

R&N FARMING 2, LLC

CONFIDENTIAL DISCLOSURE MEMORANDUM

June 6, 2023

Offering Amount: \$2,169,000
Minimum Investment: \$15,000

Please direct all inquiries relating to the information contained
in this Disclosure Memorandum or any of the other Subscription Documents to
AcreTrader Financial, LLC, the placement agent,
via email to info@acretrader.com, or call 888.958.1470

STRICTLY PRIVATE AND CONFIDENTIAL

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SUBSCRIPTION INSTRUCTIONS

Interests in R&N Farming 2, LLC (the “**Interests**”) may be purchased by accredited investors approved by the Company. Prospective investors who would like to purchase Interests must read carefully these confidential offering materials (these “**Offering Materials**”) and the attachments hereto. Prospective investors must initially complete, execute, and deliver the Subscription Agreement on the website located at www.acretrader.com (the “**Platform**”), to AcreTrader Financial, LLC (“**AcreTrader**”) and provide funds via wallet on the Platform or ACH to North Capital Private Securities (the “**Escrow Agent**”). Upon acceptance of the prospective investor’s Subscription Agreement by the Company, the Company will direct investors to provide additional information and execute various additional documents on the Platform. Please use the following checklist to ensure submission of a complete subscription package.

1. Disclosure Memorandum

Carefully review the Disclosure Memorandum, which begins on Page 2, and consult with your independent financial, tax and legal advisors regarding an investment in the Company.

2. Subscription Agreement and LLC Agreement

Carefully review, complete and confirm the accuracy of each of the statements in the Subscription Agreement located on the Platform. Execute and deliver the investor counterpart signature page to the Subscription Agreement via the Platform, which also serves as the signature page to the Amended and Restated Limited Liability Company Agreement (the “**LLC Agreement**”) for the Company, also available on the Platform. A copy of your fully executed Subscription Agreement will be available to you via your Dashboard on the Platform following its acceptance and execution by the Company. The fully executed LLC Agreement for the Company will be available to you via the Platform as well.

3. Additional Verification Documents and Information

Upon receipt of the prospective investor’s Subscription Agreement by the Company, the Company will direct investors to provide additional information and execute various additional documents on the Platform. Please promptly provide any such information or documentation upon request.

4. Subscription Amount

Please follow the instructions found on the Platform for submitting your subscription amount through secure channels. Your funds, once received via wire or ACH, will be transmitted to the Escrow Agent where they will be held in escrow until your subscription is accepted and the closing occurs.

Until the acceptance, execution and delivery of the Subscription Agreement by the Company, no subscription offer will be deemed accepted. The Company has the unconditional and exclusive right, in its sole and absolute discretion, prior to the closing of the sale of the Interests, to accept or reject, in whole or in part, any subscription offer. If the Offering is over-subscribed, then the Company has the right to reduce the amount of the investor's subscription offer or reject it in its entirety.

DISCLOSURE MEMORANDUM

This Disclosure Memorandum sets forth certain documents and information describing R&N Farming 2, LLC (the “**Company**”), the agricultural assets and property under contract and anticipated to be acquired by Company, the Project, the Company’s acquisition, operation and disposition strategy for the Project, and certain risks related to the Project and an investment in the Company. This Disclosure Memorandum does not purport to contain all the information you may need to make an investment decision. Consult your legal counsel, accountants and other advisors, and carefully review and consider this entire Disclosure Memorandum and its attachments, as well as the Subscription Agreement (collectively, the “**Subscription Documents**”), before purchasing any Interests.

INVESTMENT IN THE COMPANY INVOLVES A HIGHER DEGREE OF RISK THAN THAT ASSOCIATED WITH MANY OTHER INVESTMENT ALTERNATIVES. AN INVESTMENT IN THE COMPANY IS NOT AN APPROPRIATE INVESTMENT FOR ANYONE UNABLE TO BEAR THE RISK OF LOSING A SUBSTANTIAL PART OF THEIR INVESTMENT OR REQUIRING LIQUIDITY, AND SHOULD NOT BE VIEWED AS A COMPLETE INVESTMENT PROGRAM. SEE “RISK FACTORS.”

THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE SECURITIES LAWS, AND ARE BEING OFFERED ANY SOLD TO INDIVIDUALS WHO ARE ACCREDITED INVESTORS IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER SECTION 4(A)(2) OF THE SECURITIES ACT AND RULE 506(C) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT AND EXEMPTIONS FROM APPLICABLE STATE SECURITIES LAWS.

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

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. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

CONFIDENTIALITY

Acceptance of this Disclosure Memorandum constitutes an agreement by the recipient and each of its representatives to maintain the confidentiality of all information contained herein (including any exhibits) and in any materials provided in connection with this Offering. Reproduction of this Disclosure Memorandum or other offering materials is strictly prohibited. Notwithstanding the foregoing, Investors (and each of their representatives) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the investment described in this Disclosure Memorandum and all materials of any kind that are provided to the Investors relating to such tax treatment and tax structure.

IMPORTANT NOTICES TO INVESTORS

The information contained in this Disclosure Memorandum, and each of the documents comprising the Subscription Documents, is accurate only as of the dates respectively first set forth herein and therein, regardless of the time of delivery of this Disclosure Memorandum or of any sale of any Interests. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Disclosure Memorandum. This Disclosure Memorandum is summary in nature and should only be read in conjunction with the Subscription Documents. Neither the delivery of this Disclosure Memorandum nor any sale made in connection with the Offering shall, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof. No person should purchase Interests without having carefully reviewed this Disclosure Memorandum, any amendments or supplements hereto, the Subscription Agreement and all other Subscription Documents.

The Company obtained the industry, market and competitive position data used throughout this Disclosure Memorandum from its research, studies conducted by third parties, independent industry associations or general publications and other publicly available information. The Company and Trinity Agri Management, LLC (the "**Manager**") make no representations or warranties about the accuracy of any of this information or data or the conclusions reached in these third party studies. Industry experts may disagree with these assumptions and with the Manager's view of the market and the prospects for the Company and the Project. Investors may wish to conduct your own separate investigation of the real estate industry or the specific submarkets targeted by the Company to obtain broader insight in assessing the Company's prospects.

The nature of this investment presents a number of conflicts of interest involving the Manager and its affiliates. See Part 4, Certain Risk Factors and Conflicts of Interest.

In making an investment decision, Investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. An investment in the Company involves special considerations and Investors should carefully review all of the information contained in this Disclosure Memorandum. While this Disclosure Memorandum summarizes certain material documents relating to the Company and the Offering, such summaries do not purport to be complete. Accordingly, reference should be made to the form of LLC Agreement attached hereto, the other Subscription Documents, and all supporting documents and other information furnished in connection with this Offering on the Platform for complete information concerning the rights and obligations of Investors in this Offering. The information contained in this Disclosure Memorandum supersedes any other oral or written information previously provided in connection with the Offering. No person has been authorized to give any information or to make any representation on behalf of the Company or the Manager related to the Offering other than as set forth in this Disclosure Memorandum, and no such information or representation should be relied upon. See Part 4, Certain Risk Factors and Conflicts of Interest.

The Company and the Manager reserve the right, in their sole discretion, (i) to accept or reject, in whole or in part, any subscription, (ii) to accept subscriptions in any order, regardless of the order in which they are received, and (iii) to terminate this Offering at any time.

ACCESS TO ADDITIONAL INFORMATION

As described further in Part 6, Additional Information and Documentation, each prospective Investor and its representative(s) may ask questions of and receive answers from the Manager (or persons acting on its behalf) concerning the terms and conditions of the Offering or any other matter set forth herein and obtain any additional information, to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein, including, but not limited to, access to information concerning the Company and the Offering.

TAX MATTERS

Any statement contained in this Disclosure Memorandum (including any exhibits) concerning United States tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the United States Internal Revenue Code, and was written to support the promotion or marketing of the transaction(s) or matter(s) addressed.

Investors are not to construe the contents of this Disclosure Memorandum or any prior or subsequent communication from the Company, the Manager or professionals associated with this Offering as legal, tax or investment advice. Each Investor should consult with his, her or its own personal attorney, accountant and other advisors, at its own expense, as to the legal, tax, economic, and other consequences of an investment in the Company and the investment's suitability for such Investor.

SECURITIES LAW MATTERS

THIS DISCLOSURE MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY A PERSON NOT QUALIFIED TO DO SO OR TO ANY PERSON RESIDING IN A JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE INTERESTS ARE BEING OFFERED TO A LIMITED NUMBER OF SELECT INDIVIDUALS WHO QUALIFY AS "ACCREDITED INVESTORS" UNDER THE SECURITIES ACT. BECAUSE THE INTERESTS ARE BEING OFFERED ONLY TO ACCREDITED INVESTORS, THIS DISCLOSURE MEMORANDUM DOES NOT CONTAIN ALL INFORMATION THAT WOULD BE REQUIRED TO BE DISCLOSED UNDER THE SECURITIES ACT IF THE OFFERING WAS BEING MADE TO PERSONS OTHER THAN ACCREDITED INVESTORS.

THE COMPANY IS NOT SUBJECT TO THE REPORTING REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**EXCHANGE ACT**"), AND, ACCORDINGLY, DOES NOT FILE PERIODIC REPORTS, PROXY STATEMENTS OR OTHER INFORMATION WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**").

THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE OR FOREIGN SECURITIES LAWS, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS. THE INTERESTS MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS PERMITTED UNDER THE SECURITIES ACT,

APPLICABLE STATE SECURITIES LAWS AND/OR APPLICABLE LOCAL LAWS IN COUNTRIES OUTSIDE THE U.S. OR PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE INTERESTS MAY BEAR A LEGEND, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, TO THE FOREGOING EFFECT.

Under no circumstances shall this Disclosure Memorandum constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

FOR NON-UNITED STATES RESIDENTS. IT IS THE RESPONSIBILITY OF EACH INVESTOR TO SATISFY HIMSELF OR HERSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE INTERESTS HEREUNDER, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE REQUIREMENTS.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The Investment Overview, including the Project Pro Forma, and other information contained in this Disclosure Memorandum, may constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements included in this Disclosure Memorandum that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such matters as projections, forecasts, future expenditures, business strategy, competitive strengths, goals, markets, rates of return, distributions, and the growth of the Company's business and operations, are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "potential," or "continue" or the negative of such terms or other comparable terminology. These statements are based, in part, on assumptions made by, and information currently available to, the Company, including the Manager's own knowledge and assessment of the Offering, applicable real estate sectors, local submarkets and other factors, as well as information provided by third-party consultants and other industry sources that have not been independently verified by the Company or the Manager. Actual results may differ materially from the Company's expectations and predictions due to a number of risks and uncertainties, many of which are beyond the Company's control. The Company has based these forward-looking statements on current expectations and projections about future events, including, among other things:

- the significant considerations and risks discussed in this Disclosure Memorandum;
- changes in international, national, regional and local economic and market conditions;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances, and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- attracting and retaining talented employees;
- changes in operating expenses; and
- fires, hurricanes, tornadoes, earthquakes, droughts, floods and other natural disasters as well as civil unrest, acts of war, terrorism, outbreaks of infectious disease, pandemic or other serious public health concern, each of which may result in uninsured losses.

Consequently, all of the forward-looking statements made in this Disclosure Memorandum are qualified by these cautionary statements and the Company cannot ensure that the results anticipated

by the Company or the projections made by the Company will be realized or, even if realized, will have the expected consequences to or effects on the Company or its business, financial condition or results of operations. Investors should not place excessive reliance on these forward-looking statements in making their investment decision. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to these forward-looking statements to reflect events or circumstances that occur or arise or are anticipated to occur or arise after the date hereof. In making an investment decision regarding the Interests, Investors should not infer any representation about the likely existence of any particular future set of facts or circumstances.

PART 1

SUMMARY OF PRINCIPAL OFFERING TERMS

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Disclosure Memorandum and the Subscription Documents. Capitalized terms used but not otherwise defined in this summary have the respective meanings given to such terms in the Amended and Restated Limited Liability Company Agreement of the Company (the “**LLC Agreement**”).

The Company	R&N Farming 2, LLC is a California limited liability company (the “ Company ”). The Company has been established to provide a vehicle for qualified investors (“ Prospective Investors ” and, in their capacity as members of the Company, “ Members ”) to purchase and operate approximately 83 acres of agricultural land located in San Joaquin, Fresno County, California (the “ Project ”). The Company will be managed by Trinity Agri Management LLC, a California limited liability company (the “ Manager ”), which is owned by Riley Chaney and Nino Carvalho.
Offering	The Company is offering to sell up to \$2,169,000 of limited liability company interests in the Company (“ Interests ”) to prospective Investors who are “accredited investors” as defined in Rule 501(a) of Regulation D of the Securities Act (the “ Offering ”). The Company proposes to use the net proceeds from the sale of Interests in the Offering to acquire, develop, operate and ultimately dispose of the Project. The Manager intends to initially invest \$30,000 in Interests in the Company.
Minimum Investment	The minimum investment amount is \$15,000 although the Manager may accept lesser amounts in its sole discretion. The Manager will accept subscriptions in excess of the minimum investment amount in increments of \$1,000.
Offering Termination Date; Minimum/Maximum Offering Amounts	The Offering will continue until the earliest of (i) September 1, 2023, unless extended by the Company, in its sole discretion, to a date not later than October 31, 2023, (ii) the acceptance of subscriptions totaling \$2,169,000, or (iii) the termination of the Offering by the Company.
How to Subscribe	To purchase an Interest in the Offering, each prospective Investor must complete and deliver to the Company all Subscription Documents and wire such prospective Investor’s initial Capital Contribution in accordance with the instructions provided on page 1. Once made, an Investor may not revoke its subscription.
Closing	Subscription funds will be deposited into an escrow account in accordance with a subscription escrow agreement (the “ Escrow Agreement ”) among the Company, the Placement Agent and North Capital Private Securities together with any successor escrow agent approved by the Company, the “ Escrow Agent ”), and will be released from escrow by the Escrow Agent at one or more

Closings. Upon release from escrow, the subscription funds will be delivered to the Company to be used as described in this Disclosure Memorandum.

The Manager may accept or reject subscriptions, in whole or in part, at any time prior to the termination of the Offering, if the Manager partially accepts or rejects a subscription, or does not accept a subscription, then the rejected portion of the subscription funds, or any subscription that was not accepted by the termination of the Offering, will be promptly returned to the Investor, without interest or deduction. Closings will take place at such times as may be determined in the sole discretion of the Manager. There is no minimum amount of Interests that must be sold in order for the first Closing to occur. At the time of each Closing, the Investors whose subscriptions are accepted will be admitted to the Company as Members.

The Company may, in the Manager's sole discretion, allocate Interests among subscribers in the event of an over-subscription for the Interests. In determining which subscriptions to accept, in whole or in part, the Manager may take into account any factors it considers relevant. In the event the Company rejects or cancels all or any portion of any subscription, the Company will refund promptly the amount paid with respect to the portion of Interests as to which the subscription is not accepted, without interest.

Eligible Investors

The Offering is being made pursuant to an exemption from registration under applicable federal and state securities laws. In compliance with such exemption, each Investor will be required to satisfy certain investor suitability standards and will be required to represent, warrant and verify, among other things, whether such Investor is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

Project

The Company has been formed to acquire, own and operate and is currently under contract to purchase approximately 83 acres with approximately 80 farmable acres located in San Joaquin, Fresno County, California (the "**Project**"). The Project is currently planted with 11th leaf almond trees.

