Offering Summary
PGP Fisher Apartments, LLC

Sponsored by Prudent Growth Partners, LLC : October, 2015

DISCLAIMER: By accepting and reviewing this Offering Memorandum (the "Memorandum"), you acknowledge your agreement with and understanding of the legal notices and terms of use which are contained herein, including, but not limited to, those contained in the "Important Disclaimers" section set forth hereinbelow. If for any reason you do not agree to receive and abide by all these legal notices and terms of use, please do not use this Memorandum.

Prudent Growth Partners, LLC, a North Carolina limited liability company ("PGP" or the "Sponsor"), is offering certain qualified investors who meet the minimum suitability requirements (the "Investors" or "Members") the opportunity to purchase an investment in the form of units of ownership interest (the "Units") in PGP Fisher Apartments, LLC (the "Company"), a North Carolina limited liability company which will purchase and own an existing office building located at 4810 Hope Valley Road, Durham, NC 27707 (the "Property").

Summary of deal:

Fisher Apartments is a 49 unit complex in Butner, NC that were built between 1991 and 2003 and has been owned and managed by the original builder and his family. The property is on the market as a result of an estate sale, and the purchase price represents a very attractive investment for the PGP Fisher Apartments, LLC**. The apartments are currently 100% occupied, with many long term tenants, and the rents are $50 to $75 per month below market rates.** Butner is located a few miles north of Durham and RTP and has a strond workforce demand, mainly from a number of State and Federal facilities in town.

There is substantial upside through better management via a third party manager who would be able to gradually bring the rents up to market levels. Many of the tenants are in month-to-month leases and have not had any rental increases at all since their initial leases ran out. There is also an unnecessary office space that is not producing any income and which can immediately be leased out as an additional unit.

The property was well built and has been well maintained by the current owner. **There is a wait-list to be a tenant in the property, and there is rarely a vacancy.** There is little prospect of additional inventory in this price range being built, so the long term rental and pricing picture looks good.

The current NOI of the complex is approximately $221,000, and the purchase price is $2,625,000 making this an approximate **8.40 cap rate purchase.** Within three years, by working to bring rents up to market levels, as well as by leasing out the unit being used as an office space, the NOI should increase by at least $35,000, to a total annual NOI of $255,000. At a cap-rate of just 8.00%, the value on the complex would then be $3,187,500.

Projected Purchase Price:	$2,625,000
Effective Gross Rental Income, Year 1:	$328,290
Net Operating Income, Year 1:	$220,390
Investor Net Cash Flow, after debt service and fees:	$83,613
Total Equity Raise (includes reserves and closing costs):	$765,000
Preferred Investor Return:	8.00%
Year 1 Projected Investor Cash-on-Cash Return (net of fees):	10.93%
Year 1 Total Return (Cash plus Note Principal):	10.93%
Cap Rate at Purchase:	8.40%

Summary of cash-on-cash Investor returns:

Year	Project cash flow after fees and debt service	First: Investors 8% preferred dividend	Second: Investors share of excess return	Total cash distributions available to investors	Cash return on equity	Cumulative Return
Year 1	$91,132	$61,200	$22,449	$83,649	10.93%	--
Year 2	$75,367	$61,200	$10,625	$71,825	9.39%	$155,474.40
Year 3	$110,554	$61,200	$37,015	$98,215	12.84%	$253,689.62
Year 4	$118,199	$61,200	$42,749	$103,949	13.59%	$357,639.02
Year 5	$122,706	$61,200	$46,129	$107,329	14.03%	$464,968.28
Year 6	$127,282	$61,200	$49,561	$110,761	14.48%	$575,729.49
Year 7	$131,927	$61,200	$53,046	$114,246	14.93%	$689,975.06
Year 8	$136,644	$61,200	$56,583	$117,783	15.40%	$807,757.70
Year 9	$141,430	$61,200	$60,173	$121,373	15.87%	$929,130.45
Year 10	$146,288	$61,200	$63,816	$125,016	16.34%	$1,054,146.56

Important Disclaimers

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Prudent Growth Partners, LLC ("PGP") is not utilizing this Memorandum to provide investment or other advice, and nothing in this Memorandum is to be deemed a recommendation that you buy, sell or hold any security or other investment or that you pursue any investment style or strategy. If you would like investment, accounting, tax or legal advice, you should consult with your own advisors with respect to your individual circumstances and needs.

PGP has compiled this Memorandum in good faith and while PGP has used reasonable efforts to include accurate and up-to-date information in this Memorandum, this Memorandum is provided on an "as is" basis with no warranties of any kind. PGP does not warrant that the information in this Memorandum is accurate, reliable, up-to-date or correct. Your use of this Memorandum and your use or reliance upon any of the materials in this Memorandum is solely at your own risk.

