are for 1-4 family residential fix and flip loans, commercial development loans, condo conversions, and bridge loans. The short-

term business loans are located nationwide, with a 12–24-month term and are acquired outright from third party originators or via an established lending facility. They are typically held in the portfolio to maturity and are not traded or re-sold.

The strategies for acquiring short term business loans are to regulate and lower our cost of capital utilizing both private and institutional sources, as well as to potentially generate a positive return between the overall cost of capital and the interest rate of the notes.

An advantage of this strategy is that the regulation and compliance of commercial loans of any kind is generally much less stringent than that of residential mortgages. Commercial mortgages also usually have higher interest rates and shorter terms than residential mortgages.

While the Company has completed its joint venture with CREF and CREF II and has substantially reduced its participation in the acquisition of short-term business loans, it remains an investment strategy it might utilize in the future.

--Loans to Affiliated or Related Parties

The Company may extend loans to other entities, both affiliated and unaffiliated, in order to secure opportunities to purchase or otherwise acquire larger pools of notes and other Real Estate Assets, including vacant and other land for development thereon. In addition, in conjunction with the joint venture opportunities as described above, the Company may extend loans to affiliated companies. The loans will allow the Company to participate in the successful outcome of acquiring larger pools of notes with higher discounts and other Real Estate Assets, including vacant and other land for development thereon. The Company will perfect its interest in the loans with the notes pledged as security or other collateral, including guaranties where possible.

On June 1, 2023, in order to simplify operations across affiliated entities where Company loans were outstanding, assets of each of Partners for Payment Relief DE II, LLC, Partners for Payment Relief DE IV, LLC, Reliant Liquidity Fund, LLC and Partners for Payment Relief, LLC were acquired by the Company in a cashless transaction in whole or partial satisfaction of any such loans. To the extent of any deficit with respect to the balance of any outstanding loans to such affiliates and the value of related assets, such loan obligations owing to the Company were assumed by the Manager. The loan obligations were supported in part by a pledge of the economic value of its subordinated Class A Membership Interest as well as the economic value of any other to-be-issued Class A Interests or equivalent equity interests held by Manager in connection with the formation of any sister company to Company hereinafter formed.

--Related Party Transactions

As part of our strategy, the Company will attempt to structure transactions to ensure that its capital is segregated from the capital of other affiliated entities. Occasionally, the Company may bid on large pools of Real Estate Assets. The capital of affiliated funds may be pooled with the Company's funds in order to complete the purchase. In these instances, while the Company will attempt to allocate assets between the funds in an equitable manner and to segregate each fund's assets in a manner that permits each fund to receive the full economic benefit of each of its

non-performing residential real estate mortgage notes, there is no assurance that it will be able to do so.

Fundraising

Since inception through March 31, 2025, the Company has sold an aggregate of $57,395,000 of Class B Membership Interests (including approximately $1,990,000 of investments transferred by investors from an affiliated entity), an aggregate of $206,500,000 of Class C Membership Interests (including approximately $12,995,000 of investments transferred by investors from an affiliated entity), an aggregate of $8,231,339 of Class D Membership Interests, an aggregate of $15,880,000 of Class E Membership Interests, an aggregate of $47,775,215 of Class F Membership Interests (including approximately $800,000 of investments transferred by investors from an affiliated entity), and an aggregate of $211,575,946 of Class G Membership Interests (including approximately $3,740,000 of investments transferred by investors from an affiliated entity). The Company used a substantial amount of the net proceeds of these offerings to purchase Real Estate Assets.

Since inception through March 31, 2025, the Company paid the Class B Members aggregate Operating Preferred Returns of approximately $7,009,778, Class C Members aggregate Operating Preferred Returns of approximately $54,278,280, Class D Members aggregate Operating Preferred Returns of approximately $357,335, Class E Members aggregate Operating Preferred Returns of approximately $2,141,473, Class F Members aggregate Operating Preferred Returns of approximately $3,886,407, and Class G Members aggregate Operating Preferred Returns of approximately $22,088,970. As of March 31, 2025, there are accrued but unpaid Operating Preferred Returns of approximately $259,165 owed to Class B Members, accrued but unpaid Operating Preferred Returns of $11,394,789 owed to Class C Members, accrued but unpaid Operating Preferred Returns of $38,594 owed to Class D Members, accrued but unpaid Operating Preferred Returns of $1,023,315 owed to Class E Members, accrued but unpaid Operating Preferred Returns of $1,063,615 owed to Class F Members, and accrued but unpaid Operating Preferred Returns of $7,888,279 owed to Class G Members. As of March 31, 2025, there are outstanding Class B Membership Interests with a redemption value of approximately $4,955,000, Class C Membership Interests with a redemption value of approximately $30,785,000, Class D Membership Interests with a redemption value of approximately $435,000, Class E Membership Interests with a redemption value of approximately $00, Class F Membership Interests with a redemption value of approximately $15,540,000, and Class G Membership Interests with a redemption value of approximately $00. As of March 31, 2025, the assets of the Company consisted primarily of cash, loans receivable from related parties and direct and indirect ownership of Real Estate Assets.

For a description of the Company's assets and liabilities, see the Audited Financial Statements attached as Exhibit F to this Memorandum.

USE OF PROCEEDS

The Company intends to use all of the net proceeds of the this offering (the "**Offering**") for the following purposes: (1) to fund all expenses related to the completion of this Offering, including without limitation due diligence, legal fees and expenses and other costs and expenses; (2) to fund

operating expenses of the Company such as the purchase of insurance, office rent, utilities, purchase and leasing of office equipment, guaranteed payments to the officers and miscellaneous operating expenses such as utilities and office supplies; and (3) to purchase or lend money to other entities to facilitate the purchase of residential mortgage notes and other Real Estate Assets. Management's estimate of the use of proceeds, assuming completion of the entire Offering, is as follows:

Offering Expenses	$	**50,000**
Payment of Operating Preferred Returns	$	**1,000,000**
Working capital – Purchase of Real Estate Assets	$	**496,450,000**
General Administrative: Utilities, Insurance, Office Supplies, Leases, Dues.	$	**1,250,000**
Professional Fees for Note Workouts and Servicing	$	**1,250,000**
		$500,000,000

There can be no assurance that the Manager will not alter the use of proceeds set forth above to allow the Company to capitalize on market opportunities or to satisfy emerging operating requirements as they arise.

MANAGEMENT

The Manager

The Manager has the sole right to manage the business of the Company and to make any decisions with respect thereto. No Member, other than the Class A Member, shall take part in, or interfere in any manner with the management, conduct or control of the business and affairs of the Company and shall not have any right or authority to act for or bind the Company. The Manager shall be elected solely by the Class A Member. Accordingly, the Class B Members, Class C Members, Class D Members, Class E Members, Class F Members, Class G Members, Class J Members, Class K Members and Class M Members shall have no right to elect the Manager or vote for his removal and shall have no right to manage the Company. The number of Managers shall be one, or such other number as may be determined from time to time by the Class A Member. The Class A Member may remove any Manager at any time with or without cause. Partners for Payment Relief DE, LLC is currently the Manager.

The Manager does not presently charge the Company a management fee for its services. However, by and through its engagement of PPR Note Co., LLC ("**PPR**"), the Company has agreed to pay those expenses of PPR borne on behalf of the Company, as allocated thereto. For more details here, please see the section below entitled "Related Party Transactions." On and following January 1, 2025, PPR replaced this monthly pass-through expense structure with an annual fee structure, whereby a two percent (2%) annual fixed fee, payable monthly, is charged against the Company. For more details here, please see the section below entitled "Related Party Transactions - *PPR Note Co., LLC*".

Investment Committee

The Manager has established an investment committee to formalize short-to-long-term investment targets and allocations from year to year, given both external economic forces as well as shifting dynamics within the Company's targeted asset classes.