The Project is more completely described in Part 2, Investment Overview.

The Company will use substantially all of the net proceeds from the offering to purchase the Project, and the Company will finance the remaining amount required by obtaining a mortgage loan secured by the Project. *The costs for the Project have not been finalized and are subject to change.*

Capital Contributions

The Manager's objective is to maintain the asset base of the Company consistent with the Company's investment strategy and policies. The Manager will retain discretion within specified parameters set forth in the Company's LLC Agreement to call additional Capital Contributions from the Members of the Company to meet the capital needs of the Company.

Use of Proceeds	The Company intends to invest the proceeds of this Offering in the Project and to pay operating expenses and expenses related to the offering and organizational expenses of the Company.
Fees paid to the Manager and its Affiliates	The Company will pay the following fees to the Manager or its designated affiliates.
<i>Asset Management Fee</i>	The Company will pay the Manager an annual management fee in the amount equal to 0.75% of the aggregate Capital Contributions made to the Company and the total debt of the Company (the “ Asset Management Fee ”). The Asset Management Fee shall be payable monthly in arrears as of the last day of each month (each such payment date, the “ Asset Management Fee Payment Date ”).
<i>Farm Management Fee</i>	The Company will pay the Manager or its designated affiliate an annual farm management fee in the amount of \$180 per farmable acre of the Project.
<i>Carried Interest</i>	The Manager will receive 20% of the distributions of available cash from operations after the members of the Company, receives distributions equal to its 6% preferred return and will receive 20% of the distributions of available cash from a capital event after the members of the Company receive distributions equal to its 6% preferred return and its Unrecovered Capital (as defined below).
Administrative Services Fee	The Company and the Manager will enter into an Administrative Services Agreement with Acretrader Management, LLC (“ Acretrader Management ”) to provide certain administrative services to investors. The Company will pay Acretrader Management an annual fee of \$16,043 (approximately 0.75% of the total Capital Contributions of Members other than the Manager) to provide these services pursuant to the Administrative Services Agreement.
Placement Agent Fee	The Company will pay AcreTrader Financial, LLC (“ AcreTrader ”) a placement agent fee equal to approximately \$85,560 (4%) of the total proceeds of the Offering raised by AcreTrader) for providing certain placement agent services to the Company. AcreTrader is a broker-dealer registered with the SEC and a member of FINRA / SIPC.
Capital Accounts	A capital account will be established for each Member (a “ Capital Account ”) to reflect each Member’s Capital Contributions to the Company. Capital Accounts will be adjusted to reflect distributions, allocation of profits and losses, permitted expenses and other similar credits and debits.
Allocation of Profits and Losses	At the close of each accounting period of the Company, any net profits or losses (determined after all Company expenses, fees and liabilities and including current income and realized and unrealized appreciation and depreciation for the accounting period then ended) will be allocated to each Member (including, for these purposes, the Manager) in proportion to their respective Capital Accounts at the beginning of such accounting period. With respect to any Member investing Eligible Gains in the Company, such Member’s ability to use

losses may be limited as a result of the basis rules under Section 1400Z-2 of the Code.

Distributions

On an annual basis, prior to March 1 of each taxable year, the Manager shall determine to what extent, if any, the Company's cash on hand for the preceding taxable year exceeds the current and anticipated needs for such moneys, including, needs for operating expenses, debt service and reserves (including reserves for Fees and other expenses related to the management and operation of the Project). To the extent such excess cash on hand exists and is permitted for distribution in accordance with the preceding sentence, the Manager may, but shall not be required to, make distributions to its members as follows:

Distributable cash flow shall be distributed as follows:

- (1) First, 100% *pari passu* to the members of the Company pro rata in accordance with each member's Accrued Preferred Return Account balance until each member's Accrued Preferred Return Account balance, if any, is reduced to zero;
- (2) Second, *pari passu* (A) 80% to the members (including the Manager) pro rata in accordance with their Percentage Interests, and (B) 20% to the Manager.

Capital Transaction Proceeds received by the Company shall be distributed in the following order of priority:

- (1) First, 100% *pari passu* to the members of the Company pro rata in accordance with each member's Accrued Preferred Return Account balance, until each member's Accrued Preferred Return Account balance, if any, is reduced to zero;
- (2) Second, 100% *pari passu* to the members (including the Manager) pro rata in accordance with their Unreturned Capital balances, until the amount of each member's Unreturned Capital balance has been reduced to zero;
- (3) Third, *pari passu* (A) 80% to the members of the Company (including the Manager) pro rata in accordance with their Percentage Interests, and (B) 20% to the Manager.

"Accrued Preferred Return Account" means an internal book account maintained by the Company for the members (a) to which shall be credited an amount equal to each member's Preferred Return; and (b) from which shall be debited the amount of any distributions to such member pursuant to Section 10.13(a)(i) or Section 10.13(b)(i) of the LLC Agreement.

"Preferred Return" means, with respect to each member, a cumulative, non-compounding amount that is calculated like simple interest at an annual rate of

6% percent per annum on the aggregate balance of the member's Unreturned Capital.

"Unreturned Capital" means, with respect to each member on any given date, the excess, if any, of (i) the aggregate Capital Contributions of the member as of such date, over (ii) the aggregate Distributions to the member pursuant to Section 10.13(a)(ii)(A) and Section 10.13(b)(ii) of the LLC Agreement as of such date.

Tax Distributions

On an annual basis, prior to April 15 of each taxable year, the Manager may, but shall not be required to, cause the Company to distribute to each Member sufficient amounts of cash to permit such Member to discharge its obligations to pay federal, state and local taxes (including estimated taxes) with regard to taxable income reported or to be reported on the Schedule K-1 of Internal Revenue Service Form 1065 issued to such Member in respect of the Profits and Losses of the Company, if any, calculated at the highest combined local, state and federal marginal income tax rates applicable to any Member (each such distribution, a **"Tax Distribution"**). The Manager shall have the discretion to estimate the amount of taxable income allocable to each Member during the applicable period, and to determine the tax rate to be applied to such income, which rate shall be the same for all Members. For the sake of clarity, (a) the Manager may, but shall not be required to, cause the Company to make Tax Distributions to the fullest extent permitted by applicable law, irrespective of whether adequate reserves are then available; and (b) no Tax Distributions shall be made to the Members with respect to the year in which the Company makes any final liquidating distributions, including in connection with a sale of the Company's assets.

Governance

The business and affairs of the Company will be managed exclusively by the Manager, which is a California limited liability company owned and controlled by Riley Chaney and Nino Carvalho. Notwithstanding the general authority of the Manager to manage the operations of the Company, the Members will have the right to approve certain major decisions.

Specifically, unless the Manager shall receive the consent of a majority in interest of the Members, the Manager shall not have the authority to:

- (a) issue any New Securities that are senior to the Membership Interests;
- (b) amend or agree to the amendment of the LLC Agreement (except as provided therein) or execute or deliver any instrument on behalf of the Company, if the effect of such amendment, agreement or instrument would be a diminution of the Members' rights, interests or benefits in the Company;
- (c) dissolve the Company, except as expressly provided in the LLC Agreement.

Unless the Manager shall receive the consent of all Members, the Manager shall not do or perform:

- (a) any act which requires the consent of all Members under the California Revised Uniform Limited Liability Company Act (the “**Act**”), unless the right to do so is expressly set forth in the LLC Agreement and not in conflict with the nonwaivable provisions of the Act;
- (b) any act that would subject any Member to liability as a Manager or “general partner” in any jurisdiction or any other liability except as provided for in the LLC Agreement or under the California Revised Uniform Limited Liability Company Act; or
- (c) any act that would cause the Company to be taxed for federal income tax purposes as an association taxable as a corporation.

Reports

Members will receive the following:

- (a) a balance sheet reviewed by the Company’s accountant as of the end of the Company’s taxable year and statements of income and cash flow for the year then ended, which financial statements shall be delivered as soon as reasonably practicable following the end of a taxable year, provided that the Company shall use commercially reasonable efforts to provide such information within 120 days after the end of each taxable year to each person who was a Member at any time during such taxable year; and
- (b) information necessary for the preparation of each Member’s income tax returns, including a statement showing such Member’s share of Profit or Loss, deductions or credit for the taxable year or taxable quarter for federal income tax purposes and the amount of any distribution made to or for the account of such Member pursuant to the LLC Agreement, and the Company shall use commercially reasonable efforts to provide such information within 90 days after the end of each taxable year to each person who was a Member at any time during such taxable year.

Term

The term of the Company is perpetual, unless terminated earlier in accordance with the LLC Agreement.

Risk Factors and Potential Conflicts of Interests

As detailed further under Part 4, Risk Factors, an investment in the Company involves substantial risks, including real estate risks, general market risks, limited transferability of Interests, tax risks and other potential risks. There is no guarantee that an Investor will receive either a return of its investment or a return on its investment. Each Investor is advised to consult with its own tax advisor and counsel regarding the tax consequences of investing in the Company. The Manager may have various potential conflicts of interests. See “Potential Conflicts of Interest”.

Tax Considerations	It is intended that the Company be classified as a partnership, and not as an association taxable as a corporation. If the Company is classified as a partnership, the Company would not be subject to U.S. federal income tax, and each Member thereof will be required to report on its own annual tax return such Member's distributive share of the Company's taxable income or loss.
Broker-Dealer	The Company has engaged AcreTrader, a broker-dealer registered with the SEC and other necessary state or other regulators and a member of FINRA/SIPC, as its broker-dealer to provide certain services related to this Offering. AcreTrader will receive a placement fee equal to 4% of the total proceeds of the Interests sold to AcreTrader clients (approximately \$85,560).
Requests for Additional Information	Each Member will be required to comply promptly with reasonable requests for information made by the Manager in connection with the operation of the Company, including without limitation, in order to comply with any actual or anticipated request by any U.S. federal, state or local regulatory authority, agency, committee, court, exchange or self-regulatory organization.

PART 2

INVESTMENT OVERVIEW

The Project

The Company has been formed to acquire, own and operate the Project. The Project consists of approximately 83 acres with approximately 80 farmable acres located in San Joaquin, Fresno County, California. The Project is planted with 11th leaf year almond trees.

The Company is under contract to purchase the property for \$2,075,000. The Company will have all rights to the 2023 almond crop and proceeds from the 2023 almond crop. The seller will be given a life lease on the house located on this property and the seller will be solely responsible for the house. The Company intends to continue the cultivation of almonds on this property.

The Company expects to obtain a loan to finance a portion of the total purchase price for the Project with Madera Farm Credit to the extent necessary to finance the purchase of and/or working capital for the Project. Fresno Madera Farm Credit is part of the Farm Credit System. The Company anticipates placing its excess funds into an advance payment account with Madera Farm Credit, which pays interest on these funds at an interest rate that is set monthly. The Project is enrolled in the Williamson Act and receives reduced tax assessments.

Orchard Timeline and Plan

Below is the estimated development timeline for the Project, which is subject to change.

<u>Activity</u>	<u>Projected Timeline</u>
Property under contract	11/22/22
Property due diligence	2/25/23
Close on Property and loan	On or before 9/1/23
Expiration of Lease	NA
Trees Planted	Planted 2013
First production year	2015
Initial crop sales	2015

Below is a map showing the location of the parcel that comprises the Project.



Almond Trees

Almond trees generally begin producing fruit at approximately 3 years after planting and reach peak production in approximately year six. The productive lifespan of an almond tree is generally 25 years. Almond trees were planted on the property in 2013.

Irrigation

The existing irrigation system includes an electric pump, sand media filtration (to clean/remove debris before it goes to the field), and dual line drip hoses. 1 hose on each side of the tree row which distributes the water.

Water

The Project is located in the James Irrigation District. The James Irrigation District is part of the Kings Subbasin. The James Irrigation District encompasses approximately 26,418 acres of primarily agricultural land in central Fresno County. The James Irrigation District has senior water rights on the Kings River and the San Joaquin River and has south-of-the delta water service and settlement contracts with the U.S.

Bureau of Reclamation for Central Valley Project water. The James Irrigation District will use groundwater when surface water supplies are not available or sufficient to meet demand.

There are 7 groundwater sustainability agencies (GSAs) that make up the Kings Subbasin. The James Groundwater Sustainability Agency (the “**James GSA**”) was formed by the James Irrigation District and Reclamation District No. 1606. The James GSA was the first GSA formed in the Kings Subbasin and is one of the seven GSAs in the Kings Subbasin.

Reclamation District No. 1606 was formed in 1914 to provide flood protection to its landowner, primarily by constructing two levees that allowed Kings River flood waters to bypass certain protected areas to the east and west. The Reclamation District No 1606 includes approximately 18,520 acres in central Fresno County. James Irrigation District has completed multiple groundwater recharge projects over the years and this helps in its Sustainable Groundwater Management Act of 2014 (“**SGMA**”) compliance and future sustainability.

The James Irrigation District has multiple sources of water, including: CVP contract, riparian rights, Kings River water rights, wells/groundwater, and both being strategically located and connected to the Kings River and San Joaquin River to capture flood waters when available. All irrigation systems and pumps are connected to PG&E and operate on electric power.

Management of the Company

The Manager of the Company is Trinity Agri Management LLC, which is owned by Riley Chaney and Nino Carvalho. The Manager was formed on March 9, 2022. The Company will be responsible for the management and operation of the Project.

Trinity Farm Management, LLC (“**Farm Management**”), an affiliate of the Manager, will provide farm management services to the Project. Farm Management was formed in March 2022 and is jointly owned by Riley Chaney and Nino Carvalho. Farm Management provides direct farm management services including labor, irrigation, new development, scheduling of spraying, and harvest.

Biographical Information

Riley Chaney. Riley Chaney grew up on the west side of Fresno County, California and has been involved in all aspects of production agriculture. For over 25 years, he has developed, farmed and managed almonds, pistachios, and various row crops for his family’s operation. Mr. Chaney has managed farm operations for other owners for over 9 years. Mr. Chaney holds a California Pest Control Advisor License and Qualified Applicator License. He has prior experience with chemical and fertilizer sales and has worked selling agriculture and crop insurance. In 2010, Mr. Chaney and his wife Annie, started their own farm which consists of almonds and pistachios. Mr. Chaney serves as President of the board of directors of the James Irrigation District in San Joaquin, California. He graduated from California Polytechnic State University, San Luis Obispo in 2001.

Nino Carvalho.

Nino Carvalho was born and raised in California’s Central Valley. He is the 4th generation in a farming family where he derived his passion for agriculture at a very young age. In 1999, while in college where he studied Agriculture and business, Mr. Carvalho obtained his PCA (Pest Control Advisor License) and

QAL (Qualified Applicator License). Mr. Carvalho returned to the Central Valley to start an agribusiness helping other growers by applying crop protection and implementing sustainability on the farm. In 2001, Mr. Carvalho established his own 650 acre farm growing crops such as cotton, tomatoes, onions, pistachios, and almonds while growing his custom application business. He is currently the Board President for a grower-owned cooperative and has served on the board for fifteen years. Mr. Carvalho also sits on the Fresno Slough Irrigation District board. His focus is on the current pulse of agriculture and its future at all times. Mr. Carvalho attributes his success in life to his upbringing in agriculture and living on the farm, where he raised his own family and still resides with his wife. Mr. Carvalho graduated from California Polytechnic State University, San Luis Obispo, in 1999.