The investment discussed in this Memorandum will be offered in North Carolina and such other states as may be determined by the Manager from time to time in compliance with applicable state securities laws and pursuant to Rule 506(b) of Regulation D as promulgated under Section 4(2) of the Securities Act to a limited number of prospective Investors who qualify as accredited investors, with each of such offerees, to the extent required by applicable law, possessing a level of expertise, knowledge and sophistication in matters such as those described herein so as to make intelligently and knowingly a proper economic decision relative to the investment discussed in this Memorandum. Because the investment is being sold only to accredited investors, this Memorandum concerning the investment does not contain all information that would be required to be disclosed under the Securities Act if the investment was being made to persons other than accredited investors.

THE UNITS IN THE COMPANY DISCUSSED HEREIN MAY BE SOLD ONLY TO ACCREDITED INVESTORS AS DEFINED BY RULE 501(A) PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE UNITS IN THE COMPANY DISCUSSED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF CERTAIN STATES, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH STATE LAWS.

IN MAKING AN INVESTMENT DECISION, EACH PROSPECTIVE INVESTOR MUST RELY ON ITS OWN EXAMINATION OF THE COMPANY AND THE INVESTMENT DISCUSSED HEREIN AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS IN THE COMPANY DISCUSSED HEREIN 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 OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNITS IN THE COMPANY DISCUSSED HEREIN 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.

Receipt of this Memorandum constitutes an agreement by the recipient and each of its representatives to maintain the confidentiality of all information contained herein (including all information and results, all financial statements or projections, any exhibits, and all other information provided or contained in this Memorandum) and in any materials provided in connection with this offering. Reproduction of this Memorandum or other offering materials is strictly prohibited without the express prior written permission of PGP. Notwithstanding the foregoing, potential Investors receiving this Memorandum (and each of their representatives) may disclose to their tax preparers and tax advisors the tax treatment and tax structure of the investment described in this Memorandum and all materials of any kind that are provided to the potential Investors relating to such tax treatment and tax structure. Potential Investors receiving this Memorandum (and each of their representatives) may also disclose the contents of this Memorandum to their attorneys, accountants, and financial advisors to the extent reasonably necessary for such potential Investor to evaluate the investment discussed in this Memorandum as long as such Investor's attorneys, accountants, and financial advisors acknowledge the confidentiality of this Memorandum and its contents and agree to keep the same confidential.

The information contained in this 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 Memorandum or of any sale of any Units in the Company discussed herein. The Company's business, financial condition, results of operations, and prospects may have changed since the date of this Memorandum. This Memorandum is summary in nature and should only be read in conjunction with the Subscription Documents. Neither the delivery of this Memorandum nor any sale made in connection with the investment in the Company discussed herein 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 a Unit in the Company discussed herein without having carefully reviewed this 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 Memorandum from its research, studies conducted by third parties, independent industry associations or general publications and other publicly available information. The Company and the PGP 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 Company's and PGP's view of the market and the prospects for the Property and the Company. Investors may wish to conduct a separate investigation of the Company's industry or the specific market and prospects for the Property to obtain broader insight in assessing the Company's prospects.

This Memorandum contains forward-looking statements. Such forward-looking statements are subject to a number of material risks, uncertainties, and contingencies that could cause actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include, but are not limited to, the principal Risk Factors as set out in this Memorandum and in the private placement memorandum, if any.

In making an investment decision, Investors must rely on their own examination of the Company and the terms of the offering discussed in this Memorandum, 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 Memorandum. While this Memorandum summarizes certain material documents relating to the Company and the offering discussed herein, such summaries do not purport to be complete. Accordingly, reference should be made to the Company's Operating Agreement, the other Subscription Documents, and all supporting documents and other information furnished in connection with this offering for complete information concerning the rights and obligations of Investors in this offering. The information contained in this Memorandum supersedes any other oral or written information previously provided in connection with the offering discussed herein. No person has been authorized to give any information or to make any representation on behalf of the Company or PGP related to the offering other than as set forth in this Memorandum, and no such information or representation should be relied upon. See Risk Factors.

The Company and PGP reserve the right, in their sole discretion: (1) to accept or reject, in whole or in part, any subscription, (2) to accept subscriptions in any order, regardless of the order in which they are received, and (3) to terminate this offering at any time.

ACCESS TO ADDITIONAL INFORMATION

Each prospective Investor and its representative(s) may ask questions of and receive answers from PGP (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 PGP 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, the Property and other project participants.

Any statement contained in this Memorandum (including any exhibits) concerning United States tax matters was 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 Memorandum or any prior or subsequent communication from the Company, PGP or professionals associated with this offering as legal, tax, or investment advice. Each Investor should consult with 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.

Financial Projections and Assumptions:

Notes on Rental Projections:

1. Currently, the annualized Gross Rental Income is roughly $335,000, with 48 units rented, which averages $576 for each rented unit.

2. There is one unit which is not leased (it is being used for storage. The assumption is that this unit will be improved (new carpet/paint/etc) and leased immediately for $650 per month, which adds $7,800 per year. This brings annual rental income to $342,800.

3. There are approximately 16 units that are leased at below market rents ($595 or lower) and which are currently on a month-to-month schedule. The assumption is that we can work to sign annual leases at market rents (target of $650 per month), and/or put new tenants into the units at that price. There is likely some “freshening up” to do, which would include new carpet, paint, deep clean, possible resurfacing of the bathtub, which would help to improve value and drive rents higher. If we can turn all the units throughout the year, this would add approximately $13,440 to the annual gross rental income, and the assumption is that 2/3 of that total hits in the first year, for an additional $8,965 in year one.