The investment committee meets quarterly or otherwise as needed, and is responsible for establishing allocation targets across asset classes (e.g. non-performing residential mortgage loans, commercial real estate, and short term business loans) as well as general investment benchmarks (whether it be "buy-box" features and identifiers, internal rate of return target ranges, as well as acceptable levels of debt etc.) that Company management can then use as it analyzes deals day by day. Other day-to-day committees shall also be informed of these periodic guideposts as they implement their functions (e.g. trade execution, management and analysis etc.) on behalf of the Company, as applicable.

Members of the investment committee are required to have the necessary financial literacy, including, without limitation, to be specialists in the markets for the above referenced asset classes as well as how such asset classes fit within the broader financial markets. The objective is to always have this investment committee operate at a visionary or high level, prospectively setting guides and targets to inform management and our lower level more day-to-day committees and operations. The investment committee is also designed to be in a position to change these targets and guidelines should it determine such changes are warranted, and to push this change throughout the organization and down to Company management.

Members of the investment committee are elected by the Manager's board and shall be at least three (3) individuals, including the chief executive officer of the Company, who shall have an automatic seat on the committee. Members of the investment committee need not be members of the board. Members of the investment committee as of the date hereof are Spencer Staples, John Sweeney and Stephen G. Meyer.

Actions of the investment committee are expected to be reasonably designed to meet the overall strategic objectives of the Company with respect to its investment decisions, with the flexibility and freedom to rely on information reasonably obtained thereby for professional advisors or otherwise.

Board of Directors

The Manager has also established a board of managers under the LLC Act to oversee and govern its affairs, as the Manager manages and oversees the affairs of the Company. The primary responsibility of the board, which we call the board of directors, will be that of overseeing processes and implementing best practices within the Manager as well as bringing other industry knowledge to bear as the Manager carries out its obligations herein and pursuant to the Operating Agreement.

For the avoidance of doubt, the board shall be that of the Manager, Partners for Payment Relief DE, LLC, and only thereby shall that oversight and governance indirectly manage and

oversee the affairs of the Company. Accordingly, the Manager and its roles and responsibilities under the Operating Agreement have not changed. However, the Manager of the Company now has a formalized board to oversee its operations, and is again, another organic outgrowth of how things are run currently.

The initial members of the board of the Manager were David Van Horn, John Sweeney and Robert Paulus, the owners of Holdings, and Stephen G. Meyer. However, because the purpose of the board is to allow the Company to benefit from best practices within the industry more broadly, the intention is to bring in members to the board from outside the organization over time. Thus, on or about March 2023, the Manager appointed Mitch Wienick to the board.

There have been a few changes to the board since August 7, 2024. Mitch has served the Manager well since his appointment in 2023, however his time on the board has ended and he has resigned. Moreover, John Sweeney has been appointed executive chairman of the board ("**Executive Chairman**"), with David Van Horn, the prior chairman, remaining just a regular board member with Robert Paulus and Stephen G. Meyer and John Sweeney. Their biographies are as follows:

Stephen "Steve" G. Meyer

Steve Meyer has over 30 years of experience in financial services, wealth management and technology. See his biography below under the subsection entitled "Officers".

John Sweeney

John Sweeney co-founded the business of PPR and its affiliates since their inception in 2007 alongside partners David Van Horn and Robert Paulus. He has worked in multiple capacities over the years as COO and VP of Acquisitions, and his extensive knowledge of the mortgage banking industry includes origination, underwriting, and loan closings from his experience as a mortgage loan originator. John holds a Bachelor's degree in Economics from Ursinus College.

Robert "Bob" Paulus

Bob co-founded the business of PPR and its affiliates since their inception in 2007 alongside partners David Van Horn and John Sweeney. He has worked in multiple capacities over the years as Director of Borrower Management and other capacities, with extensive experience managing a team of collections specialists and overseeing servicers of mortgage loans.

Prior to co-founding PPR and its affiliates, Bob spent over two decades owning and operating five successful franchises along with managing other real estate holdings. Bob is a member of the National Private Lenders Association and a graduate of Penn State University with a Bachelor's Degree in Economics.

David "Dave" Van Horn

Dave co-founded the business of PPR and its affiliates since their inception in 2007 alongside partners Robert Paulus and John Sweeney. Mr. Van Horn's expertise is derived from over 35 years of residential and commercial real estate experience as a licensed Pennsylvania realtor, investor, title company partner, and commercial fundraiser. Mr. Van Horn is also a co-founder of the Manager and has a deep understanding of the mission of the Manager, and by extension of the Company, to locate valuable non-performing residential mortgage loans, commercial real estate, and short-term business loans and extracting value therefrom as a store and generator of wealth. Mr. Van Horn is a graduate of West Chester University, holding a Bachelor of Science degree in Business Management. In addition to his role with the Company and the Manager, Mr. Van Horn's biggest passion is teaching others how to build and preserve wealth through his role as a national speaker, author, and investment blogger on BiggerPockets.com.

Officers

The Manager shall have the power to appoint officers to assist it in managing the daily operations of the Company, not delegated to PPR Note Co., LLC, as administrator, and its officers. For more information on the management of the Company, see the section below entitled "Summary of the Operating Agreement—Management of the Company." The officer[s] of the Company shall serve at the direction of the Manager and can be removed with or without cause. With the shift of John Sweeney to the role of Executive Chairman of the board of the Manager, the current officer[s] of the Company and relevant business experience is as follows:

Stephen "Steve" G. Meyer –Chief Executive Officer (CEO)

Mr. Meyer serves as Chief Executive Officer of the Company. His chief responsibilities include the oversight of the Company's strategic planning, business development, and fundraising functions, which shall also be assisted by the oversight functions of the board and the investment committee, as described above. Mr. Meyer has over 30 years of experience in financial services, wealth management and technology. Most recently he worked at SEI Investments Company, which is one of the Philadelphia area's largest publicly traded financial services company, ticker symbol SEIC ("**SEI**"). Mr. Meyer enjoyed a 29-year career at SEI where he was involved in many aspects of their financial servicing, technology and wealth management businesses, most notably building their IMS division from the ground up to the largest division at SEI. Mr. Meyer's latest role at SEI was Executive Vice President of SEI and President of SEI's Global Wealth Management Services, which included SEI's Private Banking and Investment Manager Services businesses, as well as SEI Family Office Services and the Global Regulatory Compliance platform. In his role, Mr. Meyer was responsible for driving the strategy of providing holistic investment operations and technology infrastructure solutions to investment and wealth managers globally. He also served as Chairman of SEI Investments–Depositary & Custodial Services (Ireland), as well as a board member of SEI Private Trust Company and SEI Institutional Transfer Agency. Qualified as a Certified Public Accountant, prior to SEI, Mr. Meyer also worked for the Vanguard Group and Coopers and Lybrand. He graduated with a degree in Accounting and Finance from La Salle University.

Robert "Bob" Paulus – Vice President

Bob co-founded the business of PPR and its affiliates alongside partners David Van Horn and John Sweeney. See his biography above under the subsection entitled "Board of Directors".

RELATED PARTY TRANSACTIONS

General

From time to time, the Company may use the services of businesses in which one or more of the officers of the Company have an ownership interest or other affiliation.

As described above, the Company will also extend loans to other affiliated entities to fund the acquisitions of Real Estate Assets.

The Manager and other affiliates of the Company may locate and negotiate joint ventures that the Company participates in. The Manager or such affiliates of the Company may serve in a general partner or similar managerial position in these joint ventures where it will be in a position to direct the operations and have input on major decisions regarding the operation of the joint venture. In exchange for these services, the Manager or such affiliates of the Company may receive fees, equity positions in the joint venture or the ability to make individual investments in the joint venture. Although the Company will not receive any of the fees, positions or investments, the Company believes that they will all be negotiated at arms' length and that the opportunity to participate in these joint ventures brought to the Company by the Manager and other affiliates of the Company and the protections provided by the Manager and other affiliates of the Company serving in such roles will be beneficial to the Company and outweigh the Company's lack of participation in such fees, positions or investments.