Sources and Uses

The table below sets forth the proposed sources and uses for the Project, which are subject to change.

Sources:

Capital raise - investors	2,139,000
Capital raise - sponsor	30,000
<u>Debt</u>	<u>415,000</u>
Total	<u>2,584,000</u>

Uses:

Real Estate purchase	2,075,000
Closing costs	20,750
Initial startup costs	40,000
Working Capital Reserves	350,690
Loan Fees	12,000
<u>Placement Fee</u>	<u>85,560</u>
Total	<u>2,584,000</u>

Project Pro Forma

The Pro Forma Financial Performance for the Project (“**Project Pro Forma**”) assumes traditional financing. The Project Pro Forma has been generated by management, has not been prepared in accordance with generally accepted accounting principles and has not been audited or reviewed by an independent accounting firm. While the Manager believes the assumptions contained in the Project Pro Forma are reasonable, it is difficult to predict all factors that may affect operation of the Project and future operations. Therefore, no assurances can be made that the Manager’s assumptions regarding the Project will prove to be accurate. Investors are cautioned against placing excessive reliance on the Project Pro Forma in making an investment decision with respect to the Company. The Project Pro Forma includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. See “Forward Looking Statements”. The projected distributable cash flow is not guaranteed, is based on management’s current assumptions regarding the Project, and will be subject to the financial performance of the Project, market conditions, the Project Pro Forma and the risks outlined in Part 4, Certain Risk Factors and Conflicts of Interest.

	Purchase	Year 1	Year 2	Year 3	Year 4	Year 5
Acres	80	80	80	80	80	80
Yield	-	2,200	2,600	2,600	2,600	2,600
Price	-	2.00	2.24	2.51	2.78	2.86
Crop Revenue	-	352,000	465,903	522,055	578,206	595,552
<i>per acre</i>	-	<i>4,400</i>	<i>5,824</i>	<i>6,526</i>	<i>7,228</i>	<i>7,444</i>
Cultural Costs	-	269,520	277,606	285,934	294,512	303,347
Harvest Costs	-	38,000	39,140	40,314	41,524	42,769
Total Farming Costs	-	307,520	316,746	326,248	336,035	346,116
<i>per acre</i>	-	<i>3,844</i>	<i>3,959</i>	<i>4,078</i>	<i>4,200</i>	<i>4,326</i>
Property Insurance	-	800	816	832	849	866
Liability Insurance	-	830	847	864	881	898
Crop Insurance	-	9,600	9,792	9,988	10,188	10,391
Repair and Maintenance	-	1,200	1,224	1,248	1,273	1,299
Selling, General and Administrative	-	14,500	14,790	15,086	15,388	15,695
Management Fee	-	5,904	35,423	35,423	35,423	35,423
Total Overhead	-	32,834	62,891	63,440	64,001	64,572
Total Costs	-	340,354	379,637	389,688	400,036	410,689
<i>per acre</i>	-	<i>4,254</i>	<i>4,745</i>	<i>4,871</i>	<i>5,000</i>	<i>5,134</i>
EBITDA	-	11,646	86,266	132,366	178,170	184,863
Depreciation	-	480,000	12,000	12,000	12,000	12,000
EBIT	-	(468,354)	74,266	120,366	166,170	172,863
Property Taxes	-	3,043	9,313	9,499	9,689	9,883
Interest Expense	-	9,025	36,865	36,865	35,974	35,026
Net Income	-	(480,423)	28,089	74,002	120,507	127,955
Depreciation	-	480,000	12,000	12,000	12,000	12,000
Cash from Operations	-	(423)	40,089	86,002	132,507	139,955
Development/Term Loan Principal	-	-	-	(6,173)	(6,670)	(409,364)
Cash from Financing	-	-	-	(6,173)	(6,670)	(409,364)
Exit Proceeds	-	-	-	-	-	3,173,314
Cash from Investing	-	-	-	-	-	3,173,314
Available Cash	-	(423)	40,089	79,829	125,838	2,903,905
Beginning Cash Balance	350,690	350,690	287,346	254,533	252,051	247,896
Disbursements	-	62,921	72,902	82,311	129,993	3,151,801
Ending Cash Balance	350,690	287,346	254,533	252,051	247,896	-
Minimum Cash	350,690	287,346	254,533	252,051	247,896	-
Distributable Cash Flow	-	62,921	72,902	82,311	129,993	3,151,801

PART 3

SUMMARY OF LLC AGREEMENT

The following summary of certain provisions of the LLC Agreement does not summarize all material provisions of the LLC Agreement and is qualified in its entirety by the actual LLC Agreement. As used in this summary, any capitalized terms used but otherwise undefined in this Disclosure Memorandum shall have the respective meanings given to such terms in the LLC Agreement, which is attached to this Disclosure Memorandum.

Overview

The Company is governed by the Articles of Organization and the LLC Agreement, each of which is attached to this Disclosure Memorandum. Investors should review the LLC Agreement in its entirety prior to subscribing to purchase an Interest.

Purpose

The Company's purpose is to (1) to acquire, invest in, develop, own, hold, use, operate, lease, manage and dispose of the Project or any interest therein, and to engage in any and all activities and transactions and enter into any and all agreements and undertakings which are appropriate, necessary, customary, convenient, or incidental to the foregoing purposes; (2) to accomplish any lawful business whatsoever or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its Property; (3) to exercise all powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act or under the laws of any jurisdiction in which the Company may conduct its business; and to engage in all activities necessary, customary, convenient, or incidental to any of the foregoing.

Management

All management and other powers relating to the day to day control of the Company will be vested in the Manager. The Manager has the full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business on the terms and conditions set forth in the LLC Agreement. The Members have the right to approve certain matters as set forth below.

Decisions requiring a Majority of the Members. Without the consent of Members holding greater than 50% of the Interests, the Manager will not: (1) issue any New Securities that are senior to the Membership Interests; (2) amend or agree to the amendment of the LLC Agreement (except as provided in Article 15 of the LLC Agreement) or execute or deliver any instrument on behalf of the Company, if the effect of such amendment, agreement or instrument would be a diminution of the Members' rights, interests or benefits in the Company; or (3) dissolve the Company except as provided in Section 14.1 of the LLC Agreement.

Decisions requiring Unanimous Vote of Members. Without the consent of all Members, the Manager will not do or perform: (1) any act which requires the consent of all Members under the Act, unless the right to do so is expressly set forth in the LLC Agreement and not in conflict with the nonwaivable provisions of

the Act; (2) any act that would subject any Member to liability as a Manager or general partner in any jurisdiction; or (3) any act that would cause the Company to be taxed for federal income tax purposes as an association taxable as a corporation.

Duties of the Manager

The Manager shall perform his, her or its duties as Manager in good faith and in a manner he, she or it reasonably believes to be in or not opposed to the best interest of the Company. The Members hereby agree that the foregoing are the only fiduciary duties that a Manager shall owe to the Company and its Members. A Manager who so performs his, her or its duties as a Manager shall not have any liability by reason of being or having been a Manager of the Company.

In performing his, her or its duties, the Manager shall be entitled to rely upon, and shall be fully protected in relying in good faith upon, the books and records of the Company and on information, opinions, reports, financials, or statements (including with respect to the value and amount of the Properties, liabilities, Profits or Losses of the Company or any other facts pertinent to the existence and amount of Properties from which Distributions to Members might properly be paid) of the following Persons unless the Manager shall have knowledge concerning the matter in question that would cause such reliance to be unwarranted:

- (1) any Members, officers, employees, contractors, or agents of the Company whom such Manager reasonably believes to be reliable and competent in the matters presented and who have been selected with reasonable care by or on behalf of the Company; or
- (2) any attorney, accountant, advisor, or other person as to matters which such Manager reasonably believes to be within such person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

The Manager and its affiliates may have other business interest and may engage in other activities in addition to those relating to the Company. Neither the Manager nor any officer of the Company shall incur any liability to the Company or to any of the Member solely as a result of the Manager's or such officer's activities relating to any other business or ventures.

Removal or Resignation of the Manager

The Manager may only be removed as the Manager for Cause by a determination of a Majority of the Members. The removal of a Manager who is also a Member shall not affect such Manager's rights as a Member or constitute a withdrawal of the Member. For the avoidance of doubt, the Manager shall retain all of the rights to distributions set forth in Section 10.14 of the LLC Agreement in the event of its removal. As used herein, "Cause" means the conviction or admission by consent of guilt in respect of a material violation of a material U.S. federal or state securities law or in respect of a felony violation of the Manager or any Manager, managing member, or executive officer thereof.

The Manager shall not resign as Manager unless a substitute Manager has been approved in advance by a Majority of the Members. In the case where a substitute Manager is approved, such resignation shall become effective on such date as is mutually agreed upon by the resigning Manager and a Majority of the Members. The resignation of any Manager who is also a Member shall not affect such Manager's rights as a Member and shall not constitute a withdrawal of the Member.

Capital Accounts

Each Capital Contribution is credited to the contributing Investor's Capital Account in exchange for the subscribed Interests. No Member shall be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as set forth in the LLC Agreement. Terms governing the maintenance of Capital Accounts are set forth in the LLC Agreement.

Additional Capital Contributions

In the event that the Manager determines that Additional Capital Contributions are reasonably necessary to facilitate the business needs of the Company, including to meet the Company's operating expenses, to fund the expansion of the Company's business and to purchase any Property reasonably necessary for the operation of the Company, the Manager may cause the Company to request Additional Capital Contributions from all of the Members, and if the Company requests such Additional Capital Contributions from all Members, each Member shall be entitled, but not required, to make such Additional Capital Contribution on a basis pro rata to such Member's Percentage Interest in the Company. The Manager will update Exhibit A to reflect any changes to the Members of the Company or the effects of any Additional Capital Contributions on the Members' Capital Contributions.

Upon making a determination to request Additional Capital Contributions from all Members, the Manager shall give Notice to each Member in writing at least ten days prior to the date on which the Additional Capital Contributions are due. Such Notice shall set forth the amount of Additional Capital Contribution needed, the purpose for which the contribution is needed, and the date by which the Member must contribute such Additional Capital Contribution. In the event that one or more of the Members does not or decides not to make its Additional Capital Contribution, the contributing Member or Members shall be entitled to receive Additional Membership Interests of the Company in return for such contributing Member's or Members' Additional Capital Contribution (the "**Additional Capital Contribution Membership Interests**").

In the event that one or more Members elect not to participate in a call for Additional Capital Contributions, then the Manager may in its sole discretion do or cause to be done any one or more of the following:

- (1) offer the other Members the opportunity to increase their Additional Capital Contributions to fund such shortfall, with any amount not accepted by any Member to be offered to any other Member willing to so increase its Additional Capital Contributions in excess of such non-accepting Member's share of the shortfall; and/or
- (2) incur indebtedness, including from the Manager, any Member or their respective Affiliates, to fund such shortfall.

The Manager shall not be obligated to exercise any of the options available to it set forth in Section 9.3(a) of the LLC Agreement or to pursue such any such option in any particular order.

If a Member elects not to fund Additional Capital Contributions on the specified due date, then such election not to make Additional Capital Contributions shall be reflected in corresponding non-punitive adjustments to the Capital Accounts and Percentage Interests of the Members and adjustments will be made for purposes of calculating allocations and distributions pursuant to the LLC Agreement.

Allocations

After giving effect to the special allocations set forth in Section 10.2 through Section 10.8, for each Fiscal Year (or portion thereof), except as otherwise provided in the LLC Agreement, Profits and Losses (and, to the extent necessary, individual items of income, gain, loss, deduction or credit) of the Company shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to the aggregate distribution that would be made to such Member pursuant to Section 14.2 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values, all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the assets of the Company securing such Nonrecourse Liability), and the net assets of the Company were distributed in accordance with Section 14.2 to the Members immediately after making such allocation.

Distributions

On an annual basis, prior to March 1 of each taxable year, the Manager shall determine to what extent, if any, the Company's cash on hand for the preceding taxable year exceeds the current and anticipated needs for such moneys, including, needs for operating expenses, debt service and reserves (including reserves for Fees and other expenses related to the management and operation of the Project). To the extent such excess cash on hand exists and is permitted for distribution in accordance with the preceding sentence, the Manager may, but shall not be required to, make distributions to its members as follows:

Distributable cash flow shall be distributed as follows:

- (1) First, 100% *pari passu* to the members of the Company *pro rata* in accordance with each member's Accrued Preferred Return Account balance until each member's Accrued Preferred Return Account balance, if any, is reduced to zero;
- (2) Second, *pari passu* (A) 80% to the members (including the Manager) *pro rata* in accordance with their Percentage Interests, and (B) 20% to the Manager.

Capital Transaction Proceeds received by the Company shall be distributed in the following order of priority:

- (1) First, 100% *pari passu* to the members of the Company *pro rata* in accordance with each member's Accrued Preferred Return Account balance, until each member's Accrued Preferred Return Account balance, if any, is reduced to zero;
- (2) Second, 100% *pari passu* to the members (including the Manager) *pro rata* in accordance with their Unreturned Capital balances, until the amount of each member's Unreturned Capital balance has been reduced to zero;
- (3) Third, *pari passu* (A) 80% to the members of the Company (including the Manager) *pro rata* in accordance with their Percentage Interests, and (B) 20% to the Manager.

Each such Distribution shall be in cash or other property (which need not be distributed proportionately) or partly in both, as reasonably determined in good faith by the Manager. Except as provided in Section 17704.06(c) of the Corporations Code, the effect of a distribution is measured as of the date the

distribution is authorized if the payment occurs within 120 days after the date of authorization, or the date payment is made if it occurs more than 120 days after the date of authorization.

Tax Distributions

On an annual basis, prior to April 15 of each taxable year, the Manager may, but shall not be required to, cause the Company to distribute to each Member sufficient amounts of cash to permit such Member to discharge its obligations to pay federal, state and local taxes (including estimated taxes) with regard to taxable income reported or to be reported on the Schedule K-1 of Internal Revenue Service Form 1065 issued to such Member in respect of the Profits and Losses of the Company, if any, calculated at the highest combined local, state and federal marginal income tax rates applicable to any Member (each such distribution, a **"Tax Distribution"**). Any Tax Distributions to a Member shall be treated as an advance against Distributions to which such Member would otherwise be entitled under Section 10.14 of the LLC Agreement, and Tax Distributions shall only be made to the extent that the Company has cash flow available to distribute. The Manager shall have the discretion to estimate the amount of taxable income allocable to each Member during the applicable period, and to determine the tax rate to be applied to such income, which rate shall be the same for all Members. For the sake of clarity, (a) the Manager may, but shall not be required to, cause the Company to make Tax Distributions to the fullest extent permitted by applicable law, irrespective of whether adequate reserves are then available; and (b) no Tax Distributions shall be made to the Members with respect to the year in which the Company makes any final liquidating distributions, including in connection with a sale of the Company's assets. Section 10.12 of the LLC Agreement is not intended to guarantee that Members will receive distributions sufficient to pay their income taxes. In all events, each Member will be responsible for the payment of its respective income taxes, and no Member shall have any right to recover any amount from the Company with respect thereto because such Member did not receive distributions of cash sufficient to pay its income taxes, irrespective of whether the Company had any distributable cash available. Any distribution under Section 10.12 of the LLC Agreement shall not be treated as a guaranteed payment to a Member for the purposes of Section 707(c) of the Code.