4. We are also assuming that 1/3 to 1/2 of the currently leased apartments that are not on a month-to-month basis will be able to be released at market rates throughout the year. This would contribute approximately another $3,900 per year. We are assuming that we will capture half of that in Year 1, for a total of $1,950.

5. **Based on the above, the projected rental income for the first full year of operation, Year 1, is approximately $353,500**, which is about a 6% increase over the current annualized rental rates. There is an assumption of another 6% gain into Year 2 and a final 6% gain into Year 3. This is assuming that – after three years – all of the units will be leased out at market rates ($675 per month). At $675 per month, for 49 units, this is a top line rental income of $396,900.

6. We then assume a flattening off of the rental growth, with 3% increase into Year 4 and only a 2% increase in Year 5. Given that some competing units are getting $700 per month for 2-bedroom apartments today, we believe it is safe to assume that we could achieve $700 to $715 per month by Year 5, which is $411,600 to $420,420 in annual rental income – we are projecting $416,000 in Year 5.

7. For the longer range, just looking at projected demographic growth, continued rental inflation, and availability of other well maintained, working class housing, we are projecting 2% growth from Years 5 to 10, which is on the conservative side for most multi-family complexes.

Notes on Financing:

The financial projections assume a 75% loan-to-value mortgage, which is a loan amount of $1,968,750. There will be a 30-year amortization period, and a 10-year interest rate lock of approximately 4.375%. Finally, we are assuming one-year of interest-only financing, which is standard on an apartment loan like this. We plan to use the enhanced cash flow during the interest only period in order to help to fund the anticipated improvements we will be making to the property.

Notes on Improvement and Maintenance:

1. We anticipate the following items to be addressed in the first and second year of ownership:

   A. New roofs on several of the older buildings: $20,000

   B. Improvements of several of the older units which have been leased for long periods of time: $30,000 to $45,000

   C. Construction of a playground and/or picnic areas (some tables and grills) on a vacant lot on the property, which will greatly enhance the appeal of the complex to families: $15,000 to $25,000

   D. Other miscellaneous items that may need to be addressed: $10,000 to $20,000

This equals approximately $95,000 in improvements/deferred maintenance costs – and nearly all of it will be targeted with the intent of improving the complex in order to drive up rental demand.

2. The projections assume that we will collect $40,000 at closing towards immediate improvements. We then are accruing an additional $30,000 each year for the first two years. We also are budgeting the following for repairs and maintenance, turnover charges, and vacancies:

   Year 1 $24,500 for Repairs and Maintenance, increasing each year by 2%

   Year 1 $10,590 for Turnover costs, constant 3% of gross rental income

   Year 1 $14,120 for Vacancy costs, constant 4% of gross rental income

Altogether, we are budgeting a very conservative $49,210 towards many costs associated with maintenance and turnover, and that is in addition to the extra $30,000 for the first two years we are accruing for deferred maintenance and improvements. If we do not spend this entire amount, we will simply roll it into future years.