PPR Note Co., LLC

PPR Note Co., LLC ("**PPR**") is an administrative services company that performs administrative tasks for the Company and its affiliates, as overseen by the Manager with respect to the Company. These services include investor relations, human resources, finance, acquisitions, sale, asset and portfolio management services. In accordance with the administrative services agreement by and between the Company and PPR, prior to January 1, 2025, the Company paid a fee to PPR equivalent to the direct and shared expenses of the Company actually paid or incurred by PPR from time to time in connection with the provision of services to the Company. Where these expenses were shared (e.g. with affiliated funds managed by Manager), such expenses were allocated pro rata across such affiliated funds, including the Company, based on each fund's assets. On and following January 1, 2025, the Company replaced this fluctuating pass-through expense fee structure with a more traditional fixed fee structure. The fee is 2%, per annum, of assets under management, payable monthly. This fee is not an additional fee being charged to the Company but is simply replacing the prior fluctuating fee.

In accordance with the updated administrative services agreement and as a replacement of the prior fluctuating pass-through expense fee structure, PPR shall be paid a management fee of two percent (2%) per annum of the Company's assets under management as of the beginning of

each calendar month (the "**Management Fee**"), which Management Fee shall be calculated based on the total value of assets owned by the Company or its respective subsidiaries, including indirect subsidiaries, as of the first calendar day of the month, multiplied by 0.02, the result of which is then divided by 12. The Management Fee shall be paid on or about the 15th day of the calendar month or the next succeeding business day if the 15th occurs on a weekend or holiday (the "**Payment Date**"), as and when cash is available for distribution to the Investor Members in that month, and shall be payable up to the then cumulative outstanding Management Fee unpaid, as of the then Payment Date. If not paid in any given calendar month, all or any portion of the Management Fee that remains unpaid shall accrue until paid in full in accordance with the foregoing. For the avoidance of doubt, any and all cost and expenses, including all such supplies, equipment, materials, goods and services, borne by or otherwise provided by PPR on behalf of the Company shall be paid by PPR from the Management Fee, as long as it is charged.

Please note that the Company has reserved the right, under the amended administrative services agreement, to revert back to the prior fluctuating pass-through expense fee structure with PPR. However, a reversion back to the prior structure is not expected.

In terms of how this new substitute fee will appear in the audited financials going forward, instead of a line item labeled "administrative expenses" the line item may be entitled "management fee" or something similar. Again, for the avoidance of doubt, the Management Fee is not an additional fee being charged to the Company but is simply replacing the prior fluctuating fee.

PPR Capital Management, LLC

PPR Capital Management, LLC ("**PCM**") was established January 26, 2021, and is the 100% owner of PPR. PCM is owned 100% by the founders, David Van Horn, John Sweeney and Robert Paulus, by and through their wholly owned entities. As part of the rebranding project implemented in 2024, PCM is the outward facing entity involved in our marketing efforts, separate and apart from fundraising efforts of the Company and/or as a sponsor thereof, as applicable. For instance, PCM owns the website on which the Company's offering is hosted, as well as other intellectual property benefiting the Company. However, PCM's business purpose is broader than just benefiting the Company. As such, PCM may, from time to time, host other affiliated investment funds on its website, which funds may have a separate or similar investment mandate than that of the Company. Any such offering by an affiliated investment fund shall be made by such investment fund's separate offering documents.

TERMS OF THE OFFERING

Pursuant to this Memorandum, the Company is offering (the "**Offering**") up to $500,000,000 in Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, the offering of which expires July 21, 2025, and Class J Membership Interests, Class K Membership Interests and Class M Membership Interests (collectively, the "**Interests**"). The Company has set a minimum subscription by a Subscriber to this Offering of a Capital Contribution of $25,000 for Class D Membership Interests, a minimum Capital Contribution of $50,000 for Class F, Class G and Class J Membership Interests, a minimum Capital Contribution of $75,000 for Class K Membership Interests, and a minimum Capital Contribution of $100,000 for Class M Membership Interests. The Company may accept larger Capital

Contributions, in its sole discretion. Notwithstanding the foregoing and any provision herein to the contrary, the Company may accept lower minimums in connection with investments by employees of Company affiliates or otherwise, in its sole discretion. The Company intends to offer and sell the Interests to investors pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), provided in Rule 506 of Regulation D promulgated thereunder. The Company may take up to sixty (60) calendar days to from the date it receives all of the subscription documents and payment to process and accept a subscription and commence a Subscriber's investment. A Subscriber's Operating Preferred Return will not begin to accrue until the date that the Company completes processing the Subscriber's documentation and accepts the subscription.

Investor Members are entitled to be paid their Operating Preferred Return on a monthly basis. In lieu of receiving monthly payments during the term of his or her investment, an Investor Member may elect to defer such payments and permit the accrued Operating Preferred Return to compound on a monthly basis. If an Investor Member elects to defer payments of the Operating Preferred Return, then the Company will defer payment of the Operating Preferred Return which shall accrue and earn its own Operating Preferred Return, or "compound," in accordance with a compound schedule, samples of which are provided at Exhibit E.

Investor Qualifications.

Financial Suitability. In order to assure the Company of his or her financial suitability to purchase the Interests, a prospective investor will be required to make certain representations and warranties in the Subscription Agreement (attached as Exhibit A) and complete the Accredited Investor Verification Process described in Exhibit B, including that he or she is an accredited investor and is capable of bearing the economic risk of the investment, including the total loss of the investment.

Knowledge and Experience. In addition to requiring the satisfaction of the financial suitability standards, each prospective investor will be required to represent in the Subscription Agreement that he or she has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment in the Interests.

Investment Representations. The registration exemptions upon which the Company is relying for the offer and sale of the Interests requires that the Company obtain from Subscribers' certain representations regarding the acquisition and resale of the Interests. Accordingly, each purchaser will be required to represent in the Subscription Agreement that he or she is purchasing the Interests for his or her account only and not with a view to the resale or other disposition thereof or of any interest therein except in accordance with all applicable securities law requirements.

Subscription Agreement.

Each prospective purchaser of the Interests will be required to execute the Subscription Agreement. The Subscription Agreement contains numerous representations, warranties and covenants by the purchaser and indemnity obligations of the purchaser in the event that the

representations, warranties and covenants are breached. Upon the acceptance by the Company of the Subscription Agreement with respect to each purchaser, the Company will admit the Subscriber to the Company as a Class D Member, Class F Member, Class G Member, Class J Member, Class K Member or Class M Member, based on the Interest purchased.

Restrictions on Transfer.

The Interests have not been registered under the Securities Act or the securities laws of any state. The Interests are being offered and sold in reliance upon certain exemptions from the registration requirements of such laws, which depend, in part, on the intent of the purchasers not to make a distribution of the Interests. As a result, there are restrictions imposed by applicable securities laws upon the distribution and transfer of the Interests. The Company has no obligation, and does not intend, to register the Interests under the Securities Act or under any state securities laws or to take any action which would make available to a purchaser an exemption from the registration requirements of any such laws.

In addition, there are additional restrictions on the transfer of the Interests. No Member may sell, transfer or otherwise dispose of any Membership Interest held by such Member without obtaining the prior written consent of the Manager; provided however that under certain preconditions, transfers may be made during the lifetime of a Member to certain permitted transferees as further detailed in the Operating Agreement so long as such transfers are not during the last three (3) months of any given calendar year. In addition, even if the Manager consents to a transfer, it is highly unlikely that any market will exist for the Interests. Consequently, any holder of the Interests will need to negotiate a private transaction in order to transfer his, her or its Interests.

SUMMARY OF THE OPERATING AGREEMENT

All rights and obligations of the Members will be governed by the Operating Agreement, a copy of which is attached as Exhibit C to this Memorandum. Each prospective investor should read the Operating Agreement carefully with his, her or its advisors before making an investment in the Company. The following is a summary of certain provisions of the Operating Agreement and is intended only for general information. Capitalized terms used in this section but not otherwise defined herein shall have the meaning ascribed to such terms in the Operating Agreement.