Expenses

The Company will pay all third-party costs and expenses relating to its activities and operations, including all activities and operations prior to the Effective Date, including: (i) all costs and expenses incurred in organizing the Company and developing, negotiating, financing and structuring the Project, including any engineering, appraisal, environmental, travel, legal and accounting expenses, any deposits and commitment fees and other fees, and the costs of rendering financial assistance to or arranging for financing for the Project or for working capital or other Company purposes; (ii) all costs and expenses, if any, incurred in monitoring the Project, including, without limitation, any engineering, environmental, travel, legal and accounting expenses and other fees; (iii) taxes of the Company; (iv) costs related to litigation and threatened litigation involving the Company; (v) expenses associated with third-party accountants, attorneys and tax advisors with respect to the Company and its activities, including the preparation and auditing of financial reports and statements and other similar matters, the distribution of financial and other reports to the Members, refinancing the Project and selling or otherwise disposing of the Project; (vi) brokerage commissions incurred by or on behalf of the Company and paid to third parties; (vii) all costs and expenses associated with obtaining and maintaining customary insurance for the Company and its assets; (viii) fees incurred in connection with the maintenance of bank or custodian accounts; (ix) all expenses incurred in connection with the registration (or exemption from registration) of the Company's securities under applicable securities laws or regulations and any offering expenses,

including the costs of preparation of offering materials, accountants fees, legal fees, and related expenses; and (x) all expenses of the Company that are not normally recurring operating expenses. To the extent that any expenses of the Company are paid by the Manager or any one or more of its principals or Affiliates, such expenses shall be reimbursed by the Company. In connection with the Closing, the Company shall reimburse the Manager for actual out-of-pocket expenses incurred by it or its principals or Affiliates (and supported by reasonable documentation) in connection with formation of the Company and the due diligence, pre-acquisition and acquisition of the Project, including expenses incurred by them on behalf of the Company on or before the Effective Date. In lieu of such reimbursement, the Manager may elect to treat any unreimbursed expenses as a Capital Contribution.

Transfers

No Member may transfer all or any portion of its Interests unless (1) the transferor has received the prior written consent of the Manager; (2) prior to the Transfer, the Company receives, unless waived by the Manager in writing, an opinion of counsel satisfactory to the Manager that such Transfer is not subject to registration under, or is exempt from the registration requirements of, the applicable state, federal and other securities laws; (3) prior to the Transfer, the Company receives from the transferee such information and transferee executes such agreements that the Manager may reasonably require, including, but not limited to, any taxpayer identification number and any agreement that may be required by the Taxing Jurisdiction; (4) the Transfer will not cause, or be reasonably likely to cause, the Company to become subject to the reporting requirements of the Securities Exchange Act of 1934 or otherwise become subject to increased regulation by the United States Securities and Exchange Commission or any other federal or state governmental authority; and (5) contemporaneously with the Transfer, the transferee shall execute the LLC Agreement and any other instruments as the Manager may deem necessary or desirable, in form and substance satisfactory to the Manager, and the transferee shall pay all reasonable expenses, including attorneys' fees, incurred by the Company in connection with such Transfer. Unless an Assignee is approved to be admitted as a Substitute Member by the Manager, such Assignee will only have the rights associated with an Economic Interest and shall not have any voting rights.

Dissolution

The Company shall be dissolved and its affairs wound up prior to such date, upon the first to occur of the following events: (1) the written consent of the Manager and a Majority of the Members; (2) the merger of the Company where the Company is not the successor limited liability company in such merger or the consolidation of the Company with one or more limited liability companies or other entities; (3) the sale of all or substantially all of the assets of the Company; or (4) the entry of a decree of judicial dissolution pursuant to Section 17707.03 of the Corporations Code. Upon the occurrence of one of the foregoing events, the Company shall wind up its affairs and be liquidated as set forth in the LLC Agreement.

Reports to Members

The Manager will from time to time provide such financial information or reports to the Members as the Manager, in its sole discretion, shall deem appropriate. The Manager will cause the Company to prepare and distribute to each Member the following reports or information:

- (1) a balance sheet reviewed by the Company's accountant as of the end of the Company's Taxable Year and statements of income and cash flow for the year then ended, which financial statements shall be delivered as soon as reasonably practicable following the end of a Taxable Year, provided that the Company shall use commercially reasonable efforts to provide such information

within 120 days after the end of each Taxable Year to each person who was a Member at any time during such Taxable Year; and

(2) information necessary for the preparation of each Member's income tax returns, including a statement showing such Member's share of Profit or Loss, deductions or credit for the Taxable Year or taxable quarter for federal income tax purposes and the amount of any distribution made to or for the account of such Member pursuant to the LLC Agreement, and the Company shall use commercially reasonable efforts to provide such information within 90 days after the end of each Taxable Year to each person who was a Member at any time during such Taxable Year.

Indemnification

Subject to Section 8.4 of the LLC Agreement, the Company shall indemnify any Member, Manager or officer who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Company), by reason of the fact that such Person is or was a Member, Manager or officer of the Company, or is or was serving at the request of the Company as a member, Manager, director, officer, partner, employee or agent of another Organization, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with such claim, action, suit or proceeding if such Person acted in good faith, and, with respect to any criminal action or proceeding had no reasonable cause to believe such Person's conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful.

Subject to Section 8.4 of the LLC Agreement, the Company shall indemnify any Member, Manager or officer who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Person is or was a Member, Manager or officer of the Company, or is or was serving at the request of the Company as a member, Manager, director, officer, partner, employee or agent of another Organization against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection with the defense or settlement of such action or suit if such Person acted in good faith, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misconduct, or have breached their fiduciary duties set forth in Section 4.7(a), in the performance of such Person's duty to the Company unless and only to the extent that the court in which such claim, action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Subject to Section 8.3 of the LLC Agreement, to the extent that a Member, Manager or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection therewith, notwithstanding that such Person has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

Any indemnification under Section 8.1, Section 8.2 or Section 8.3 of the LLC Agreement shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Member, Manager or officer is proper in the circumstances because such Person has met the applicable standards of conduct set forth in Section 8.1, Section 8.2 or Section 8.3 of the LLC Agreement and that indemnification is otherwise appropriate under the circumstances, which determination shall be made by the Manager in its sole discretion.

Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding shall be paid by the Company in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Section 8.4 of the LLC Agreement upon receipt of an undertaking by or on behalf of the Member, Manager or officer to repay such amount if and to the extent that it shall be ultimately determined that such Person is not entitled to be indemnified by the Company as authorized in Article 8 of the LLC Agreement.

Amendments

The LLC Agreement may be amended, restated, supplemented, waived or otherwise modified by the Manager, without the approval of the Members, to reflect: (i) a change in the Company's registered office or registered agent; (ii) a change in the name of the Company; (iii) a change in the end of the Company's fiscal year; (iv) admission or termination of Members in accordance with the LLC Agreement, including amendments to Exhibit A; (v) a change that is necessary, desirable or appropriate to qualify the Company as a limited liability company or an entity in which the Members have limited liability under the laws of any U.S. state other jurisdiction or that is necessary, desirable or appropriate to ensure that the Company shall not be treated as an association taxable as a corporation or as a publicly-traded partnership taxable as a corporation for U.S. federal income tax purposes; (vi) a change necessary, desirable or appropriate to achieve or continue flow-through tax treatment or tax treatment of the Company; (vii) a change that is necessary, desirable or appropriate to cure any ambiguity or error, make an inconsequential revision, provide clarity, or to correct or supplement any provision in the LLC Agreement that may be defective or inconsistent with any other provision in the LLC Agreement or to correct any typographical error; (viii) changes required pursuant to the LLC Act or applicable state or other securities or commodities laws, rules or regulations; (ix) changes necessary, desirable or appropriate to satisfy any requirements, obligations, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any federal, state or non-U.S. governmental entity, so long as such change is made in a manner that minimizes any adverse effect on the Members; (x) changes adding any obligation, representation or warranty of the Manager or waiving or surrendering any right or power granted to the Manager; or (xi) any other change that is required or contemplated by the LLC Agreement.

The rights under the LLC Agreement with respect to the Company may also be amended or waived by action taken by both (i) the Manager and (ii) a Majority in Interest at the time of the amendment.

The LLC Agreement may be amended by the Manager, without the consent of affected Members, at any time and without limitation, if any Member objecting to such amendment has an opportunity to provide notice of its objection as of a date determined by the Manager that is not less than 45 days after the Manager has delivered written notice of such amendment to each affected Member and that is prior to the effective date of the amendment.

The Manager may, in its sole discretion, choose to deliver any proposed or effective amendment described in Section 15.2 of the LLC Agreement via e-mail and/or another electronic reporting medium in

lieu of providing the Members with paper copies of such amendment; provided that the Manager may agree in writing in its sole discretion and at the request of any Member to limit the applicability of any portion of this sentence to such Member.

PART 4

CERTAIN RISK FACTORS AND CONFLICTS OF INTEREST

CERTAIN RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Only prospective investors who can withstand the loss of all or a substantial part of their investment should consider investing in the Interests. The fees and expenses charged in connection with an investment in the Interests may be higher than those charged in connection with other investments and will reduce the profits, if any, to Members arising from the Company's investment in the Project. Because there are restrictions on transferring the Interests, and because there is no secondary market for the Interests and none is expected to develop, prospective investors should not require ready access to their capital. Each prospective investor should specifically consider, without limitation, the following risks and other factors before making a decision to subscribe for the Interests.

Risks Relating to Investing in the Interests

Newly Formed Entity. The Company is a newly formed entity and has no operating history or financial statements. There is no assurance that the Company will meet its projected financial objectives.

Forward-Looking Statements. This Disclosure Memorandum includes “forward-looking statements” within the meaning of the Securities Act, including statements about the plans, beliefs and strategies of the Manager and/or its affiliates, and about the prospects of the Company. Although the Manager believes that the plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, it can give no assurance of their accuracy. All forward-looking statements attributable to the Manager and/or its affiliates, or persons acting on their behalf, are expressly qualified in their entirety by the additional cautionary statements contained herein. Any assumed values for unrealized investments may not reflect amounts that actually will be realized upon disposition and may vary significantly from other valuation techniques. Should one or more of the underlying assumptions used to make such calculations prove incorrect, the actual results and performance of the Company may vary materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Investors should not rely on such forward-looking statements. Forward-looking statements are not guaranties of performance.

No Assurance of Investment Return; Possible Loss of Entire Investment. The Manager cannot provide any assurance that it will be able to realize the projected returns described in this Disclosure Memorandum. The financial projections in the financial pro formas included in this Disclosure Memorandum are based on what the Company believes to be reasonable assumptions concerning certain factors affecting the Project and probable future Project operations. Despite these future projections, no assurances can be made that these projections will prove to be accurate or that the projected returns will be achieved, and Investors are cautioned against placing excessive reliance on such projections in deciding whether to invest in the Company. Similarly, there can be no assurance that the Company overall will be able to generate returns for the Members or that the returns will be commensurate with the risks of investing in farmland assets. There can be no assurance that any Member will receive any distributions from the

Company. Accordingly, an investment in the Company should only be considered by persons or entities that can afford a loss of their entire investment.

The Company may not achieve its targeted returns. The Partnership's investment in the Project is based on the Manager's estimates or projections of internal rates of return and other key financial criteria. The Company's ability to achieve its targeted return may be adversely impacted by a variety of factors, including, but not limited to, the proposed structure for the Company's investment, increased competition faced by the Project, changes in general economic conditions, weather conditions, national or international political events, changes in interest rates and changes in applicable laws and regulations. Investors have no assurance that the Company will achieve its targeted returns or cash multiple of invested capital objectives. On any given investment or with respect to all investments in the aggregate, loss of principal is possible.

Dilutions from Capital Calls. The Manager does not anticipate, but may be required, to call Additional Capital Contributions (as defined in the LLC Agreement) from the Members. In such an event, if a Member elected not to participate in such capital call, the value of such Member's Interests would be diluted.

Limited Private Offering; Absence of SEC or Other Securities Commission Review. This offering is a private offering and is not registered under the Securities Act or under any state securities laws or the securities laws of any other jurisdiction. Thus, this Disclosure Memorandum has not been reviewed by the SEC or by the equivalent agency of any state or other jurisdiction. Review by any such agency might result in additional disclosures or substantially different disclosures from those actually included in this Disclosure Memorandum.

Diverse Investor Group. The Members are expected to include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax or other interests. As a result, conflicts of interest may arise in connection with, among other things, the nature of investments made by the Company, the structuring or acquisition of investments and the timing of dispositions of investments. Decisions made by the Manager with respect to the foregoing may be more beneficial for one type of Member than for another type of Member. In managing the Company, the Manager will consider the objectives of the Company as a whole, not the investment, tax or other objectives of any Member individually.

Restrictions on Transfer; No Market for the Interests; Illiquidity of Interests. The Interests offered hereby have not been registered under any federal or state securities laws or the securities laws of any other jurisdiction and, therefore, are subject to the restrictions on transfer contained in such laws. In connection with this offering, prospective investors will be required to represent that they are acquiring the Interests for their own account, for investment purposes only and not with a view toward the resale or other distribution thereof as a whole or in part, and that they agree that they will not transfer, sell or otherwise dispose of their Interests in any manner that will violate the securities laws of any jurisdiction. The Interests are not redeemable or transferable except pursuant to the terms of the LLC Agreement. There will not be any market for the Interests and none is expected to develop. Consequently, Members may not be able to liquidate their Interests for a lengthy period of time, which may not be prior to the time the Company liquidates the investments it makes. In addition, any such liquidation may be in the form of non-cash distributions to the Members.

Liability of Members for Repayment of Certain Distributions. Under California law (applicable to an investment in the Company), if a Member has knowingly received a distribution from the Company at a

time when its liabilities exceed the fair market value of its assets after giving effect to the distribution, the Member is liable to the Company for a period of four years thereafter for the amount of the distribution. If the Company is otherwise unable to meet its obligations, Members may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their Capital Contributions or are deemed to have been wrongfully paid to them. In addition, Members may be liable under applicable federal and state bankruptcy or insolvency laws to return a distribution made during the Company's insolvency.

Risks Relating to the Company's Operations

Management Control by Manager. The Company will be managed exclusively by the Manager, subject to certain limited approval rights by the Members on certain limited decisions. The Members will not make decisions with respect to the acquisition, management, disposition or other realization of the Project or any other assets of the Company, or other decisions regarding the Company's business and affairs and will not participate in the day to day management of the Company.

Dependence on Key Personnel. The success of the Company will be highly dependent on the agricultural and managerial expertise of the Manager and its personnel, particularly Riley Chaney and Nino Carvalho. The interests of these professionals in the Manager should tend to discourage them from withdrawing from participation in the Company's investment activities. However, there can be no assurance that any of these professionals will continue to be associated with the Manager or their affiliates throughout the life of the Company, as such personnel are under no contractual obligation to remain with the Manager for all or any portion of the term of the Company. Personnel of the Manager and its affiliates are not required to devote all or a specific amount of time to the Company's affairs. See also "Potential Conflicts of Interest" below.