Financial Projections: PGP Fisher Apartments, LLC

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Income: Actual Based on Signed Leases										
Annual Gross Rent (6% Yr 1-2, 2% all future yrs)	$353,000	$374,180	$396,631	$408,530	$416,700	$425,034	$433,535	$442,206	$451,050	$460,071
Loss-to-Lease/Turnover Fees (3%)	($10,590)	($11,225)	($11,899)	($12,256)	($12,501)	($12,751)	($13,006)	($13,266)	($13,531)	($13,802)
Vacancy Factor (4%)	($14,120)	($14,967)	($15,865)	($16,341)	($16,668)	($17,001)	($17,341)	($17,688)	($18,042)	($18,403)
Effective Gross Income after Reserves	**$328,290**	**$347,987**	**$368,867**	**$379,933**	**$387,531**	**$395,282**	**$403,188**	**$411,251**	**$419,476**	**$427,866**
Operating Expenses										
Property Taxes	$32,900	$33,558	$34,229	$34,914	$35,612	$36,324	$37,051	$37,792	$38,548	$39,319
Insurance	$9,800	$10,094	$10,397	$10,709	$11,030	$11,361	$11,702	$12,053	$12,414	$12,787
Utilities	$9,100	$9,555	$10,033	$10,534	$11,061	$11,614	$12,195	$12,805	$13,445	$14,117
Repairs and Maintenance	$24,500	$24,990	$25,490	$26,000	$26,520	$27,050	$27,591	$28,143	$28,706	$29,280
Property Management (7.5%)	$26,475	$28,064	$29,747	$30,640	$31,253	$31,878	$32,515	$33,165	$33,829	$34,505
Tax and Acccounting	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610
Miscellaneous	$3,125	$3,219	$3,315	$3,415	$3,517	$3,623	$3,731	$3,843	$3,959	$4,077
Total Operating Expenses (Opex)	$107,900	$111,539	$115,333	$118,396	$121,243	$124,168	$127,173	$130,260	$133,433	$136,694
Net Operating Income (NOI)	**$220,390**	**$236,448**	**$253,534**	**$261,536**	**$266,288**	**$271,114**	**$276,015**	**$280,991**	**$286,043**	**$291,171**
Debt Service:										
Principal	$0	$31,823	$33,216	$34,669	$36,186	$37,769	$39,421	$41,146	$42,946	$44,825
Interest	$86,133	$86,133	$84,741	$83,287	$81,771	$80,188	$78,535	$76,810	$75,010	$73,131
Total Debt Service	$86,133	$117,956	$117,956	$117,956	$117,956	$117,956	$117,956	$117,956	$117,956	$117,956
PGP Manager Fee for LLC Management	$13,125	$13,125	$13,125	$13,125	$13,125	$13,125	$13,125	$13,125	$13,125	$13,125
Capital Improvements (fixed Yr 1-2, 3% future yrs)	$30,000	$30,000	$11,899	$12,256	$12,501	$12,751	$13,006	$13,266	$13,531	$13,802
Net Cash Flow: Project Level	**$91,132**	**$75,367**	**$110,554**	**$118,199**	**$122,706**	**$127,282**	**$131,927**	**$136,644**	**$141,430**	**$146,288**
Preferred 8% Dividend to Investor	$61,055	$61,055	$61,055	$61,055	$61,055	$61,055	$61,055	$61,055	$61,055	$61,055
Additional 75% of Excess Cash Flow to Investor	$22,558	$10,734	$37,124	$42,858	$46,238	$49,670	$53,154	$56,691	$60,281	$63,925
Net Cash Flow: Investor Level	**$83,613**	**$71,789**	**$98,179**	**$103,913**	**$107,293**	**$110,725**	**$114,209**	**$117,746**	**$121,336**	**$124,980**
Cumulative Cash Flow: Investor Level	**$83,613**	**$155,402**	**$253,581**	**$357,494**	**$464,787**	**$575,512**	**$689,721**	**$807,468**	**$928,804**	**$1,053,784**
Analysis : Returns After All Fees and Splits										
Cash on Cash Return (ROI) : Investor Level	**10.96%**	**9.41%**	**12.86%**	**13.62%**	**14.06%**	**14.51%**	**14.96%**	**15.43%**	**15.90%**	**16.38%**
Total Return (Cash + Loan Pmt) : Investor Level	**10.96%**	**13.58%**	**17.22%**	**18.16%**	**18.80%**	**19.46%**	**20.13%**	**20.82%**	**21.53%**	**22.25%**
Project Cap Rate (NOI Income ÷ Purchase Price)	8.4%	9.0%	9.7%	10.0%	10.1%	10.3%	10.5%	10.7%	10.9%	11.1%
Debt Coverage Ratio (NOI Income ÷ Debt Service)	2.6	2.0	2.1	2.2	2.3	2.3	2.3	2.4	2.4	2.5
Analysis : Property Value, Reserve Account Changes, Loan Balance, Net Equity Projection										
Property Value at Future Projected Cap-Rates	**$2,655,301**	**$2,955,602**	**$3,169,171**	**$3,269,203**	**$3,328,598**	**$3,388,922**	**$3,450,183**	**$3,512,386**	**$3,575,537**	**$3,639,643**
Capital Improvement Account Start of Year+Additions	$70,000	$25,000	$16,899	$19,155	$21,656	$24,407	$27,413	$30,679	$34,211	$38,013
Capital Improvement Account Spend	($75,000)	($20,000)	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)
Reserve Account Balance End of Year	**($5,000)**	**$5,000**	**$6,899**	**$9,155**	**$11,656**	**$14,407**	**$17,413**	**$20,679**	**$24,211**	**$28,013**
Loan Balance End of Each Year	**$1,968,750**	**$1,936,927**	**$1,903,711**	**$1,869,042**	**$1,832,857**	**$1,795,088**	**$1,755,667**	**$1,714,522**	**$1,671,576**	**$1,626,751**
Net Equity at Future Projected Cap-Rates:	**$681,551**	**$1,023,675**	**$1,272,359**	**$1,409,315**	**$1,507,397**	**$1,608,241**	**$1,711,928**	**$1,818,543**	**$1,928,172**	**$2,040,904**
Future Potential Cap Rates (for appraisal purposes):	8.30%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Loan Amortization Schedule and Exit Gains Analysis: PGP Fisher Apartments, LLC

Financing Required	10 year lock
Purchase Price	$2,625,000
Down Payment	$656,250
Mortgage Required	**$1,968,750**
Interest Rate Years 1-10	4.375%
Amortization Term (years)	30
Monthly Debt Service Payment	**$9,830**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Loan Amortization Schedule										
Beginning Balance	$1,968,750	$1,968,750	$1,936,927	$1,903,711	$1,869,042	$1,832,857	$1,795,088	$1,755,667	$1,714,522	$1,671,576
Principal	0	31,823	33,216	34,669	36,186	37,769	39,421	41,146	42,946	44,825
Interest	86,133	86,133	84,741	83,287	81,771	80,188	78,535	76,810	75,010	73,131
Total Payment	86,133	117,956	117,956	117,956	117,956	117,956	117,956	117,956	117,956	117,956
Ending Balance	1,968,750	1,936,927	1,903,711	1,869,042	1,832,857	1,795,088	1,755,667	1,714,522	1,671,576	1,626,751