Capital Accounts

A capital account will be established for each holder of Interests on the books of the Company. The initial capital account of a Member for the taxable year in which the Member was admitted to the Company will be the initial Capital Contribution made by the Member in the Company. Thereafter, the capital account will be adjusted to reflect allocations of profits and losses, distributions and any additional Capital Contributions made by the Member, as provided in the Operating Agreement.

Members

No Member shall be personally liable for any debt, obligation, or liability of the Company, whether that debt, obligation, or liability arises in contract, tort or otherwise. The Class A Members shall be entitled to vote on all matters presented to the Members. The Investor Members shall only be entitled to vote on matters related to the execution of collateral of the Company held with regard to real estate mortgage notes that occur during any period in which the Company has not paid an Operating Preferred Return to a Member after its due date. Upon the vote or approval by written consent of a Majority in Interest of the Investor Members voting as a group and not as separate classes, in any such instance the Manager and the Class A Member shall be obligated to take appropriate legal action as requested by the Investor Members solely with respect to such collateral. The Class A Member shall be the only Member entitled to vote on matters presented to the Members. Except as set forth above, the Investor Members shall not have any voting rights with respect to matters presented to the Members.

No Member acting solely in the capacity of a Member is an agent of the Company, nor can any Member acting solely in the capacity of a Member bind the Company or execute any instrument on behalf of the Company.

The Class A Member of the Company, Partners for Payment Relief DE, LLC ("**DE**"), is also the Class A Member of affiliated entities, including but not limited to Reliant Freedom Fund, LLC. In addition, the indirect owners of DE (i.e. David Van Horn, Robert Paulus and John Sweeney (or their subsidiaries)), are also the owners and/or members (direct or indirect) of PPR Opportunity Manager, LLC, PPR Opportunity Fund 1 – Clean Cars Equity, LLC, Reliant Holding Group, LLC, PPR Capital Management, LLC and/or other affiliates, which may own and/or operate other entities that provide administrative services and/or that invest in other mortgage and real estate purchasing businesses and joint ventures. The Class A Member and its direct and indirect owners shall be entitled to continue to own, operate and expand the aforementioned and other businesses and such ownership, operation and expansion shall not be a violation of the Operating Agreement or a breach of any fiduciary or other duty owed to the Company or any other Member. In addition, the Class A Member and its direct and indirect owners shall not be required to offer the Company or its Members the opportunity to participate in these and other similar businesses.

Management of the Company

The Manager has sole responsibility for the day-to-day management and control of the Company and all day-to-day aspects of its business. In the course of this management, the Manager may, among other things, enter into such agreements and employ such persons as he deems necessary for the operations of the Company. For example, as further described above, the Manager has delegated certain administrative tasks to PPR Note Co., LLC ("**PPR**"). No Member, other than the Class A Member, shall take part in, or interfere in any manner with, the management, conduct or control of the business and affairs of the Company and shall not have any right or authority to act for or bind the Company. The Manager shall be elected solely by the Class A Member voting alone as a class. The number of Managers shall be one, or such other number as may be determined from time to time by the Class A Member. The Class A Member may remove any Manager at any time with or without cause.

The Manager and officers of the Company at any time and from time to time may engage in and possess interests in other business ventures of any and every type and description, independently or with others, with no obligation to offer to the Company or any Member or Manager the right to participate therein.

A Manager or Officer shall not be personally liable for monetary damages (other than under criminal statutes and under Federal, state and local laws imposing liability on managers for the payment of taxes) for any action taken, or any failure to take any action, unless the conduct of the Manager or Officer constitutes self-dealing, willful misconduct or recklessness.

Officers shall receive such compensation, if any, for their services to the Company as may be designated from time to time by the Manager. The Manager and officers are also entitled to reimbursement for out-of-pocket costs and expenses incurred on the Company's behalf in connection with their service as a Manager or officer of the Company, including, but not limited to, costs and expenses incurred in connection with the organization and management of the Company and the offering of the Interests.

Allocations of Profits and Losses

In any taxable year, profits shall be allocated first to each Investor Member in an amount equal to the excess, if any, of the cumulative Operating Preferred Return distributions which each Investor Member has received over the cumulative items of income and gain allocated to each Investor Member, and second to each Class A Member to the extent of and in the reverse order of the aggregate amount of losses (if any) previously allocated to such Member until each Member has been allocated an aggregate amount of profits in the current and all prior years equal to the aggregate amount of losses allocated to such Member in the current and all prior years. Any remaining profits shall be allocated to the Class A Member. In accordance with regulations promulgated under the Internal Revenue Code, Investor Members who elect to defer receiving payment of their Operating Preferred Returns until the end of their investment term shall receive an allocation of income in the amount of each Operating Preferred Return as it is earned. Accordingly, each Investor Member that elects to defer payment of his or her Operating Preferred Returns will receive a K-1 statement from the Company for each taxable year that will report income equal to the amount of the Operating Preferred Returns that such Investor Member earned during that taxable year and was entitled to be paid.

In any taxable year, losses shall be allocated first to the Members to offset any Profits allocated to the Members in prior years until the aggregate amount of Losses allocated to the Members equals the aggregate amount of Profits previously allocated to them, and second to the Members in proportion to their positive capital account balances, until such capital account balances have been reduced to zero. Any remaining losses shall be allocated to the Class A Member.

Distributions

Net cash flow generated by the Company from its operations, if any, shall, if practicable, be distributed monthly, or at such times as the Manager may determine, first, to each Investor Member who does not elect to defer payment of his or her Operating Preferred Return, on a *pari passu* basis, to the extent of the excess, if any, of the cumulative Operating Preferred Return for such Investor Members for which the payment due date has occurred from the inception of the Company to the end of such month, over the sum of all prior distributions to such Investor Members in payment of the Operating Preferred Return. A *pari passu* basis means that a pro rata amount of the aggregate dollars available for distribution will be distributed to the Investor Members and that no Investor Member will receive a distribution in payment of Operating Preferred Return ahead of any other Investor Member. The balance of net cash flow generated by the Company from its operations, if any, shall be distributed to the Class A Member.

Net cash flow generated by the Company from a sale event or new financings shall, if practicable, be distributed monthly, or at such times as the Manager may determine, first, to each Investor Member on a *pari passu* basis, to the extent of the excess, if any, of the cumulative Operating Preferred Return for such Member for which the payment due date has occurred from the inception of the Company to the end of such month, over the sum of all prior distributions to such Member; second, to the Members on a *pari passu* basis between the Investor Members, in proportion to and to the extent of their Capital Contributions; and third to the Class A Member and to the extent of its Capital Contributions. The balance of net cash flow generated by the Company from a sale event or new or financings, if any, shall be distributed to the Class A Member.

Upon liquidation of the Company, its property will be distributed in the following order of priority:

- First, to the payment of debts, affiliated entity loans, and liabilities of the Company (other than loans or advances made by the Members to the Company) and expenses of liquidation;
- Second, to the establishment of reserves to cover unforeseen liabilities of the Company;
- Third, to the payment of outstanding Member loans or advances to the Company;
- Fourth, to the Investor Members, on a *pari passu* basis, to the extent of the excess, if any, of (i) the cumulative Operating Preferred Return for such Investor Members from the inception of the Company to the end of such year, over (ii) the sum of all prior distributions to such Investor Members in payment of the Operating Preferred Return;
- Fifth, to Investor Members, on a *pari passu* basis, in proportion to and to the extent of their Adjusted Capital Contributions;
- Sixth, to the Class A Member in an amount equal to the credit balance in its Capital Account, after giving effect to all contributions, distributions and allocations for all periods; and
- The balance, if any, to the Class A Member.

Liquidating distributions shall be made by the end of the Company's taxable year in which the Company is liquidated, or, if later, within ninety (90) days after the date of such liquidation.