Absence of Recourse to the Manager. The LLC Agreement limits the circumstances under which the Manager and its affiliates, including their respective officers, managers, directors, employees, shareholders, members, partners and other agents, can be held liable to the Company. As a result, Members may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Uninsured Losses. With respect to the Project, liability, fire, flood, extended coverage and loss insurance with insured limits and policy specifications that the Manager believes are customary for similar properties may, in the discretion of the Manager, be maintained. Certain losses of a catastrophic nature, such as wars, natural disasters, droughts, fires, earthquakes, hurricanes, floods, pandemics, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the Project. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, the Project may be insured against terrorism. If a major uninsured loss occurs, the Company could lose both invested capital in and anticipated profits from the Project.

Indemnification. The Company will be required to indemnify the Manager, and its respective affiliates, including their respective officers, managers, directors, employees, shareholders, members, partners and other agents, against any loss, liability or expense incurred by them on behalf of or in connection with the business of the Company, provided that the Manager acted in good faith, and, with respect to any criminal

action or proceeding had no reasonable cause to believe such Person's conduct was unlawful. In addition, the Company may pay the expenses incurred by such indemnified party in defending an actual or threatened civil or criminal action in advance of the final disposition of such action. The potential liabilities associated with the Company's indemnification obligations may be material and may have an adverse effect on the returns to the Members. Any indemnification obligation of the Company would be payable from the assets of the Company, including the capital contributed by the Members.

Leverage. The use of secured indebtedness to finance a portion of acquisition costs and/or working capital is referred to as "leveraging." The Company intends to borrow money secured by the Project to help finance the Project. Leveraging increases the risk of loss of the Company's investment in the Project if and to the extent that the Project declines in value. In addition, to the extent cash flow from a leveraged investment is not sufficient to pay debt service, cash from other sources would be required. Unless the Project generates such cash, the Company might be required to raise additional equity investment funds or to borrow additional funds for such purpose, and there can be no assurance that such equity investment, or such loans, will be available on favorable terms if at all.

Recourse to Company Assets. The assets of the Company are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability (including without limitation, pursuant to any indemnity or guaranty provided in connection with any property-level or entity-level financing), parties seeking to have the liability satisfied may have recourse to the Company's assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability. To the extent the Manager chooses to use special purpose entities for individual transactions to reduce recourse risk (and it may, but will be under no obligation to do so), the separate legal identity of such entities may be subject to later challenge based on a number of theories, including veil piercing, substantive consolidation and other grounds. Accordingly, Members could find their interests in the Company's assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the Manager.

Interest Rate Risks; Hedging Policies and Risks. The Company may utilize financing that provides for adjustments in the interest rate at various monthly, annual or other intervals. An increase in the interest rate as a consequence of any such adjustment: (i) would result in less income to the Company; (ii) may reduce distributions to the Members; (iii) may cause negative amortization; and (iv) may cause the sale of an investment prematurely or on less favorable terms than might otherwise be obtained.

Assumption of Business, Terrorism and Catastrophe Risks. The Company may be subject to the risk of loss arising from exposure that the Project may incur, indirectly, due to the occurrence of various events, including, without limitation, pandemics, hurricanes, droughts, fires, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Company and the Members' Interests.

Dependence on Technology; Cybersecurity Risks. The Company, the Manager, and their respective service providers depend on computer systems, including hardware and software, in the management and operation of the Company's funds. The use of computer systems is subject to a number of inherent and unpredictable risks resulting from malfunctions and errors, such as telecommunications failures, software related "system crashes," deterioration and failure of hardware and power loss. In addition, the computer systems of the Company's service providers may be vulnerable to cyber-attacks, including computer viruses, malicious code and unauthorized data breaches. These events could cause interruptions in the operations of the Company, may result in the improper use or disclosure of confidential information

relating the Company and/or the Members, and could result in significant losses and/or reputational harm to the Company and the Members. While the Company takes reasonable precautions to prevent, identify and treat errors, malfunctions and cyber-attacks, there can be no assurance that the Company or any of its service providers will be able to respond in a timely manner as a result of technological advancements and issues that may go undetected for a significant period of time. Moreover, the Company will have no control over, and will have no ability to prevent malfunctions or cyber-attacks to, its service providers' computer systems.

Future Market Value. There are no assurances regarding the future market value of the Project. The economic future of the Project's submarket, future construction activity, interest rates, demographic changes, changes in tax laws, and numerous other factors will determine the future market value of the Company and its assets, including the Project. There is no assurance that the Company will increase in value or even maintain their respective current values.

Inadequate Reserves. Reserves for capital expenditures may prove inadequate. It is expected that the Company will be required to maintain and replace from time to time its equipment, irrigation and sprinkler systems, as well as other farm equipment and redevelop and replant its fields. Although the Company is expected to maintain reserves for these capital expenditures, these reserves may be inadequate if the Company's assumptions and estimates on the useful life of these improvements or trees are inaccurate. Costs and expenses for these capital expenditures over and above-budget expenses could adversely affect the Company's financial condition.

The operations of the Project and the Company are and will be subject to various federal, state, and local laws, regulations, and court decisions. The Company will continue to be subject to federal, state, and local laws establishing minimum wages, unemployment taxes, and sales taxes and regulating overtime, working conditions, and similar matters over which they will have no control. The Project's operations will be subject to federal, state, and local regulations relating to sanitation, health and safety. All of these laws, regulations, and court decisions could have negative effect on the Project's operations, financial results, and ability to compete. Suspension of the Company's ability to operate by any regulatory agency would have a material adverse effect on the profitability of the Project and Company. Increased regulation of various aspects of the Project's operations could also have an adverse effect on the Company's financial position.

Additional Risks Relating to Farmland Investments

General Risks. In general, a downturn in the national or local economy, changes in the zoning or tax laws or the availability of financing could affect the performance and value of the Company's investment in the Project. Because farmland is relatively illiquid, the Company may not be able to respond promptly to adverse economic or other conditions by diversifying its real estate holdings. Other risks include local market conditions, changes in economic conditions or interest rates, the unavailability or increased costs of financing, changes in farmland expenses, changes in governmental rules and policies (such as zoning), condemnation, casualty, acts of God (such as fires, earthquakes, floods), competition, the unavailability of funds to meet utility and maintenance costs, insurance costs and real estate taxes, liability under environmental or other laws, and other factors which are beyond the control of the Company.

Farmland assets held (directly or indirectly) by the Company:

- may not operate at a profit;

- may not perform to the Company's expectations;

The value of the Company's farmland investments and crop output will depend upon many factors beyond the Company's control.

Environmental Liabilities. The Company could face substantial loss from environmental claims based on environmental problems associated with the Project as well as from occupational safety issues and concerns. Various federal, state and local laws and regulations subject property owners and operators to liability for reporting, investigating, remediating, and monitoring regulated hazardous substances released on or from a property. These laws and regulations often impose strict liability without regard to whether the owner or operator knew of, or actually caused, the release. The presence of, or the failure to properly report, investigate, remediate, or monitor, hazardous substances could adversely affect the financial condition of the Company or the ability of the Company to operate or dispose of its investments. In addition, these factors could hinder the Company's ability to borrow against the Project. The presence of hazardous substances on a property also could result in personal injury or similar claims by private plaintiffs. In addition, there are federal, state and local laws and regulations which impose requirements on the storage, use, management and disposal of regulated hazardous materials or substances. The failure to comply with those requirements could result in the imposition of liability, including penalties or fines, on the owner or operator of the property. Future laws or regulations could also impose unanticipated material environmental liabilities on the Company in connection with any of its investments. The costs of complying with these environmental laws and regulations for the Project could adversely affect the Company's operating costs and, if contamination is present, the value of the Project.

Pandemics and Other Health Crises. The farmland underlying the Company's investment could be materially and adversely affected by the risks, or the public perception of the risks, related to a pandemic or other health crisis, such as the outbreak of novel coronavirus (COVID-19). Operating costs for the farmland underlying the Company's investments may increase due to additional health and safety requirements, and the Project may experience disruptions due to employee illness. Additionally, restrictions on access to the Project or the risk, or public perception of the risk, of a pandemic or media coverage of infectious diseases could cause employees or customers to avoid the Project or not purchase its produce, which could adversely affect operations. Such impacts on the real estate underlying the Company's investments could negatively impact the Company's performance by making it more difficult for entities in which it invests to satisfy their debt payment obligations, increasing the default risk applicable to such borrowers and/or making it relatively more difficult for the Company to generate attractive risk-adjusted returns.

In addition, the outbreak of COVID-19 has led to an economic slowdown in the United States and such outbreak, or any new outbreaks, could lead to a recession. During periods of economic slowdown or recession, rising interest rates or declining demand for farmland, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases and loans. The extent to which federal, state or local governmental authorities grant rent relief or other relief or enact amnesty programs applicable to our tenants in response to the COVID-19 outbreak will exacerbate the negative impacts that a slow down or recession will have on the Company.

The operation of assets or acquisition interests in assets, companies and businesses may be adversely affected by deteriorations and uncertainty in the financial markets and economic conditions throughout the world. Any deterioration or uncertainty could weaken the financial condition of assets, companies and businesses, causing them to operate at a loss or have significant variations in their operating results, or to

be unable to secure financing for their future operations and capital needs. Farmland historically has experienced significant fluctuations and cycles in value and local market conditions that may result in reductions in the value of real property interests. All farmland, including the Project, is subject to the risk that a general downturn in the national or local economy will depress farmland prices, and these risks may be greater in connection with investments in low-income areas. Recent economic developments have increased, and may continue to increase, the risk associated with investing in assets, companies and businesses. Given the volatile nature of the current market disruption and the uncertainties underlying efforts to mitigate or reverse the disruption, the Company may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments and trends in new products and services, in the current or future market environment. A failure could adversely affect the Company and its objectives or could require the Company to dispose of assets at a loss while unfavorable market conditions prevail. If the Company cannot operate its investment to meet its financial expectations, the Company's financial condition, results of operations, cash flow and ability to meet its obligations may be adversely affected.

Risks Relating to Property Tax. Farmland owned by the Company will likely be subject to real property taxes and, in some instances, personal property taxes. Such real and personal property taxes may increase as property tax rates change and as the Project is assessed or reassessed by taxing authorities. An increase in property taxes on the Project could adversely affect the Company's results from operation and could decrease the value of the Project as well as returns to Investors.

Risk of Terrorism. The Project may be directly or indirectly affected by a terrorist attack. While a terrorist attack could have a minimal impact on the Project, such an attack, if it occurred near the Project or impacted harvesting, workforce or supply-chain infrastructure relied on by the Company, could have a variety of adverse consequences for the Company, including risks and costs related to the destruction of property, inability to use the Project for its intended uses for an extended period, decline in property value, and injury or loss of life, as well as litigation related thereto.

Impact of Market Conditions. The Company's strategy relies, in part, upon favorable market conditions existing prior to the termination of the Company. The Company can make no assurances that such conditions will exist or continue to exist.

Impact of Government Regulation. The agricultural industry is extensively regulated and subject to frequent regulatory change. The adoption of new legislation or changes in existing laws or new interpretations of existing laws can have a significant impact on methods of doing business, costs of doing business and amounts of reimbursement from governmental and other agencies. The farmland industry is and will continue to be subject to varying degrees of regulation and licensing by federal and state regulatory authorities in various states and localities.

Due Diligence and Analytic Risks. The Manager and/or its affiliates will conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to the farmland. When conducting due diligence, the Manager and/or its affiliates will be required to exercise their professional judgment in evaluating important and complex business, financial, tax, accounting and legal issues. When conducting due diligence, the Manager and/or its affiliates will rely on the resources reasonably available, which in some circumstances whether or not known at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material effect on the value of the Project. Moreover, even if due diligence reveals certain factors that, over time, prove to have a material effect on the value of an investment, there is no guarantee that in conducting due diligence,

the Manager and/or its affiliates will accurately predict at such time which factors ultimately prove to have such a material effect.

Geographic Concentration. The Project is in one agricultural region of California. This exposes the Company to greater economic risks than if it owned a more geographically diverse asset base. As a result of the geographic concentration of farmland, the Company is particularly susceptible to developments or conditions in this geographic area, including adverse weather conditions (such as drought, fire, windstorms, tornados, floods, hail and temperature extremes), earthquakes, transportation conditions, crop disease, pests and other adverse growing conditions, and unfavorable or uncertain political, economic, business or regulatory conditions (such as changes in price supports, subsidies and environmental regulations). Any such developments or conditions could materially adversely affect the value of the Project, which could materially adversely affect the Company's financial condition, results of operations, cash flow and amounts it is able to distribute to Members.

Permanent Crop Risks. The Project will be planted with a permanent crop. Permanent crops have plant structures (such as root stock, trees, vines or bushes) that produce yearly crops without being replanted. Permanent crops such as almonds involve more risk than specialty/vegetable and commodity row crops because permanent crops require more time and capital to plant. As a result, permanent crops are more expensive to replace. If a farmer loses a permanent crop to drought, flooding, pestilence, fire or disease, then there would generally be significant time and capital needed to return the land to production because a tree may take years to grow before bearing fruit.

Almond trees on permanent farmland have a productive lifespan of approximately 25 years. Additionally, permanent crop farmland prevents the farmer from being able to rotate crop types to keep up with changing market conditions or changes to the weather or soil. If demand for one type of permanent crop decreases, then the permanent crop farmer cannot easily convert the farmland to another type of crop because permanent crop farmland is dedicated to one crop during the lifespan of the trees or vines and therefore cannot easily be rotated to adapt to changing environmental or market conditions.

Development activity. The Project involves significant development activity and the cultivating of almond trees to production takes time. Planting almond trees typically requires substantial capital outlay during the development period and several years could pass before positive cash flows can be generated, if ever.

Issues with Adequate Water. The farming operations on the Project require access to sufficient water as well as proper drainage. Although the Company expects that the Project has sufficient water and access to proper drainage, its analysis and surveys of the water availability may be incorrect, and water availability and rights on the Project may be affected by future federal, state and local government regulations, policies and practices as well as private sector rights, actions and inactions. Accordingly, there may be a need to drill wells or obtain additional water rights in the future, and the Company would be required to obtain permits prior to drilling such wells, which are required by state and county regulations. Such permits may be difficult or costly to obtain, particularly in areas where there is a limited supply of water, and there can be no assurance that such additional wells would produce sufficient water supplies to support farming operations adequately. Similarly, the Project may be subject to governmental regulations relating to the quality and disposition of rainwater runoff or other water to be used for irrigation, and in such case, the Company could incur costs in order to retain this water and comply with such regulations. If the Company is unable to obtain or maintain sufficient water supplies or if they do not have proper drainage, or the costs incurred to obtain or maintain the water supplies cause the farming operation to be less profitable, then the Company's ability to conduct its farming operations on favorable

terms, or at all, would be significantly impaired, which could have a material adverse impact on the Company's operations and the value of the Project, and consequently the amounts the Company is able to distribute to Members.

The Project may be vulnerable to adverse weather conditions, including drought, windstorms, tornados, floods and temperature extremes, which are quite common, but difficult to predict. Unfavorable growing conditions can reduce both crop size and crop quality. Seasonal factors, including supply and consumer demand, may also have an effect on the almonds that the Company grows. In extreme cases, entire harvests may be lost.