Below is an analysis of the possible range of values based on cap-rates and assuming the NOI projections can be achieved - target is an 8.5 or an 8.0 cap rate

Building Value Analysis										
9.5 Cap Rate	2,319,895	2,488,928	2,668,776	2,753,013	2,803,030	2,853,829	2,905,417	2,957,798	3,010,979	3,064,962
9.0 Cap Rate	2,448,778	2,627,202	2,817,041	2,905,958	2,958,754	3,012,375	3,066,829	3,122,120	3,178,255	3,235,238
8.5 Cap Rate	2,592,824	2,781,743	2,982,749	3,076,897	3,132,798	3,189,574	3,247,231	3,305,775	3,365,211	3,425,546
8.0 Cap Rate	2,754,875	2,955,602	3,169,171	3,269,203	3,328,598	3,388,922	3,450,183	3,512,386	3,575,537	3,639,643
7.5 Cap Rate	2,938,533	3,152,642	3,380,449	3,487,150	3,550,505	3,614,850	3,680,195	3,746,545	3,813,906	3,882,286
7.0 Cap Rate	3,148,429	3,377,831	3,621,910	3,736,232	3,804,112	3,873,054	3,943,066	4,014,155	4,086,328	4,159,592

Below is an analysis of the possible range of equity in the LLC based on cap-rates and assuming the NOI projections can be achieved - target is an 8.50 or an 8.0 cap rate

Equity Analysis										
9.5 Cap Rate	351,145	552,001	765,065	883,971	970,173	1,058,741	1,149,750	1,243,277	1,339,403	1,438,211
9.0 Cap Rate	480,028	690,275	913,330	1,036,916	1,125,897	1,217,287	1,311,162	1,407,599	1,506,679	1,608,487
8.5 Cap Rate	624,074	844,816	1,079,038	1,207,855	1,299,941	1,394,486	1,491,563	1,591,253	1,693,636	1,798,795
8.0 Cap Rate	786,125	1,018,675	1,265,460	1,400,161	1,495,741	1,593,834	1,694,515	1,797,864	1,903,961	2,012,891
7.5 Cap Rate	969,783	1,215,715	1,476,738	1,618,107	1,717,648	1,819,762	1,924,528	2,032,023	2,142,330	2,255,534
7.0 Cap Rate	1,179,679	1,440,904	1,718,199	1,867,190	1,971,255	2,077,966	2,187,399	2,299,633	2,414,752	2,532,840

Summary of Property:

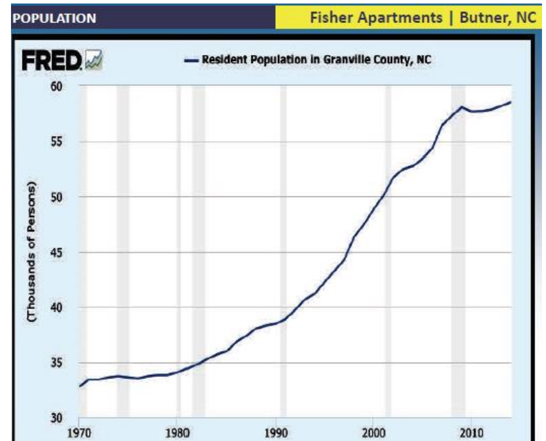
Unit Type	Number	Sq Ft	Total Sq Ft	%	Rent	Rent/ Sq Ft	Monthly Gross	Mkt Rent	Monthly Gross
2 BR/1.5 BA, 2-Story	41	950	38,950	84%	$635.00	$0.67	$26,035.00	$690.00	$28,290.00
2 BR/1 BA, 1-Story	5	950	4,750	10%	$565.00	$0.59	$2,825.00	$635.00	$3,175.00
2 BR/2BA, 1-Story	3	950	2,850	6%	$615.00	$0.65	$1,845.00	$675.00	$2,025.00
Total / Average:	49	950	46,550	100%	$627.00	$0.66	$30,705.00	$676.00	$33,490.00

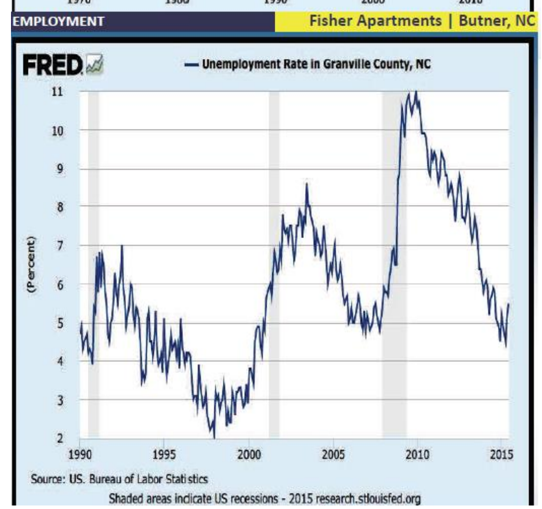
EXTERIOR	
Foundation	Concrete Slab
Buildings	8
Exterior Walls	Vinyl
Roof	Architectural
Windows	Double Pane