Transfer Restrictions and Redemption Rights

No Member may sell, transfer or otherwise dispose of any Membership Interest held by such Member without obtaining the prior written consent of the Manager provided such transfer is made in accordance with the provisions of the Operating Agreement. In addition, in connection with "permitted transfers" as defined in the Operating Agreement, in order to lessen the administrative burden, the Manager has elected not to effectuate such "permitted transfers" during the last three (3) months of any given calendar year. As such, any family planning or other transfer requests to permitted transferees, as defined in the Operating Agreement, should be earlier in the year. In addition, the Company shall have the option to repurchase all of a Member's Membership Interests at any time after the occurrence of any of the following events: (i) death of an Investor Member; (ii) the transfer of any Investor Member's Membership Interests in violation of the Operating Agreement; (iii) the Membership Interests held by an Investor Member shall be attached, levied upon or executed against in connection with the enforcement of any lien or encumbrance or otherwise be transferred by operation of law (other than the laws of descent, distribution or inheritance); (iv) an order for relief against a Member shall be entered in an involuntary case under the Federal Bankruptcy Code, or a Member shall be adjudicated a bankrupt or insolvent, or an order shall be entered appointing a receiver or trustee for such Member's property or approving a petition seeking reorganization or other similar relief under the bankruptcy or other similar laws of the United States or any state or any other competent jurisdiction, or a Member shall file a petition, answer or other document seeking or consenting to any of the foregoing or otherwise seeking to take advantage of any debtor's act, or a Member shall make a general assignment for the benefit of his, her or its creditors; or (v) an order of a court of competent jurisdiction ordering the transfer of any Membership Interests of a Member to any third party including, but not limited to, a Member's spouse pursuant to a divorce decree or property settlement. The purchase price for a Member's Membership Interests upon exercise of such option by the Company will be the unreturned Capital Contribution of the Member plus any accrued but unpaid Operating Preferred Return due to the Member.

The Company has the option by delivering a written notice (a "**Redemption Notice**") to the Member at any time to force the redemption of his or her Membership Interests at a price equal to the Member's Capital Contribution plus any accrued but unpaid Operating Preferred Return on the date of redemption. The Company shall fix a date for the redemption which shall not be more than ten (10) days after the date of such notice, in the case of a forced redemption, or ninety (90) days after the date of such notice, in the case of other redemptions (the "**Redemption Date**").

In addition, at any time subsequent to the first anniversary of the date of its Capital Contribution, any Class B Member, at their own option, shall have the right to have the Company redeem their Class B Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the third anniversary of the date of its Capital Contribution, any Class C Member, at their own option, shall have the right to have the Company redeem their Class C Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the date which is six (6) months after the date of its Capital Contribution, any Class D Member,

at their own option, shall have the right to have the Company redeem their Class D Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the third anniversary of the date of its Capital Contribution, any Class E Member, at their own option, shall have the right to have the Company redeem their Class E Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the first anniversary of the date of its Capital Contribution, any Class F Member, at their own option, shall have the right to have the Company redeem their Class F Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the third anniversary of the date of its Capital Contribution, any Class G Member, at their own option, shall have the right to have the Company redeem their Class G Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the first anniversary of the date of its Capital Contribution, any Class J Member, at their own option, shall have the right to have the Company redeem their Class J Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the second anniversary of the date of its Capital Contribution, any Class K Member, at their own option, shall have the right to have the Company redeem their Class K Membership Interest by delivering a Redemption Notice to the Company. At any time subsequent to the third anniversary of the date of its Capital Contribution, any Class M Member, at their own option, shall have the right to have the Company redeem their Class M Membership Interest by delivering a Redemption Notice to the Company.

The Company shall fix a Redemption Date which shall not be more than ninety (90) days after the date of such notice. On the Redemption Date, the Company shall pay the Investor Member the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions as of the Redemption Date.

The Company shall also have the right to redeem a Member's Interests for the amount of its accrued but unpaid Operating Preferred Return plus the amount of its unreturned Capital Contributions upon the Member's death, or upon the occurrence of certain other events affecting the Member's ownership of the Interests.

Indemnification

The Company shall indemnify the Manager and any and all officers of the Company and any other person designated by the Manager against any liability incurred in connection with any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Company, its Members or otherwise in which such person may be involved as a party or otherwise by reason of the fact that the person is or was serving in such capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence or act giving rise to strict or products liability. Such indemnification will not be available if it is expressly prohibited by applicable law, where the conduct of the indemnified party has been finally determined to constitute willful misconduct or recklessness or to be based upon or attributable to the receipt by the indemnified party from the Company of a personal benefit to which the indemnified party is not legally entitled.

For additional information, please see the applicable section on indemnification in Operating Agreement of the Company.

Financial Statements and Tax Returns

The Manager shall make available to the Members annual financial statements of the Company within ninety (90) days after the end of each calendar year. The financial statements of the Company shall be unaudited, unless the Manager determines otherwise. The Manager shall cause to be prepared at least annually information necessary for the preparation of the Members' federal and state income tax and information returns. The Manager shall send or cause to be sent to each Member within ninety (90) days after the end of each taxable year (or ten (10) days before such later extension date, under the Code for filing individual income taxes), or as soon as practicable thereafter, such information as is necessary to complete such Member's federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for that year. The Manager shall cause the income tax and information returns for the Company to be timely filed with the appropriate authorities. Members who are not residents of the Commonwealth of Pennsylvania are required to file a Pennsylvania income tax return reporting all income earned in Pennsylvania. The Company will not be completing this filing on behalf of the Members. Subject to such standards as may be established by the Manager, Members shall have limited rights to inspect the books and record of the Company.

Termination of the Company

The Company will continue perpetually unless its existence is terminated sooner in the event of (i) the affirmative vote of the Class A Members holding at least 50% of the aggregate Class A Membership Interests; (ii) the entry of an order of judicial dissolution of the Company; (iii) the merger or consolidation of the Company with and into another entity where the other entity is the surviving company; or (iv) the sale of substantially all assets of the Company.

INCOME TAX ASPECTS

The following is a summary of some of the federal income tax consequences associated with the purchase of Class D Membership Interests, Class F Membership Interests, Class G Membership Interests, Class J Membership Interests, Class K Membership Interests or Class M Membership Interests. This entire summary is subject to updates based upon new law. This summary applies only to individuals who hold their investment in the Company as a capital asset. Other investors could be subject to different rules and should consult their own tax advisers. The rules pertaining to federal income taxation are constantly under review by the Internal Revenue Service ("**IRS**"), the Treasury Department, Congress and the courts. This Income Tax Aspects section is based upon the law as it exists on the date of this Memorandum, and such tax consequences may be affected by future legislation, regulations, administrative rulings or court decisions. Please note that major tax reform was approved by the United States Congress in the Tax Cuts and Jobs Act ("**TCJA**" or "**New Tax Act**") on December 22, 2017, some of which will affect the Company and is detailed herein. As with all new tax legislation, the IRS, through the issuance of regulations and rulings, is working on implementing this major tax legislation that affects both individuals and businesses. No prediction can be made as to the direction this

implementation could take, or of the likelihood of passage of any other new tax legislation or other provisions either directly or indirectly affecting the Company or any Member of the Company. Where the New Tax Act affects the Members of the Company, this will be pointed out in this Memorandum. Please note the Company has not sought a ruling from the IRS or any other Federal, state or local agency with respect to any of the tax issues affecting the Company, nor has it obtained an opinion of counsel with respect to any tax issues. YOU SHOULD INDEPENDENTLY CONSULT WITH YOUR TAX COUNSEL REGARDING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

In addition to the federal income tax considerations discussed below, ownership of Interests may subject an Investor Member to state, local, estate, inheritance or intangibles taxes that may be imposed by various jurisdictions. Except as specifically indicated below, the following discussion does not address the various tax implications of an investment in the Company by any corporations, partnerships, tax-exempt entities, trusts, and other non-individual taxpayers.