In addition, in 2014, California passed the Sustainable Groundwater Management Act of 2014 ("**SGMA**") which, among other objectives, seeks to achieve a sustainable balance in identified aquifers throughout California. The SGMA authorizes local and regional agencies to form groundwater sustainability agencies that will prepare and submit a groundwater sustainability plan ("**GSP**") to the California Department of Water Resources by either 2020 or 2022 (depending upon priority rating of the basin), with the intention of achieving groundwater sustainability within 20 years. The implementation of the GSPs may have an impact on the water availability for the Project and therefore impact crop production, which may adversely affect the Company's revenues or land valuations; however, the details of such water management decisions will take time to finalize and implementation will vary by water district.

Variability related to Weather and Crop Production. Certain geographical areas in California, including the geographical area where the Project is located, have experienced severe drought conditions over the past few years. These drought conditions, if they persist, could have negative short-term impacts on U.S. agriculture generally, including less crop production, increased competition for farmland due to depressed sales and lower farm income. In addition, if these drought conditions were to increase in severity or to continue for a more extended period of time, then it could have a materially adverse impact on the Company's farming operations in the region or longer-term effects on the U.S. agricultural industry generally. In addition, farms located near rivers or other water sources may be more susceptible to floods and drainage problems in periods of sustained rains. The Project may also be vulnerable to crop disease, pests and other contaminants. Damages to crops from drainage issues, crop disease or pests may vary in severity and effect, depending on the stage of production at the time of the drainage issue, infection or infestation, and, with respect to infestation or infection, the type of treatment applied and climatic conditions. The costs to control infestations vary depending on the severity of the damage and the extent of the plantings affected. These drainage issues or infestations can increase the Company's costs and decrease its revenues and, consequently, decrease the Company's revenues. In addition, the Company may incur losses from product recalls, fines or litigation due to other contaminants that may cause food borne illness. It is difficult to predict the occurrence or severity of such product recalls, fines or litigation as well as their impact upon the Company's operations and consequently the amounts the Company is able to distribute to Members.

In addition, the risks associated with weather conditions, seasonal variability, crop disease and other contaminants are magnified in the case of permanent crops, as such conditions can have a cumulative effect. Therefore, adverse weather conditions, seasonal variability, crop disease, pests and other contaminants could have a material adverse effect on the Company's operations and the value of its farms, and consequently the amount the Company is able to distribute to Members.

Effect of Variability on Revenues. A crop season is characterized by cultivation and the growing of the crop during the course of the year, with the resultant harvest generally occurring in the late summer to

early fall. Revenues from the sale of tree nuts (almonds, walnuts, pistachios and pecans) generally stretch over a period of months in the year following the harvest and the percentage of the crop sold in each quarter of the following year is not consistent from year to year. Accordingly, the seasonal variability of the crops grown on such farms can be expected to cause quarterly fluctuations in the Company's revenues.

Additionally, the Company's quarterly earnings may be adversely affected by factors outside of its control, including weather conditions and poor economic factors in certain markets in which it operates. This seasonality can be expected to cause periodic fluctuations in productivity. The Company can provide no assurances that its cash flows will be sufficient to offset any shortfalls that occur as a result of these fluctuations. As a result, volatility in the Company's financial performance resulting from the seasonal variability of the crops grown on its farms could have a material adverse effect on its revenues and consequently, the amounts the Company is able to distribute to Members.

Future Climate Change Risks. In addition to the general risks to the Company's operations posed by adverse weather conditions, the Company's operations and the value of the Project and the Company may be subject to risks associated with long-term effects of climate change. Some climatologists have predicted that the impacts of climate change could include increases in average temperatures, more extreme temperatures, changes in rainfall patterns, severe droughts and increases in volatile weather over time. The effects of climate change may be more significant along coastlines, such as in California, where the Project is located, due to rising sea levels resulting from the melting of polar ice caps, which could result in increased risk of coastal erosion, flooding, degradation in the quality of groundwater aquifers and expanding agricultural weed and pest populations. Such effects of climate change could make the Project less suitable for farming or other alternative uses, which could materially adversely impact the Company's ability to generate revenues, its operations, the value of its farms, and consequently, the amounts it is able to distribute to Members.

Agricultural Technology Advancements. Future advances in seed technology, genetic engineering, irrigation improvements and other agricultural technology enhancements may lead to higher crop production on existing farmland, which could put downward pressure on the demand for its crops. As a result, the Company could experience a reduction in its anticipated returns, which are, in part, based on certain assumptions regarding increased global demand for permanent crops and commodity crops and declining availability of farmland, which in turn could have a materially adverse effect on its operations and financial condition.

Endangered Species Risks. Federal, state and local laws and regulations intended to protect threatened or endangered species could restrict certain activities on the Project. The size of any area subject to restriction would vary depending on the protected species at issue, the time of year and other factors, and there can be no assurance that such federal, state and local laws will not become more restrictive over time. If portions of the Project are deemed to be part of or bordering habitats for such endangered or threatened species that could be disturbed by the Company's agricultural activities, then it could impair the ability of the land to be used for farming, which in turn could have a material adverse impact on the Company's operations and the value of the Project.

Inflated Purchase Prices. The allocation of substantial amounts of capital for investment in farmland and farming and significant competition for income-producing real estate may inflate the purchase prices for such assets. If the Company acquires property in such an inflated environment, then it is possible that the value of its assets may not appreciate and may, instead, decrease in value, perhaps significantly, below

the amount the Company paid for such assets. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the purchase of farmland and farming related farms and the number of investors participating in the sector, could cause the value of the Company's assets to decline.

Tariffs. If sale volumes or prices to foreign entities decline as a result of tariffs imposed on almonds imported from the United States, then the Company's revenues may decline, which will have a material adverse effect on operations and revenues, and consequently, amounts it is able to distribute to Members.

James Irrigation District. The Project is located in the James Irrigation District. The James Irrigation District has multiple sources of water including, CVP contract, riparian rights, Kings River water rights wells/groundwater and both are strategically located and connected to the Kings River and San Joaquin River to capture flood water when available. The James Irrigation District is served by the Reclamation District No. 1606 and is part of the James GSA. Reclamation districts are special purpose districts which reclaim and protect land that is threatened by permanent or temporary flooding so that it may be used for agriculture, commerce, industry, or residence. This is accomplished with a system of levees, drainage ditches and pumps.

These entities may promulgate rules and regulations that bind the Company and affect the Company's almond production, which could reduce income and investment returns.

Other Considerations

Absence of Regulation; Certain Protections under Federal Securities Laws Not Available. The Company has not registered under and does not intend to register under the Investment Company Act, and Interests are not registered under the Securities Act, or the securities laws of any United States state or other jurisdiction. Consequently, the Company is subject to substantially less regulation and supervision than investment companies registered under the Investment Company Act. While the Company has not and does not intend to register under the Investment Company Act, there can be no assurance that the Company will not become subject to requirements of the Investment Company Act in the future, in which case the nature and performance of the Company's activities could be materially adversely affected.

ERISA. Subject to the limitations set forth in Part 5, Certain Regulatory, ERISA and Tax Considerations – ERISA Considerations, the Company will generally accept subscriptions from individual retirement accounts, Keogh Plans, employee benefit plans and other “benefit plan investors.” The Manager intends to use commercially reasonable efforts to ensure that “benefit plan investors” (as defined in ERISA) hold less than 25% of the total value of each class of equity interest in the Company (or such higher percentage as may be prescribed by ERISA or regulations promulgated thereunder). There can be no assurance that non-“plan asset” status will be obtained or maintained. See Part 5, Certain Regulatory, ERISA and Tax Considerations – ERISA Considerations, for additional information.

United States Federal Income Tax Risks. An investment in the Company entails certain tax risks, including: (i) the possibility that certain deductions claimed by the Company may be disallowed and that any audit of the Company's tax return may result in an audit of a Member's return; (ii) the possibility that the Company may have taxable income allocable to Members in an amount greater than the cash available for distribution; (iii) the possibility that a Member may be liable for withholding taxes in excess of its distributable share of any cash distributions from the Company; and (iv) the possibility that future

legislative or administrative or judicial interpretations of current law or future legislation will change the tax treatment of investors described herein. Each investor should carefully review the risks described in Part 5, Certain Regulatory, ERISA and Tax Considerations – United States Federal Income Tax Considerations.

The Company may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the “IRS”) or any other applicable taxing authorities, there could be a materially adverse effect on the Company and a Member could be found to have a different tax liability for that year than that reported on its federal income tax return.

Members will be required to take into account their allocable share of the Company’s items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Company. Thus, each Member may be taxed on its distributive share of certain taxable income of the Company regardless of whether such investor receives any actual cash distributions from the Company. Accordingly, a Member’s tax liability for any taxable year attributable to its investment in the Company may exceed (perhaps to a substantial extent) the cash distributed to that investor during the taxable year.

Risk of Tax Audit. Pursuant to the U.S. Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules (“BBA”), the IRS is generally permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Company, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Company level. Although certain elections or other procedures may be available to mitigate the impact of such determination, assessment or collection, there can be no assurances that the Company will avoid, or be able to avoid, any entity-level determination, assessment or collection. In addition, any such elections or procedures may have differing results on the tax liability of investors depending on the tax status of each investor, and the Company may not be able to take into account the particular facts or circumstances of an investor. A Member may be required to bear a share of the economic burden of taxes so assessed or collected without regard to whether such person was a Member, or without regard to its relative ownership interest, during the taxable year of the Company to which such taxes relate. Each partnership (or other entity taxed as a partnership) that is required to file, or that files, a U.S. income tax return, must designate a representative under the BBA (such representative for the Company, the “**Company Representative**”) with the sole authority to act on behalf of, and to bind, the partnership, its partners, and any other person whose tax liability is determined by taking into account adjustments under the BBA. If the Company Representative is an entity, the Manager will have the exclusive authority to appoint the Company’s “designated individual” through whom such Company Representative will act. Limitations on the authority of the Company Representative in the LLC Agreement or in any other agreement will not be binding during examinations upon audit or any other proceedings. In addition, Members will not be able to participate in any such examinations or proceedings without permission of the IRS. Prospective investors should note that the BBA regime is complex and that the impact on any current or future allocations made or cash available for distributions or withdrawals by the Company is uncertain. The Company may also be exposed to the risk that these rules apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Company directly or indirectly invests. The legal and accounting costs incurred in connection with any audit of the Company will be borne

by the Company. The cost of any audit of any Member will be borne solely by such Member. Prospective investors should consult their own tax advisors in this regard.

Structure. The Manager intends to structure the Company's investments in a manner that is intended to achieve the Company's investment objectives. There can be no assurance, however, that the structure of any investment will be tax efficient for any particular Member or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which Members are liable for taxation or in which the Company makes investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the Company under the laws of the jurisdiction in which they are liable for taxation.

Tax-Exempt Investors. The Company will seek to minimize the amount of "unrelated business taxable income" ("UBTI") that is realized by tax-exempt investors, to the extent reasonably practicable and consistent with its objective of maximizing the pre-tax returns of the Members as a whole, but it is possible that a significant portion of the Company's income will be treated as UBTI. See Part 5, Certain Regulatory, ERISA and Tax Considerations – Unrelated Business Taxable Income, for additional information.

Delayed Tax Report Information. The Company will use commercially reasonable efforts to provide Schedules K-1 to Members within 90 days of the end of the taxable year (or as soon as reasonably practicable thereafter), but may not be able to provide final Schedules K-1 to Members for any given fiscal year until after April 15 of the following year. Members should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels.

Tax Changes. Members will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Company. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Disclosure Memorandum, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Company. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Company, in which event any benefits derived from an investment in the Company may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Company and/or the Members. Enactment of such legislation, or similar legislation, could require significant restructuring of the Company in order to mitigate such effects.

The taxation of entities taxed as partnerships and investors in those entities is complex. Prospective investors are strongly urged to review the discussion set forth under Part 5, Certain Regulatory, ERISA and Tax Considerations.

FOIA. The Manager may determine that, as a result of the United States Freedom of Information Act ("FOIA"), or any laws, statutes or regulatory requirements similar in intent or effect to FOIA within any jurisdiction inside or outside of the United States, a Member or its affiliates may be required to disclose information relating to the Company and its investments, which disclosure could, for example, affect the Company's ability to compete for investment opportunities. The Manager may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Member, as more fully described in the LLC Agreement.

Anti-Money Laundering. If the Company or any governmental agency believes that the Company has accepted subscriptions from, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of any US, international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, the Company or such governmental agency may freeze the assets of such person or entity. The Company may also be required to remit or transfer assets held in respect of such person or entity to a governmental agency.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of all the risks and significant considerations involved in an investment in the Company. Prospective investors should read this entire Disclosure Memorandum and consult with their own legal, financial, tax and other advisors before deciding to make an investment in the Company.

POTENTIAL CONFLICTS OF INTEREST

Certain factors may give rise to conflicts of interest between the Manager and its respective affiliates, on the one hand, and the Members, on the other hand. By acquiring Interests, each Member will be deemed to have acknowledged the existence of, and waived any claim of liability arising from, any such actual or potential conflicts of interest. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Company.

The Company

The Company may be subject to certain conflicts of interest arising out of its relationship with the Manager and its respective affiliates. The agreements and arrangements among the Company, the Manager, and their respective affiliates, including those related to compensation, expenses and reimbursement of expenses, have been established by the Manager and are not the result of arm's-length negotiations.

Although the Company has adopted no formal policy for resolving conflicts of interest, the Manager will attempt to resolve any conflicts of interest on an equitable basis, although it is possible that potential conflicts may not be resolved in favor of the Company.

Fees Payable Regardless of the Company's Performance

Regardless of whether the Company experiences net losses in a particular year or over the life of the Company, the Company will continue to pay the Manager's fees and to reimburse the Manager for certain expenses.

Farming Contract with Entity Affiliated with the Manager

The Company will enter into a contract for farming services and farming equipment with an entity owned by the members of the Manager. Although the affiliate of the Manager will use best efforts to avoid improper self-dealing, there is an inherent conflict of interest where one person is on both sides of a transaction, which may result in the agreement differing from one negotiated at arm's-length. The contract will be for a one-year term with automatic renewal unless agreed to otherwise, and the Manager

will maintain flexibility on pricing to reflect changes in the scope of character of the required services. Any fees paid will be subject to the terms of the LLC Agreement.

Other Activities of Management

Personnel of the Manager are not required to devote all or any specified portion of their time to the business and affairs of the Company, but will devote to the Company so much of their time as the Manager deems necessary or appropriate.

The Manager and its affiliates (and their respective officers, managers, directors, employees, shareholders, members, partners and other agents) may invest for other investment vehicles, funds or client accounts advised or managed by them or for their personal accounts in the same areas of investment opportunity as those in which the Company may invest. Moreover, such persons may become aware of, and participate in, business opportunities in which the Company will not be given an opportunity to participate. The Manager generally has no obligation or responsibility to disclose or refer any particular investment or other opportunity of any kind whatsoever to the Company, even if such opportunity is of a character that, if presented to the Company, could be taken by the Company.