INTERIOR	
Kitchen	Vinyl Floors
Bathroom	Vinyl Floors
Bedroom/Living Area	Carpet
Washer/Dryer	Hook-Up
Stairways	Carpet

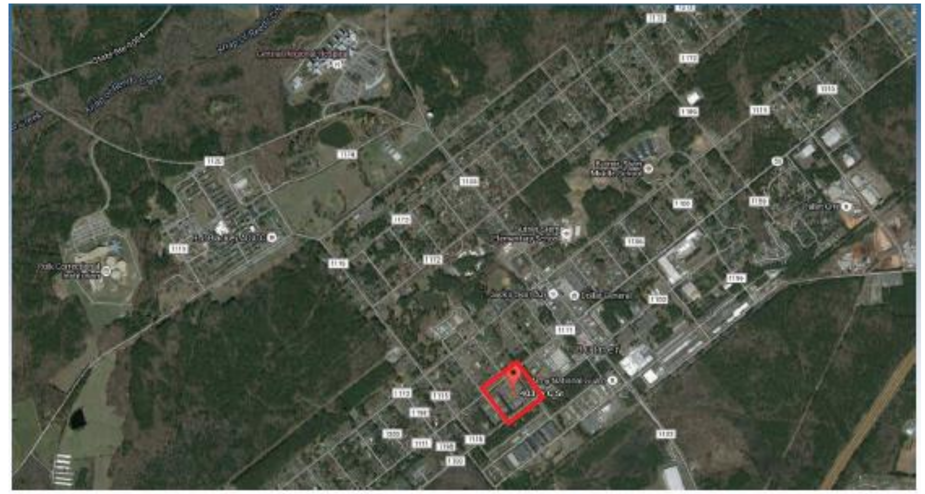
MECHANICAL	
Piping/Electrical	PVC, Copper Wiring
HVAC	Electric Heating & Central Air
Hot Water Heat-er	80-Gallon Heater Per Unit
Fire Safety	Smoke Alarm Per Unit

GROUNDS	
Site Size/Density	5 Acres
Zoning	Not Reported
Parking Spaces	2 Per Unit
Trash	Centrally Located Receptacles





Location and Photos of Fisher Apartments:



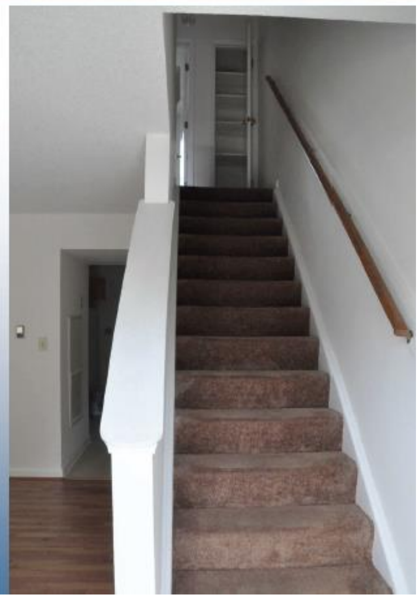
Butner has a strong educational system from elementary school thru college – including Vance-Granville Community College, located nearby on the other side of I-85. Due to its location adjacent to Interstate 85, it is becoming a central hub for several facilities, such as UPS, FedEx, Ritchie Heavy Equipment Auctioneers, and Falls Lake Commerce Center. Along with the State and Federal agencies located there, this provides a solid base of lower and middle class wage earners to support an apartment complex such as Fisher Apartments.

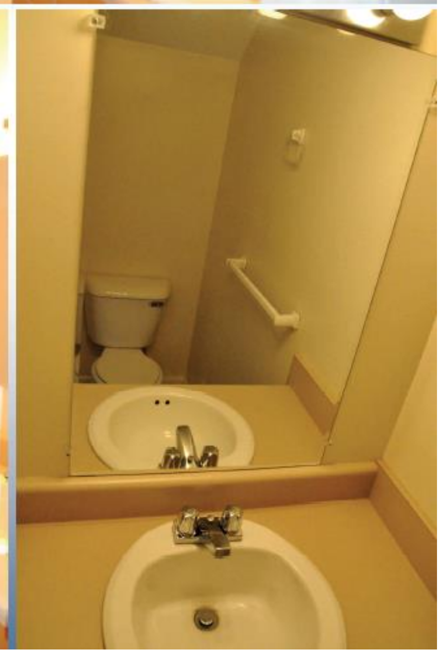












Property Rental History and Discussion:

The apartments have had a very strong and stable rental history, as the following pages illustrate. During due diligence we will be getting certified leases as well as verification via tax-returns on the past operating history, but the initial takeaway is very positive. Generally, B-Class properties at this sort of cap-rate are poorly managed with high vacancies – which is definitely not the case here. This sort of stabilized rental income is exceptional.