The Company will make a number of decisions with respect to the tax treatment of particular transactions on the Company's tax return. There can be no assurance that all of the positions taken by the Company will be accepted by the IRS. Such non-acceptance could adversely affect the Investor Members.

The following summary does not purport to deal with federal income tax consequences applicable to all categories of investors, some of which may be subject to special rules, and is not intended as a substitute for careful tax planning. ACCORDINGLY, IT IS RECOMMENDED THAT EACH INVESTOR INDEPENDENTLY CONSULT HIS OR HER PERSONAL TAX COUNSEL BEFORE INVESTING IN THE COMPANY.

IN CONSIDERING THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY, A PROSPECTIVE INVESTOR SHOULD KEEP IN MIND THAT THE COMPANY IS NOT INTENDED TO BE A SO-CALLED "TAX SHELTER." UNLESS OPERATIONS OF THE COMPANY RESULT IN ECONOMIC LOSSES, A RESULT NOT ANTICIPATED, THE OPERATIONS OF THE COMPANY ARE NOT EXPECTED TO GENERATE ANY MATERIAL TAX DEDUCTIONS FOR ALLOCATION TO THE MEMBERS. FURTHERMORE, THE OPERATIONS OF THE COMPANY MAY RESULT IN A MEMBER BEING TAXED ON INCOME, EVEN THOUGH THE MEMBER DID NOT RECEIVE A DISTRIBUTION OF CASH FROM THE COMPANY.

Partnership Classification

With certain limited exceptions, a limited liability company formed on or after January 1, 1997 that has two (2) or more members will be classified as a partnership for federal income tax purposes unless it makes an election to be treated as an association. The Company will have more than two (2) Members and will not elect to be treated as an association. Therefore, the Company should be treated as a partnership for federal income tax purposes and thus will be a pass-through entity. See "Pass Through of Income", below. However, if such classification were not respected and the Company was taxed as a corporation, the Company would have to pay tax

on the Company's income, reducing the amount of cash available for distribution to Investor Members, and Investor Members would not be able to deduct their share of any of the Company's losses should they occur. In addition, Investor Members would be taxed again at the time such Members receive distributions from the Company. Such a classification would adversely affect the after-tax return of Investor Members, especially if the classification were to occur retroactively. Furthermore, a change in the Company's tax status would be treated as a sale or exchange of each Investor Member's Interest by the IRS, which could give rise to additional tax liabilities.

Taxable Year

The Company has a calendar year tax year. The tax year of the Company is important because each Investor Member's share of the Company's deductions, tax credits, if any, income and other items of tax significance must be taken into account on such Investor Member's personal federal income tax return for his, her or its tax year ending within or with which the Company's tax year ends.

Pass Through of Income

As a pass-through entity, the Company itself will not be subject to federal income tax. Instead, each Member will be required to report on his, her or its own income tax return his, her or its share of the Company's taxable income or loss.

Substantially all of the Company's taxable income or loss for the foreseeable future will consist of interest income and revenue generated via completion of a successful exit strategy for notes (i.e., the sale of the Company's investment in such notes). Interest and capital gains are reported separately from trade or business income of the Company and retain the same tax characteristics when reported on each Investor Member's individual tax return. Principles discussed in more detail below limit or preclude the use of tax losses allocable to an Investor Member until, in the case of trade or business losses deemed to be passive losses, such time as such exit strategy has occurred. See "Limitations on Availability of Losses."

The amount of an Investor Member's share of taxable income for a year will not ordinarily be identical to the amount of his or her share of cash distributions. This is particularly true in cases where an Investor Member elects to defer payment of his or her Operating Preferred Returns. Accordingly, in a particular year, an Investor Member may be allocated taxable income without receiving a distribution of cash. Cash received by an Investor Member from the Company generally will not cause recognition of taxable income by an Investor Member but will reduce such Member's basis in his or her Interests. However, a distribution of cash in excess of an Investor Member's adjusted basis in his or her Interests immediately prior to the distribution will result in the recognition of taxable income to the extent of such excess. Any such taxable income generally will be treated as capital gain.

In addition, we anticipate that all taxable income allocated to Investor Members and gain from sales of interests in the Company or distributions in excess of tax basis, will be "net investment income" which may be subject to an additional 3.8% federal tax, in addition to ordinary income or capital gains tax. *See* "Net Investment Income Tax"

Tax Treatment of Company Investments

For tax purposes generally, the Company expects certain of its gains and losses from its various transactions, including those of its subsidiaries, will be capital gains and capital losses. These capital gains and losses may be long-term or short-term depending, in general, upon the length of time the Company maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one (1) year generally will be eligible for long-term capital gain or loss treatment. Finally, the Company may realize ordinary income from accruals of interest.

The maximum ordinary income tax rate for individuals is thirty-seven percent (37%) and the maximum individual income tax rate for long-term capital gains is twenty percent (20%). The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of $3,000. For corporate taxpayers, there is no separate capital gains rate. However, the New Tax Act reduced the maximum income tax rate from thirty-five percent (35%) to twenty-one percent (21%). Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three (3) years (subject to certain limitations) and carried forward five (5) years.

Market Discount

The Company intends to buy mortgages at a significant discount from their stated principal amounts. As a result, the mortgages will be treated as having "market discount" equal to the difference between the purchase price for the mortgages and their stated principal amounts. This "market discount" will accrue ratably over the remaining life of the mortgages, and any accrued market discount with respect to a mortgage will be taxed as ordinary income when that mortgage is sold. Thus, a significant portion of a Member's taxable income from the sale of mortgages, as well as from mortgage interest payments, may be taxed as ordinary income, rather than capital gains.

Net Investment Income Tax

To the extent the Company (and thus a Member) has income from investments, the individual may be subject to net investment income tax. Effective Jan. 1, 2013, individual taxpayers became liable for a 3.8 percent Net Investment Income Tax on the lesser of their net investment income, or the amount by which their modified adjusted gross income exceeds the statutory threshold amount based on their filing status.

The statutory threshold amounts are:

- Married filing jointly — $250,000;
- Married filing separately — $125,000;
- Single or head of household — $200,000; or
- Qualifying widow(er) with a child — $250,000.

In general, net investment income includes, but is not limited to: interest, dividends, capital gains, rental and royalty income, and non-qualified annuities. Net investment income generally does not include wages, unemployment compensation, Social Security Benefits, alimony, and most self-employment income. Additionally, net investment income does not include any gain or income excluded from gross income for regular income tax purposes. To the extent any gain or income is excluded from gross income for regular income tax purposes, it is not subject to the Net Investment Income Tax.

If an individual owes the net investment income tax, the individual must file Form 8960. Form 8960 Instructions provide details on how to figure the amount of investment income subject to the tax.

Limitations on Availability of Losses

Tax Basis Rules

Although the Company is not intended to provide material tax benefits to the Members, if the Company incurs a net taxable loss in any year, a Member will only be able to deduct a portion of the taxable loss on his or her individual tax return to the extent (a) such loss may properly be allocated to such Member (as discussed above), (b) such Member has a sufficient tax basis to deduct such loss, (c) such Member has a sufficient amount "at risk" with respect to the Company, and (d) such loss is not suspended under the passive activity rules. The "at risk" and "passive activity" rules are discussed in more detail below.

A Member's tax basis for his or her Interests generally will be equal to the amount of cash and the adjusted basis of other property contributed by him, her or it to the Company, increased by the Member's share of any Company liabilities and by taxable income allocated to the Member, and decreased by the amount of losses allocated to him, her or it and cash distributed to him, her or it. Subject to the limitations discussed below, each Member may deduct on his, her or its federal income tax return his, her or its share of the Company's taxable losses, if any, to the extent that he, she or it has basis in his, her or its Interests. Any tax loss in excess of a Member's tax basis may be carried over indefinitely and may be deducted in future years to the extent that the Member's basis has increased above zero.