Lack of Separate Representation

Maynard Nexsen PC has acted and will act as legal counsel to the Manager and the Company in connection with the formation of the Company and the Interests offered and transactions contemplated hereby. Maynard Nexsen PC is not representing any prospective investors nor is it rendering any legal advice to any other prospective investors in connection with their investment in the Company and the transactions contemplated hereby. Accordingly, prospective investors are strongly urged to consult with their own tax and legal advisors with respect to the tax and other legal aspects of investment in the Company and the transactions contemplated hereby, and with specific reference to their own personal financial and tax situation. Maynard Nexsen PC does not monitor compliance by the Company or the Manager with the investment program or other investment guidelines or procedures set forth in the LLC Agreement, and Maynard Nexsen PC does not monitor compliance by the Company or the Manager with applicable laws, unless in each case Maynard Nexsen PC has been specifically retained to do so. Maynard Nexsen PC does not investigate or verify the accuracy or completeness of any information provided to prospective investors or their representatives regarding the Offering, the Company or the Manager, including without limitation the information contained in this Disclosure Memorandum.

PART 5

CERTAIN REGULATORY, ERISA AND TAX CONSIDERATIONS REGULATORY CONSIDERATIONS

United States Securities Laws

The offer and sale of Interests will not be registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder, as well as representations made by prospective investors pursuant to the Subscription Agreement. Each prospective investor must be an “accredited investor” (as defined in Regulation D). In order to establish compliance with such exemption, each prospective investor must furnish certain information to the Company and represent, among other customary private placement representations, that it is acquiring its Interests for its own account, for investment purposes only and not with a view towards resale or distribution. The Interests will not be registered under any other securities laws, including state securities laws (or “blue sky” laws) or non-U.S. securities laws. Furthermore, the Interests may not be transferred or resold except as permitted under the Securities Act and any applicable state or non-U.S. securities laws, pursuant to registration or exemption therefrom, and in compliance with the restrictions on transferability set forth in the LLC Agreement.

Anti-Money Laundering Regulations

All subscriptions are subject to applicable anti-money laundering regulations, including Title IV of the USA PATRIOT Act Improvement and Reauthorization Act of 2005, as amended (the “**USA PATRIOT Act**”), and any relevant regulations and any other applicable federal or other laws or regulations. The Company and the Manager may be required to obtain a detailed verification of the identity of each prospective investor, the identity of any beneficial owner of any such prospective investor and the source of funds used to subscribe for Interests. Each prospective investor is also required to represent that it is not a prohibited person, as defined by the USA PATRIOT Act, United States Executive Order 13224 and any other relevant legislation and regulations.

An individual prospective investor may be required to produce a copy of a passport or identification card certified by a notary public. Corporate, trust or partnership prospective investors may be required to produce a certified copy of their charter documents (including documentation of any change of name) and appropriate certificates, resolutions and/or written consents verifying the identity and authority of the relevant persons to sign on behalf of such prospective investor with respect to an investment in the Company. In the case of pooled or institutional investors, the subscribing institution is obliged to conduct appropriate due diligence on its investors and/or clients (as applicable). The Company may request information from such subscribing institution regarding its anti-money laundering procedures.

Should an existing Member or prospective investor refuse to provide any information required for verification purposes, the Company may refuse to accept a subscription or may cause the redemption of the Interests held by any such existing Member. The Company and the Manager may request such additional information from Members or prospective investors as is necessary in order to comply with the USA PATRIOT Act, United States Executive Order 13224 or other relevant United States or other anti-money laundering legislation and regulations.

The Company and the Manager reserve the right to request such further information as may be necessary to verify the identity of a prospective investor and the source of payment of subscription funds, or other information as may be necessary to comply with applicable regulations. In the event of delay or failure by a prospective investor to produce information required for verification purposes, the Company may refuse to accept such prospective investor's subscription and subscription payment.

The Company, by written notice to any Member, may take any action it determines in its sole discretion to be necessary or advisable to comply with the USA PATRIOT Act, United States Executive Order 13224 or any other relevant anti-money laundering legislation and regulations applicable to the Company, the Manager or any of the Company's other service providers including effecting the required withdrawal of a Member, or if so ordered by a competent United States or other court or regulatory authority.

If the Company or the Manager has a suspicion that any transaction concerning the Company is connected with money laundering or terrorist financing, the Company (or the Manager) may be required to report such a suspicion to the appropriate regulatory authorities. In reporting such a suspicion, non-public personal information may be disclosed regarding the Member who is the subject of the suspicion. In addition, the regulatory authorities to which the Company or the Manager are subject have the power to request evidence confirming that the Company or the Manager have been operating in compliance with applicable anti-money laundering procedures and other applicable laws, rules and regulations. Such evidence could include non-public personal information of Members.

ERISA CONSIDERATIONS

THE FOLLOWING DISCUSSION IS NOT INTENDED, OR WRITTEN BY THE MANAGER OR ITS LEGAL COUNSEL, TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED UPON SUCH TAXPAYER. THIS DISCUSSION IS PROVIDED SOLELY AS A GENERAL DISCUSSION TO SUPPORT THE MARKETING OF INTERESTS IN THE COMPANY OFFERED HEREBY. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED UPON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

General

Fiduciaries and other persons who are proposing to invest in Interests on behalf of retirement plans, individual retirement accounts ("**IRAs**"), and other employee benefit plans (collectively "**Plans**") covered by ERISA or the Code, must give appropriate consideration to, among other things, the role that an investment in the Company plays in the Plan's portfolio, taking into consideration whether the investment is designed to reasonably further the Plan's purposes, the investment's risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the estimated return of the total portfolio relative to the Plan's objectives, the limited right of investors to withdraw all or part of their capital or to transfer their Interests in the Company, and whether investment in the Company constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

Plan Asset Regulations and Benefit Plan Investors

The United States Department of Labor (the "**DOL**") has adopted regulations (the "**Plan Asset Regulations**") that treat the assets of certain pooled investment vehicles, such as the Company, as "plan assets" for purposes of Title I of ERISA and Section 4975 of the Code ("**Plan Assets**"). Section 3(42) of ERISA defines

the term “Plan Assets” to mean plan assets as defined by such regulations as the DOL may prescribe, except that, under such regulations, the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by “Benefit Plan Investors” (the “significant participation test”). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor), who has discretionary authority or control with respect to the assets of the entity, or any person, who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term “**Benefit Plan Investors**” means any employee benefit plan subject to the fiduciary provisions of ERISA, any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan’s investment in such entity (a “**Plan Asset Entity**”).

The Manager intends to use commercially reasonable efforts either to operate the Company in such a manner so as to ensure that benefit plan investors hold less than 25% of the total value of each class of equity interest in the Company.

If the Company’s assets were considered Plan Assets, then, under ERISA and the Code, the Manager would be a fiduciary, and certain employees, partners, and officers of the Manager, as well as certain affiliates, would become “parties in interest” and “disqualified persons” with respect to the investing Plans, with the result that the rendering of services to certain related parties or the lending of money or other extensions of credit, or the sale, exchange, or leasing of property by the Company or certain related parties, or the payment of certain fees, as well as certain other transactions, might be deemed to constitute prohibited transactions. Additionally, individual investment in Interests by persons who are fiduciaries or parties-in-interest and disqualified persons, or both, to a Plan might be deemed to constitute prohibited transactions under such circumstance.

Representation by Plans

The fiduciaries of each Plan investing in the Company must represent that the decision to invest Plan Assets in the Company is consistent with the provisions of ERISA and the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. In particular, exempt organizations should consider the applicability to them of the provisions relating to UBTI. Each Plan investing in the Company must represent, among others, that the Plan’s investment in the Company and the payment of certain expenses are not prohibited transactions within the meaning of ERISA and that such Plan’s investment in the Company is permissible under the documents governing the investment of its assets and under ERISA and any other applicable laws.

Ineligible Purchasers

Interests may not be purchased with Plan Assets if the Manager, any selling agent, finder, any of their respective affiliates, or any of their respective employees: (i) has investment discretion with respect to the investment of such Plan Assets; (ii) has authority or responsibility to give or regularly gives investment advice, with respect to such Plan Assets, for a fee pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (iii) is an employer maintaining or contributing to such Plan. A party that is described in clause (i) or (ii) of the preceding sentence is a fiduciary

under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Plans’ Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the Company is intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

Whether or not the underlying assets of the Company are deemed Plan Assets, an investment in the Company by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Company. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the effect of their respective laws and regulations on an investment in the Company.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

THE FOLLOWING SUMMARY COVERS ONLY FEDERAL INCOME TAX MATTERS, AND DOES NOT ADDRESS ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. TAX CONSIDERATIONS. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE COMPANY.

The following summary discusses certain United States federal income tax considerations that may be relevant to prospective investors in connection with the purchase and ownership of Interests in the Company. This discussion is based on provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), the regulations promulgated thereunder (the “**Regulations**”) and published administrative rulings and judicial decisions, all as of the date of this Disclosure Memorandum. No assurance can be given that future legislation, regulations, administrative rulings or court decisions will not modify the conclusions set forth herein, possibly with retroactive effect, or otherwise adversely affect the federal, state and/or local income tax aspects of an investment in the Company. This discussion is necessarily general, and the actual tax and financial consequences of the purchase and ownership of Interests in the Company will vary depending upon the particular circumstances of Members. This discussion does not constitute tax advice, and is not intended as a substitute for tax planning. Further, this discussion does not apply to special classes of taxpayers, such as “closely held” corporations, regulated investment companies, banks, thrifts, insurance companies, Members that hold interests in the Company as other than capital assets, or (except as specifically addressed) non-U.S. persons or entities or tax-exempt organizations. The Company has not sought a ruling from the Internal Revenue Service (the “**IRS**”) or any other federal, state or local agency with respect to any of the tax issues affecting the Company or the Members, nor has it obtained an opinion of counsel with respect to any tax issues.

The federal income tax treatment of partners in partnerships holding Interests in the Company generally will depend on the activities of the partnership and the status of the partner. Prospective investors that are partnerships (or entities treated as partnerships for federal income tax purposes) should consult their

own tax advisors regarding the federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Interests in the Company.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN TAX ADVISOR IN ORDER TO FULLY UNDERSTAND THE FEDERAL, STATE, LOCAL AND OTHER INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. IN NO EVENT WILL THE COMPANY, THE MANAGER, OR THEIR AFFILIATES, COUNSEL OR OTHER PROFESSIONAL ADVISORS BE LIABLE TO ANY MEMBER FOR ANY U.S. FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY, WHETHER OR NOT SUCH CONSEQUENCES ARE DESCRIBED IN THIS DISCLOSURE MEMORANDUM.

Tax Classification of the Company

Under current law, the Manager expects that the Company will be classified as a partnership for federal income tax purposes and not as an association taxable as a corporation under the Code and Regulations. However, the Company could fail to qualify as a partnership for federal income tax purposes in future years as a result of a variety of developments including, without limitation, (i) modifications of the law governing the classification of entities as partnerships and (ii) characterization of such an entity as a “publicly traded partnership” as a result of the volume of transfers of partnership interests.

Under Section 7704 of the Code, a “publicly traded partnership” is generally treated as a corporation for federal income tax purposes, unless at least 90% of its annual gross income is “qualifying income,” which generally includes income from investing or trading in stocks and securities. A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). The Manager does not expect that the Interests will be traded on an established securities market. Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent thereof). Depending on the number of Members, the Company may qualify for the safe harbor exemption for partnerships that are offered to investors in private placements. The discussion below assumes that the Company will be treated as a partnership for federal income tax purposes.

Taxation of the Company

Allocations of Profits and Losses. As a partnership, the Company itself generally will not be subject to federal income taxation. Each Member otherwise subject to tax will be required to report separately, on its own federal income tax return, its distributive share (whether or not actually distributed) of the Company’s income, gain, loss, deduction or credit for each taxable year of the Company ending with or within the Member’s taxable year. Generally, a Member’s distributive share of partnership income, gain, loss, deduction or credit for federal income tax purposes is determined in accordance with the provisions of the LLC Agreement unless the LLC Agreement does not so provide, or unless the allocations provided by the LLC Agreement are deemed not to have “substantial economic effect” for federal income tax purposes. The Manager believes that the allocations set forth in the LLC Agreement should be respected for federal income tax purposes. However, if the allocations that are made pursuant to the LLC Agreement with respect to a particular item were successfully challenged by the IRS, then allocations in respect of such item would be determined by the IRS according to each Member’s “interest” in the Company, taking into account all of the facts and circumstances. In some instances, this could result in such Member recognizing a greater or lesser amount of income, gain, loss or deduction than it would have otherwise

recognized pursuant to the terms of the LLC Agreement, or in such Member recognizing an amount of income, gain, loss or deduction at a different time than pursuant to the terms of the LLC Agreement.

Returns, Tax Audits and Elections. The Company will file an annual partnership information return that will report the results of its operations. The Company has discretion regarding how to report partnership items on the Company's federal income tax returns and all Members are generally required to treat the items consistently on their own federal income tax returns.

Under the BBA, a partnership required to file, or that files, an income tax return, must appoint a Company Representative with the sole authority to act on behalf of the partnership in connection with audits, assessments, collections and related proceedings, and to bind the partnership and its partners. The Company is expected to designate the Manager or one of its affiliates as the Company Representative, to the extent permitted under applicable law. The BBA permits the IRS to adjust any item of the Company's income, gain, loss, deduction or credit (and any Member's distributive share thereof) for any taxable year under review (the "**Review Year**"), and to assess on and collect from the Company any tax attributable thereto (including additions to tax, interest and penalties).

Under the default BBA regime, the Company is required to pay any imputed underpayment amount as a result of any such adjustment. In such case, any person who is a Member in the year of such adjustment may be required to bear a share of the economic burden of any such taxes assessed or collected, without regard to whether such person was a Member, or without regard to such Member's relative ownership interest, during the Review Year. Under certain circumstances, the amount of the imputed underpayment determined under the default regime may be reduced in whole or in part to the extent of the allocable share of any Members that file amended returns and pay any associated taxes, qualify as tax-exempt partners under Section 168(h) of the Code, or are subject to a lower rate of tax, in each case with respect to the Review Year. There can be no assurances that the Company will be able to reduce, or will reduce, the amount of an imputed underpayment pursuant to these procedures. Under an alternative BBA regime, the Company Representative may elect out of the default regime for the Company and require that its Members directly take into account the amount of any adjustment, in which case the Company is required to send an adjusted Schedule K-1 to each person who was a Member in the Review Year and each such person (whether a current or former Member) will generally be required to pay any resulting tax (including interest and penalties, as well as a two-percentage point increase on the interest rate that would otherwise have been imposed on any underpayment of taxes). There can be no assurances that the Company will make, or will be able to make, a valid election to apply this alternative regime under any particular circumstances. Similar rules may apply to any entity treated as a partnership for federal income tax purposes in which the Company directly or indirectly invests. The BBA regime is complex and, in certain circumstances, the effect of its implementation on the Company and the Members may be unclear. Prospective investors should consult their own tax advisors regarding the application of the BBA regime to an investment in the Company in their particular circumstances.

Section 754 Election. The Code provides for adjustments to the basis of partnership property upon distribution of partnership property to a partner and transfers of partnership interests (including by reason of death), provided that an election has been made by the partnership pursuant to Section 754 of the Code. Under the LLC Agreement, the Manager may in some circumstances cause the Company to make such an election. Any such election, once made, cannot be revoked without the consent of the IRS. In certain circumstances, basis adjustments similar to those resulting from a Section 754 election are effectively mandatory. If basis adjustments are required, the Manager will cause the Company to comply with any such requirement.