The other immediate takeaway is the obviousl lack of a strategy to raise rents even an incremental amount. There is a definite upside here to gradually move the rental rates up to a market level. The average rental amount for the property – which is all 2-bedroom units – is approximately $581 per month. The chart below (provided by the listing agent) contains a survey of the surrounding area, and the average rental rate for 2-bedroom units has been a stable $684 per month, a nearly 18% increase over the current average Fisher Rents – which provides the LLC with substantial upside if rents can be normalized.

Leasing Units	Survey	5-Year Avg
Vacant Units	16	16
Vacancy Rate	2.9%	2.9%
12 Mo. Absorption Units	-5	1

Inventory in Units	Survey	5-Year Avg
Existing Units	629	629
12 Mo. Const. Starts	0	0
Under Construction	0	0
12 Mo. Deliveries	0	0

Rents	Survey	5-Year Avg
Studio Asking Rent	-	-
1 Bed Asking Rent	$597	$569
2 Bed Asking Rent	$684	$687
3+ Bed Asking Rent	$869	$939
Concessions	0.7%	0.6%

Sales	Past Year	5-Year Avg
Sale Price Per Unit	-	-
Asking Price Per Unit	$85,605	-
Sales Volume (Mil.)	$0.0	$0.0
Cap Rate	6.5%	6.5%

Furthemore, this rental increase can be accomplished with little to no additional improvements required. The units are already in above average condition relative to the surrounding area, so any improvements made – such as an addition of a playground and picnic area, new appliances, etc. – will give the LLC even greater pricing power. During due diligence we will be evaluating all potential improvements and weighing the pros-and-cons vs. the anticipated impact on rental prices and tenant retention.

Finally, the addition of a third party, professional property manager will go a long way towards improving the quality of the tenant base. Something as simple as a website with vitual floor plans and information on the surrounding area, plus positive reviews from current tenants, would help the marketing efforts and provide for higher rents as a result.

The current manager is not tech-savvy, there is no website, there are no reviews online – in short, it is a very “mom-and-pop” operation and there is a great opportunity to use outside managers and better technology to improve the complex.

2013 Rent Roll (notice nearly 100% occupancy)

January 1, 2013 through December 31, 2013

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan - Dec 2013
Rental Income													
Property/Unit													
A-1	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 540	$ 6,480
A-2	530	530	530	530	530	530	530	530	530	530	530	530	$ 6,360
A-3	540	540	540	540	540	540	540	540	540	560	560	560	$ 6,540
A-4	530	530	530	530	530	530	530	530	530	530	530	530	$ 6,360
A-5	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
A-6	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
A-7	545	540	545	545	545	595	595	545	-	565	565	565	$ 6,150
A-8	585	585	585	585	585	585	585	-	-	600	600	600	$ 5,895
B-1	575	575	575	575	575	575	575	575	575	575	575	575	$ 6,900
B-2	605	605	625	605	605	605	605	605	605	605	605	605	$ 7,280
B-3	595	595	595	595	595	595	595	585	595	595	595	595	$ 7,130
OFFICE	-	-	-	-	-	-	-	-	-	-	-	-	$ -
B-5	585	595	585	585	-	585	615	615	615	615	615	615	$ 6,625
B-6	605	605	605	605	605	605	615	615	605	605	605	605	$ 7,280
B-7	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
B-8	-	553	615	615	615	615	615	615	615	615	615	615	$ 6,703
C-1	575	575	575	575	575	575	575	575	575	575	575	575	$ 6,900
C-2	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
C-3	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
C-4	595	595	595	595	595	595	575	575	575	-	615	615	$ 6,525
C-5	605	605	605	605	605	605	605	605	-	-	615	615	$ 6,070
D-1	595	605	595	595	595	595	595	-	625	625	625	625	$ 6,675
D-2	585	605	585	585	585	585	585	585	585	585	585	585	$ 7,040
D-3	595	605	595	595	595	595	595	595	595	595	595	595	$ 7,150
D-4	590	605	590	590	590	590	590	590	590	590	590	590	$ 7,095
D-5	575	605	575	575	575	575	575	575	575	575	575	575	$ 6,930
E-1	550	550	575	575	575	575	575	575	575	96	-	615	$ 5,836
E-2	600	600	600	600	600	600	600	600	600	600	600	600	$ 7,200
E-3	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
E-4	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
E-5	585	585	585	585	585	585	585	585	585	585	585	585	$ 7,020
E-6	630	630	630	630	630	630	630	630	630	630	630	630	$ 7,560
F-1	585	585	585	585	585	585	585	-	-	615	615	615	$ 5,940
F-2	585	585	585	585	585	585	585	585	585	585	585	585	$ 7,020
F-3	605	605	605	550	615	615	615	615	615	615	615	615	$ 7,285
F-4	585	585	585	585	585	585	585	585	85	585	585	585	$ 6,520
F-5	585	585	585	585	585	585	585	585	585	585	585	585	$ 7,020
F-6	605	605	605	605	605	605	605	635	605	605	625	605	$ 7,310
F-7	625	625	625	520	625	-	625	625	-	615	615	615	$ 6,115
G-1	615	605	615	615	615	615	615	615	615	615	615	615	$ 7,370
G-2	595	595	595	595	595	595	595	575	575	575	575	575	$ 7,040
G-3	595	300	615	615	615	615	615	615	615	615	615	615	$ 7,045
G-4	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
G-5	605	605	605	605	605	605	605	605	605	605	605	605	$ 7,260
H-1	595	595	615	615	615	615	615	615	615	615	615	605	$ 7,330
H-2	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
H-3	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
H-4	605	605	605	-	520	615	615	615	615	615	615	615	$ 6,640
H-5	595	595	595	595	595	595	595	595	595	595	-	-	$ 5,950
Total rental income	$ 27,665	$ 28,003	$ 28,365	$ 27,580	$ 27,685	$ 27,790	$ 28,435	$ 26,620	$ 24,940	$ 26,801	$ 27,360	$ 27,945	$ 329,189