At-Risk Rules

A Member who is an individual, an S Corporation, or a closely-held C Corporation (*i.e.*, in which five (5) or fewer shareholders directly or indirectly own more than 50% of the stock) must be "at risk" with respect to its investment in the Company in order to deduct the losses and deductions generated by the Company. A Member generally will be considered "at risk" to the extent of the cash and adjusted basis of other property contributed to the Company, as well as any borrowed amounts contributed to the Company with respect to which such Member has personal liability for payment from his or her own assets.

Passive Activity Rules

The passive activity rules are designed to prevent taxpayers from using losses from "passive" activities to offset income from certain other sources, including "active" business income. Whether a particular Member's share of the income or loss of the Company will be characterized as "passive" may depend on his or her personal circumstances. To the extent a Member's interest in the Company is treated as an interest in a passive activity, that Member's allocable share of losses from the Company would only be deductible against the Members' passive income from other investments, and would not be deductible against such Member's income from other non-passive sources, including salary income, income from an active trade or business and income from a portfolio of individual assets. Losses suspended under the passive activity rules may be carried forward indefinitely and used to offset passive income earned in future years or deducted when such Member disposes of his or her interest in the Company. It is not expected that an investment in the Company by an Investor Member will be subject to the passive activity loss limitations.

Investment Expense Deduction.

To the extent any of the expenses of the Company allocated to the Investor Members are determined to be (and are separately stated as) investment expenses, such expenses will not be deductible to Investor Members that are not C corporations. Such expenses were previously deductible as miscellaneous itemized deductions. However, the New Tax Act disallowed all miscellaneous itemized deductions.

Investment Interest Expense Deduction

The amount of investment interest expense that can be deducted in a given year by an Investor Member is capped at his, her or its net taxable investment income for the year. Any leftover investment interest expense gets carried forward to the next year and potentially can be used to reduce taxes in the future. Investment income includes ordinary dividends and interest income but does not include investment income taxed at the lower capital gains tax rates, like qualified dividends or municipal bond interest which is not taxed.

Organization and Offering Expenses

The Company will incur expenses in connection with its organization and this Offering. The Code requires that certain of these organization expenses be capitalized. The Company intends to elect to amortize over one hundred and eighty months as much of these expenditures as qualify as "organizational expenses" as defined in the Code. Offering expenses, including attorneys' fees allocable to the preparation of this Memorandum, and any expenses incurred in connection with the Offering of Interests to the Members, will be capitalized permanently, and no deduction will be obtained by the Company with respect to such expenses. The IRS may challenge the amount of expenses that the Company treats as "organizational expenses," and/or attempt to recharacterize other payments as non-deductible offering or syndication expenses.

Alternative Minimum Tax (AMT)

The New Tax Act completely repealed the corporate AMT. As such, Members that are taxed as corporations (other than S corporations) will not be concerned with the impact of an investment in the Company on AMT.

Non-corporate taxpayers are subject to an alternative minimum tax to the extent the tentative minimum tax ("TMT") exceeds the regular income tax otherwise payable. The rate of tax imposed on alternative minimum taxable income ("AMTI") in computing TMT is 26% and 28%. AMTI consists of the taxpayer's taxable income, as adjusted under Sections 56 and 58 of the Code, plus the taxpayer's items of tax preference, reduced by the applicable exemption amount for such taxpayer, which exemption amount is phased out for taxpayers above a certain income level (i.e., phase out thresholds). The Company will not be subject to the alternative minimum tax, but each Member is required to take into account on that Member's own tax return his or her share of the Company's tax preference items and adjustments in order to compute alternative minimum taxable income. Since the impact of this tax depends on each Member's particular situation, Members are urged to consult their own tax advisors as to the applicability of the alternative minimum tax with respect to an investment in the Company.

The New Tax Act increases the exemption amount threshold to $109,400 for married taxpayers filing a joint return (half this amount for married taxpayers filing a separate return), and $70,300 for all other taxpayers (other than estates and trusts) for tax years beginning after December 31, 2017, and beginning before January 1, 2026. It also increases the phase-out threshold to $1,000,000 for married taxpayers filing a joint return, and $500,000 for all other taxpayers (other than estates and trusts) beginning after December 31, 2017 and beginning before January 1, 2026.

THE AMOUNT OF ANY ALTERNATIVE MINIMUM TAX DEPENDS UPON THE TOTAL INCOME LIABILITY OF THE TAXPAYER. EACH MEMBER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR TO DETERMINE THE EFFECT OF THE ALTERNATIVE MINIMUM TAX ON HIS OR HER INVESTMENT IN THE COMPANY.

Disposition of Class D, Class F, Class G, Class J, Class K or Class M Membership Interests

Upon the sale or exchange of all or some the Class D Interests, Class F Interests, Class G Interests, Class J Interests, Class K Interests or Class M Interests or upon the redemption of such Class D Interests, Class F Interests, Class G Interests, Class J Interests, Class K Interests or Class M Interests by the Company, if held by the Investor Member as a capital asset for more than twelve (12) months, will result in recognition of long-term capital gain or loss, except for such Investor Member's share of the Company's ''Section 751 assets'' (*i.e.* inventory items and unrealized receivables). ''Unrealized receivables'' includes any right to payment for goods delivered, or to be delivered, to the extent the proceeds would be treated as amounts received from the sale or exchange of non-capital assets, services rendered or to be rendered, to the extent not previously includable in income under the Company's accounting methods, and deductions previously claimed by such Investor Member for depreciation, depletion and Mining and Exploration Costs with respect to the Company. ''Inventory items'' includes property properly includable in inventory and property held primarily for sale to customers in the ordinary course of business and any other property that would produce ordinary income if sold, including accounts receivable for goods and services.

These tax items are sometimes referred to as ‘‘Section 751 assets.’’ All of these tax items may be recaptured as ordinary income rather than capital gain regardless of how long an Investor Member has owned the Interests. Moreover, due to the operation of Code Section 751, an Investor Member may recognize both ordinary income and a capital loss on the disposition of the same Class D Interest, Class F Interest, Class G Interest, Class J Interest, Class K Interest or Class M Interest even if the Class D Interest, Class F Interest, Class G Interest, Class J Interest, Class K Interest or Class M Interest is disposed at a loss.

If an Investor Member dies, or sells or exchanges all of his, her or its Interests, the tax year of the Company will close with respect to such Investor Member, but not with respect to the remaining Members, and on the date of death, sale or exchange, and there will be a proration of partnership items for the Company’s tax year. If an Investor Member sells less than all of his, her or its Interests, the Company’s tax year will not terminate with respect to such Investor Member, but such Investor Member’s proportionate share of the Company’s items of income, gain, loss, deduction and credit will be determined by taking into account such Investor Member’s varying interests in the Company during the tax year.

You are urged to seek advice based on your particular circumstances from an independent tax advisor before any sale or other disposition of your Class D Interests, Class F Interests, Class G Interests, Class J Interests, Class K Interests or Class M Interests, including any redemption of your Class D Interests, Class F Interests, Class G Interests, Class J Interests, Class K Interests or Class M Interests by the Company.

Company Tax Audits

There is a possibility that, either in the normal course or pursuant to its audit guidelines, the IRS will audit the information returns filed by the Company. An audit could result in the disallowance of certain deductions taken by the investors. In addition, an audit of the Company could lead to an audit of an investor’s personal tax return with respect to non-Company items.

The expense of any audit of the Company by the IRS (and by any other taxing authority) will be borne by the Company and not by the Members. All costs of any audit of any Member’s return, including any subsequent administrative or court proceedings, will be borne by the Member individually. If a tax deficiency is determined with respect to the return of a Member for any year, the Member will be liable for interest on such deficiency from the due date of the return at the rate set by the IRS on a quarterly basis in accordance with Section 6621 of the Code and may be subject to penalties for underreporting of income and failure to pay tax.