Federal Income Taxation of Members Generally

In General. Each Member will be subject to tax on its distributive share of the Company's taxable income or loss, regardless of whether it has received or will receive any actual distribution of cash or property from the Company. In addition, the Company could recognize taxable income prior to the receipt of cash or property with respect to such income (e.g., deemed dividends and original issue discount). Consequently, a Member's income tax liability related to transactions by the Company could exceed the amount distributed by the Company to such Member in a particular year.

Currently, the highest individual tax rate applicable to ordinary income is 37% and the highest individual long-term capital gains and qualified dividend income rate is 20% (unless an individual taxpayer elects to be taxed at ordinary rates; see below under "Limitations on Losses and Deductions—General Limitations"). In all cases applicable tax rates may be higher due to the phase out of certain tax deductions, exemptions and credits. The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual limitation of \$3,000. Capital losses of an individual taxpayer may generally be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the \$3,000 annual limitation). For corporate taxpayers, the current maximum income tax rate is 21%. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

In addition, individual Members with "modified adjusted gross income" that exceeds certain thresholds (e.g., \$250,000 for married individuals filing jointly and \$200,000 for single individuals) are subject to a Medicare tax of 3.8% on the lesser of: (i) their investment income, net of deductions properly allocable to such income, and (ii) the excess of their "modified adjusted gross income" above the applicable threshold. Some portion or all of the Company's income may be treated as investment income for this purpose, and as a result individual Members receiving allocations of income from the Company may be subject to this tax. This tax is in addition to any federal income tax imposed on individual Members with respect to their distributive share of income of the Company. Trusts and estates also may be subject to this additional tax. Members should consult their own tax advisors regarding the application of the Medicare tax to their investment in the Company.

Alternative Minimum Tax. Individual Members could be subject to the alternative minimum tax ("**AMT**") if the AMT exceeds the general federal income tax otherwise payable by the individual Member for the taxable year. In addition, on August 16, 2022 the Inflation Reduction Act of 2022 was enacted, which among other things, imposes a 15% AMT on US corporations with financial accounting profits exceeding a certain threshold. Due to the complexity of AMT calculations, Members should consult with their tax advisors as to whether an investment in the Company may create or increase AMT liability.

Limitations on Losses and Deductions

General Limitations. If the Company is treated as an "investor" for federal income tax purposes, the following limitations generally would be expected to apply to expenses or losses allocated by the Company to non-corporate Members (including certain closely held personal service and S corporations):

- Except as described below, interest on any amount borrowed by a non-corporate Member to purchase Interests generally would be "investment interest," subject to a limitation on deductibility. In general, investment interest would be deductible only to the extent of the

taxpayer's "net investment income." For this purpose, "net investment income" generally would include net income from the Company and other income from property held for investment (other than income treated as passive activity income). However, qualified dividend income, as defined in Section 1(h)(11)(B) of the Code, and long-term capital gain are excluded from the definition of net investment income unless the taxpayer makes a special election to treat such qualified dividend income or gain as ordinary income. Interest that is not deductible in the year incurred, because of the deductibility limitation applicable to investment interest, may be carried forward and deducted in a future year in which the taxpayer has sufficient investment income. However, interest on any amount borrowed by a Member to make a Capital Contribution to the Company, which amount is allocable to a portfolio company that is engaged in certain types of trades or businesses and classified as a partnership for federal income tax purposes, generally will be treated as a passive activity expense (rather than as "investment interest"). A substantial portion of the Company's income is expected to consist of investment interest or business interest, although there can be no assurances in this regard.

- An individual Member's distributive share of certain of the Company's expenses (including the Management Fee and any other amounts that are treated for tax purposes as expenses of the Company) would currently not be deductible and, as of 2026, would be deductible only as itemized deductions, subject to the limitations of Code Sections 67 and 68. Itemized deductions are non-deductible in computing such Member's AMT income and AMT liability. Each Member to whom these rules potentially apply will have to take into account separately its share of the Company's expenses to determine the application of these limitations.

Basis and At Risk Limitations. The amount of any loss of the Company that a Member is entitled to include in its income tax return is limited to its adjusted tax basis in its Interests as of the end of the Company's taxable year in which such loss occurred. Similarly, a Member that is subject to the "at risk" limitations (generally, non-corporate taxpayers and closely held corporations) may not deduct losses of the Company to the extent that they exceed the amount such Member has "at risk" with respect to its Interests at the end of the taxable year. The amount that a Member has "at risk" will generally be the same as its adjusted tax basis as described above, except that it will generally not include any amount attributable to liabilities of the Company or any amount borrowed by the Member on a non-recourse basis. Losses denied under the basis or "at risk" limitations are suspended and may be carried forward to future years subject to these and other applicable limitations.

Limitation on Excess Business Losses. Recently enacted tax reform legislation imposes a new limitation on the deduction of business losses recognized from a sole proprietorship or passed through from an S corporation or partnership. Business losses in excess of a specified threshold (currently \$540,000 for married couples filing jointly; \$270,000 for single persons and married persons filing separately) are no longer allowed in the year of recognition and become net operating loss carryforwards. This limitation applies after the pre-existing passive loss rules and applies for taxable years beginning after December 31, 2020, and before January 1, 2026.

20% Deduction for Qualified Business Income of Pass-Through Entities. Under the Tax Cuts and Jobs Act of 2017 (the "TCJA"), for tax years beginning after December 31, 2017, and before January 1, 2026, Section 199A of the Code allows non-corporate taxpayers a deduction of up to 20% for "qualified business income" ("QBI") earned through pass-through entities, such as partnerships and limited liability companies taxed as partnerships, S corporations, disregarded entities and trusts. QBI is generally defined as all domestic business income other than investment income (e.g., dividends (other than qualified REIT

dividends, cooperative dividends and certain income from publicly traded partnerships), investment interest income, short-term capital gains, long-term capital gains, commodities gains, and foreign currency gains).

Non-corporate Members may be eligible for a deduction with respect to their allocable share of a portion of the Company's QBI that is earned through portfolio companies that are pass-through entities, including REITs (if any). However, the deduction is subject to several limitations that may materially limit the amount of the deduction available for Members. For example, the deduction is generally limited to 50% of W-2 wages (or, if greater, 25% of W-2 wages, plus 2.5% of the cost of tangible depreciable property), in each case, with respect to the qualified trade or business. This limitation generally does not apply to REIT dividends and income from publicly traded partnerships. Non-corporate Members are urged to consult their tax advisors regarding the potential availability of any such deduction.

Depreciation. The TCJA expanded bonus depreciation by permitting businesses an immediate tax deduction for investment in certain qualified property purchased after September 27, 2017 and before January 1, 2023. Beginning in 2023, the deduction percentage will decrease by 20% each year through 2026. Unless Congress acts, bonus depreciation is set to expire on January 1, 2027.

Miscellaneous Deductions. The TCJA temporarily suspended all miscellaneous itemized deductions, such as deductions for investment fees and expenses and unreimbursed employee business expenses that were previously subject to the 2% of adjusted gross income floor. Taxpayers may not claim miscellaneous itemized deductions for the years to which the suspension applies beginning after December 31, 2017, and before January 1, 2026.

Organization and Syndication Expenses. The Company may incur certain expenses in connection with its organization and the marketing of the Interests. For federal income tax purposes, amounts paid or incurred to organize a partnership are not deductible, but may, by election of the Company, be capitalized and amortized over a period of not less than 180 months. Amounts paid or incurred to market Interests that qualify as "syndication expenses" are neither deductible nor amortizable.

Taxation of Distributions and Dispositions

Taxation of Distributions. Cash non-liquidating distributions, to the extent that they do not exceed a Member's tax basis in its Interests, will not result in taxable income to such Member, but will reduce its tax basis in its Interests by the amount distributed. Cash (and, in certain circumstances, marketable securities) distributed to a Member in excess of the basis of its Interests is generally taxable as capital gain, subject to certain exceptions.

When a Member receives a cash liquidating distribution from the Company, such Member generally will recognize capital gain or loss to the extent of the difference between the proceeds received by such Member and such Member's adjusted tax basis in its Interests. Such capital gain or loss will be long-term or short-term depending on the Member's holding period. For purposes of these rules, a decrease in a Member's share of Company liabilities (which can result from a variety of transactions) is treated as if it were a distribution of cash. However, a resigning or withdrawing Member will recognize ordinary income to the extent such Member's allocable share of the Company's "unrealized receivables" exceeds the Member's basis in such unrealized receivables (as determined pursuant to applicable Regulations). For these purposes, accrued but untaxed market discount, if any, on securities held by the Company will be treated as an unrealized receivable, with respect to which a resigning or withdrawing Member would recognize ordinary income.

Distributions of property other than cash in complete liquidation of a Member's Interests generally will not result in the recognition of taxable gain or loss to the Member (except to the extent such distribution is treated as made in exchange for such Member's share of the Company's unrealized receivables). However, a distribution of marketable securities will be treated as a distribution of cash (which, as described above, can require the recognition of gain by the recipient Member), unless the distributing partnership is an "investment partnership" and the recipient Member is an "eligible partner" as defined in Section 731(c) of the Code. The Company cannot provide any assurances that the Company will be an "investment partnership" for these purposes.

Dispositions of Company Interests. If Interests in the Company are sold, transferred or otherwise disposed of, gain or loss from the disposition will be based on the difference between the amount realized on the disposition and the basis attributable to the Interests that are disposed of. The amount realized on the disposition of Interests generally will equal the sum of (i) any cash received, (ii) the fair market value of any other property received and (iii) the amount of the Company's liabilities allocated to the Interests. Because the amount realized includes any amount attributable to the relief from the Company's liabilities attributable to the Interests, a Member could have taxable income, or perhaps even a tax liability, in excess of the amount of cash and property received upon the disposition of Interests. A Member generally should be expected to recognize capital gain or loss on the sale of an Interest except to the extent of any gain attributable to the Company's "unrealized receivables" or inventory items, if any.

Unrelated Business Income Tax

Tax-exempt organizations generally are subject to federal income tax on their UBTI. Generally, a tax-exempt entity that realizes UBTI is taxed on such income at the regular trust or, in the case of certain entities, corporate federal income tax rates. Where a tax-exempt entity owns an interest in an entity taxed as a partnership, the activities of the partnership are attributed to it for purposes of determining whether the tax-exempt entity's distributive share of partnership income is UBTI.

UBTI is defined generally as any gross income derived by a tax-exempt entity from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business.

However, Section 512(b) of the Code provides that interest, dividends, certain rents from real property, gain from the sale of property that is not held for sale to customers in the ordinary course of business, and certain other types of income generally are not treated as UBTI. Nevertheless, Section 514 of the Code provides that UBTI includes a percentage of any gross income not otherwise treated as UBTI (less the same percentage of applicable deductions) that is derived from any property that is subject to "acquisition indebtedness." Acquisition indebtedness includes the amount of any mortgage or lien to which property is subject at the time of its acquisition and debt incurred after the acquisition or improvement of any property if the debt would not have been incurred but for such acquisition or improvement and the incurrence of the debt was reasonably foreseeable at the time of the acquisition or improvement. Section 514(c)(9) of the Code excludes from the definition of "acquisition indebtedness" any indebtedness incurred in acquiring or improving real property that is owned by employee trusts qualified under Section 401 of the Code and certain educational institutions (collectively, "**Qualified Organizations**") if six enumerated conditions are met. Those conditions include (subject to certain exceptions) that the purchase price for the real property be fixed at the time of acquisition, that the real property not be financed by the seller (or its affiliates), that no part of the real property be leased to the seller (or its affiliates), and that, where the investment is held through a partnership with partners that are not Qualified Organizations, the partnership's tax allocations satisfy certain requirements.

The amount of UBTI that is realized by tax-exempt Members will depend on the nature of the Company's future operations. It is possible that the Company will be treated as a "dealer" with respect to all or part of the assets in which it invests, which would cause all the gain from the disposition of such assets to be UBTI. Furthermore, because of the Company's investment strategy of using leverage to finance its investments, it is likely that a substantial portion of the income of the Company will be UBTI under the acquisition indebtedness rules, subject to the possible application of the Section 514(c)(9) exception with respect to real estate assets for Members that are Qualified Organizations. In that regard, it should be noted that the Company's tax allocations generally should satisfy the requirements of Section 514(c)(9) of the Code (although certain uncertainties would arise if the Company elects to have multiple closings) and that the Company will attempt to comply with the other requirements of Section 514(c)(9) of the Code with respect to any real estate assets that it acquires to the extent reasonably practicable and consistent with its objective of maximizing the pre-tax rate of return of its investors. However, it is possible that the Company will take actions (such as acquiring a property that will be leased back to the seller) that would make the Section 514(c)(9) exception not applicable. Accordingly, while the Company will seek to minimize the amount of UBTI that is realized by tax-exempt Members to the extent reasonably practicable and consistent with its objective of maximizing the pre-tax returns of the Members as a whole, it is possible that a significant portion of the income and gain earned by the Company will constitute UBTI, even for Members that are Qualified Organizations.

Any prospective tax-exempt investor should consult its own tax advisor with respect to the effect of an investment in the Company on its own tax situation and regarding the possible tax consequences of an investment in the Company.

State and Local Tax Considerations

In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Company, including potential filing requirements. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Member's distributive share of the taxable income or loss of the Company generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which he, she or it is a resident. In addition, for tax years beginning on or after January 1, 2018, and before January 1, 2026, the deductibility of state and local taxes for federal tax income purposes may be limited for Members that are individuals.

Members may be subject to state and/or local franchise, withholding, income, capital gain or other tax payment obligations and filing requirements in jurisdictions where the Company is regarded as doing business or earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Members are residents.

Each prospective investor should consult its tax advisor with regard to the state and local tax consequences of an investment in the Company in states and localities in which he, she or it is domiciled, resident or conducts business, or is regarded as such.

The foregoing is a summary of some of the important tax rules and considerations affecting the Members, the Company, and the Company's proposed investment structure and operations. This summary does not purport to be a complete analysis of all relevant tax rules and considerations, which will vary with the particular circumstances of each Member, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding Interests. The foregoing does not fully address

tax considerations affecting prospective investors that are not U.S. persons. Any discussion of federal, state or local tax matters contained herein, including any attachments or enclosures, was not intended or written to be used, and it cannot be used or relied upon by any taxpayer for the purpose of avoiding any penalties that may be imposed on such taxpayer. Each prospective investor in the Company is urged to consult its own tax advisor in order to understand fully the federal, state, local and any non-U.S. tax consequences of an investment in the Company in its particular circumstances.

PART 6

ADDITIONAL INFORMATION AND DOCUMENTATION

Each prospective Investor is invited to ask questions of the Manager and obtain additional information or documents concerning the terms and conditions of the Offering, the Company and the Manager to the extent the Manager possesses the same or can acquire it without unreasonable effort or expense.

Please direct all inquiries relating to the information contained in this Disclosure Memorandum or any of the other Subscription Documents via email to info@acretrader.com, or call 888.958.1470

PART 7

GOVERNING DOCUMENTS

The following governing documents of the Company are attached to this Disclosure Memorandum.

1. Articles of Organization of the Company
2. Form of Amended and Restated Limited Liability Company Agreement of the Company