The Code imposes detailed procedures for the auditing of partnerships for federal income tax purposes. These provisions require that the proper tax treatment of partnership items of income, gain, loss, deduction, preference item, and credit must be determined at the partnership level in unified administrative and judicial partnership proceedings rather than in separate proceedings conducted by each partner.

A centralized partnership audit regime is in effect that requires the Company to designate a person, whether or not an owner of an interest in the Company, as the "partnership representative"

(referred to herein as the "**Company Tax Representative**") to take the place of the Tax Matters Partner under the former regime that was in existence before 2018. Although the Company Tax Representative will have more powers with respect to the Company audit matters and potentially less accountability to the Members of the Company than the Tax Matters Partner did under the former audit regimen, the Company's Operating Agreement requires the Manager to keep the Members informed of all matters affecting their Interests. The biggest change implemented by this new audit regime is that that any adjustment to items of income, gain, loss, deduction, or credit of a partnership (i.e., the Company) for a partnership tax year (and any partner's (i.e., Investor Member's) distributive share thereof) shall be determined, and any tax attributable thereto shall be assessed and collected, at the partnership level. In addition, the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to any such item or share shall also be determined at the partnership level. The prior audit regime had these adjustments occurring at the individual level, which meant that each Member of an LLC taxed as a partnership (such as the Company) would have to have amended their own personal returns. Because of the new regime, although the Manager will keep Members reasonably apprised of all audit matters, no Member will have the ability to personally contest an adjustment to his or her tax return. Additionally, all amounts collected by the IRS from the Company under the new regime likely would have to be paid prior to distributions to the Members, thus possibly delaying, or in some cases eliminating, distributions that otherwise would have been made to Members, including the Investor Members. Because of these significant procedural changes (which may have substantive tax consequences on Members), each potential Investor Member is urged to consult with his or her personal tax advisor.

Tax-Exempt Members

In general, Members that are otherwise exempt from federal income taxation pursuant to Section 501(a) of the Code ("**Tax-Exempt Investors**") are subject to taxation with respect to any unrelated business taxable income ("**UBTI**"). Under Section 512(c) of the Code, when computing UBTI, a Tax-Exempt Investor must include its distributive share of income of any partnership of which it is a partner to the extent that such income would be UBTI if earned directly by the Tax-Exempt Investor.

UBTI is generally defined as gross income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the Member is a partner) less the deductions directly connected with that trade or business. Subject to income earned through conducting a U.S. trade or business and to the discussion of the "unrelated debt financed income" below, UBTI generally does not include interest, most real property rents or gains from the sale, exchange, or other disposition of property (other than inventory or property held primarily for sale to customers in the ordinary course of a trade or business), but does include operating income from businesses owned directly or through a "flow-through" entity for U.S. federal income tax purposes.

If a Tax-Exempt Investor's acquisition of an interest in the Company is debt-financed, or the Company incurs "acquisition indebtedness" with respect to an investment, then all or a portion of the income attributable to the debt-financed property will be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interests, rents, gain or loss from

sale of eligible property or similar income. Such treatment will apply, in the case of ordinary income, only in tax years in which the Company had acquisition indebtedness outstanding or, in the case of a sale, if the Company had acquisition indebtedness outstanding at any time during the twelve (12) month period prior to the sale.

In addition, UBTI can be realized through an acquisition, development, and disposition strategy whereby the Company would be treated as a "dealer" with respect to all or part of the assets in which it invests. In this case all the gain from the disposition of such assets generally would be UBTI (subject to a limited exception for gain from the sale of certain real estate assets acquired from insolvent financial institutions). Because the Company expects to incur "acquisition indebtedness" with respect to certain investments, Tax-Exempt Investors will likely recognize UBTI with respect to an investment in the Company. In addition, the loan programs and some of the direct acquisitions of real property may constitute a U.S. trade or business.

There can be no assurance that the Tax-Exempt Investors will not incur UBTI with respect to any investment. Accordingly, Tax-Exempt Investors are urged to consult with their own tax advisors regarding the possible consequences of an investment in the Company.

TAX-EXEMPT INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING ALL ASPECTS OF UBTI.

For those investors concerned with exposure to UBTI, please consider requesting offering documents for Reliant Freedom Fund, LLC, a Delaware limited liability company, which may be requested by contacting our Investor Relations team at investor.relations@pprcapitalmgmt.com.

State and Local Taxes

In addition to the federal income tax aspects described above, Investor Members should consider potential state and local tax consequences of an investment in the Company. For example, an Investor Member who is not a resident of the Commonwealth of Pennsylvania is subject to a tax on all income earned from the Company and a potential income tax return filing requirement in the Commonwealth of Pennsylvania. Each potential Investor Member is advised to consult with his or her own tax advisor to determine if the state or locality in which he or she is a resident imposes a tax upon his or her share of the income or loss of the Company. To the extent that a non-resident investor pays tax to a state or locality by virtue of operations within that state or locality, the investor may be entitled to a deduction or credit against tax owed to the investor's state or locality of residence with respect to the same income and should consult with his or her tax advisor in this regard. In addition, the Company may be required to withhold state taxes from distributions to the Investor Members in some instances.

INVESTOR SUITABILITY STANDARDS

A purchase of Interests in the Offering involves a high degree of risk and is not a suitable investment for all potential investors. See "Risk Factors." The offer and sale of Interests are exempt from registration under the Securities Act and applicable state securities laws pursuant to exemptions therein. Accordingly, the Interests are being offered by the Company to persons who meet the suitability standards set forth below and in the Subscription Agreement. An investment

in the Interests is suitable only for accredited investors who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in an investment of this type. In order to satisfy the suitability standards, each prospective purchaser will be required to represent to the Company, among other things, that he or she meets each of the following requirements: (a) he, she or it is an accredited investor as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, (b) he, she or it has the requisite knowledge or has relied upon the advice of his or her own professional adviser with regard to the financial, business, tax and other considerations involved in making such an investment, and (c) he, she or it is acquiring the Interests for investment only and not with a view to resale or distribution thereof. Sales of Interests will be made only to persons who the Company has reasonable grounds to believe immediately prior to sale, and upon making reasonable inquiry, by reason of their business or financial experience, have the capacity to protect their own interest in connection with the Offering. The Company has the unconditional right to reject any subscription.

IF THE COMPANY IS INCORRECT IN ITS ASSUMPTION AS TO THE CIRCUMSTANCES OF A PARTICULAR PROSPECTIVE INVESTOR, THEN THE DELIVERY OF THIS MEMORANDUM TO THAT PROSPECTIVE INVESTOR SHALL NOT BE DEEMED TO BE AN OFFER, AND THIS MEMORANDUM SHALL BE RETURNED TO THE COMPANY IMMEDIATELY.

THE SUITABILITY STANDARDS DISCUSSED ABOVE REPRESENT MINIMUM SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD DETERMINE WHETHER AN INVESTMENT IN THE COMPANY IS APPROPRIATE IN THAT INVESTOR'S PARTICULAR CIRCUMSTANCES.

ADDITIONAL INFORMATION

The summaries of, and references to, various documents in this confidential offering memorandum, including all exhibits attached hereto (this "**Memorandum**") do not purport to be complete and in each instance reference should be made to the copy of such document which is either an exhibit to this Memorandum or which will be made available to potential investors and their professional advisers on request. During the course of the Offering, the Company will answer questions from prospective investors and their professional advisers concerning the Company and the terms and conditions of the Offering and will, on request, make available to such persons, any additional information, to the extent the Company possesses such information and it can be provided without substantial expense, which is necessary to verify the accuracy of the information contained in this Memorandum or otherwise furnished by the Company or which a prospective investor or his or her professional advisers desire in evaluating the merits and risks of an investment in the Interests.

Prospective investors should retain their own professional advisers to review and evaluate the economic, tax and other consequences of ownership of the Interests and are not to construe the contents of this Memorandum or any other information furnished by the Company, as investment, legal, accounting or tax advice.

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