2014 Rent Roll (notice nearly 100% occupancy)

January 1, 2014 through December 30, 2014

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan - Dec 2014
Rental Income													
Property/Unit													
A-1	$ 540	$ 540	$ 540	$ 540	$ 550	$ 550	$ 550	$ 550	$ 550	$ 550	$ 550	$ 489	$ 6,499
A-2	530	530	530	530	265	565	565	565	565	565	565	575	$ 6,350
A-3	560	560	560	560	560	560	560	560	560	560	560	560	$ 6,720
A-4	530	530	530	530	530	530	530	530	530	530	530	530	$ 6,360
A-5	595	595	595	595	595	595	595	595	595	595	575	595	$ 7,120
A-6	-	-	605	605	605	605	605	605	605	605	605	605	$ 6,050
A-7	-	555	555	555	555	555	555	555	555	555	555	555	$ 6,105
A-8	600	600	600	600	600	600	600	600	600	600	600	600	$ 7,200
B-1	575	575	575	575	575	575	575	575	575	575	575	575	$ 6,900
B-2	605	605	605	605	605	605	605	605	605	605	605	605	$ 7,260
B-3	595	595	595	595	595	595	595	545	595	595	595	595	$ 7,090
OFFICE	-	-	-	-	-	-	-	-	-	-	-		$ -
B-5	615	140	605	605	605	605	605	605	605	605	-	615	$ 6,210
B-6	605	605	-	615	615	615	615	615	615	615	615	615	$ 6,745
B-7	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
B-8	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
C-1	575	575	575	575	575	575	575	575	575	575	575	575	$ 6,900
C-2	595	595	595	595	595	595	595	595	55	595	595	595	$ 6,600
C-3	595	595	595	-	615	615	615	615	615	615	615	615	$ 6,705
C-4	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
C-5	615	615	615	-	615	615	615	615	615	615	615	615	$ 6,765
D-1	625	625	625	625	625	-	300	625	625	625	625	625	$ 6,550
D-2	585	585	585	585	585	585	-	625	625	625	625	625	$ 6,635
D-3	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
D-4	590	590	590	590	590	590	590	590	590	590	590	590	$ 7,080
D-5	575	575	575	575	575	575	575	575	575	575	575	575	$ 6,900
E-1	565	615	615	615	615	615	575	625	615	615	615	615	$ 7,300
E-2	500	600	600	600	600	600	600	600	600	600	600	600	$ 7,100
E-3	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
E-4	595	595	595	595	282	615	615	-	625	625	625	625	$ 6,392
E-5	585	585	585	585	585	585	585	585	585	585	585	585	$ 7,020
E-6	630	630	-	615	615	615	615	615	615	615	615	615	$ 6,795
F-1	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
F-2	585	585	585	585	585	585	585	585	585	585	585	585	$ 7,020
F-3	615	615	615	615	615	615	615	615	615	585	615	615	$ 7,350
F-4	585	585	585	585	585	605	605	605	65	605	605	605	$ 6,620
F-5	585	585	585	585	585	595	585	585	585	585	585	585	$ 7,030
F-6	605	605	605	605	605	605	605	625	605	605	605	605	$ 7,280
F-7	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
G-1	615	615	615	615	615	615	615	625	625	625	625	615	$ 7,420
G-2	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
G-3	615	308	615	615	615	615	615	615	615	615	615	615	$ 7,073
G-4	595	595	595	595	595	595	595	595	595	595	595	595	$ 7,140
G-5	605	605	605	605	605	605	605	605	605	605	605	605	$ 7,260
H-1	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
H-2	595	595	595	-	615	615	615	615	615	620	625	425	$ 6,530
H-3	615	615	615	595	-	625	675	625	635	635	635	625	$ 6,895
H-4	615	615	615	615	615	615	615	615	615	615	615	615	$ 7,380
H-5	-	615	615	615	615	615	615	615	615	615	615	615	$ 6,765
Total rental income	$ 26,665	$ 27,203	$ 27,345	$ 26,750	$ 27,432	$ 28,095	$ 27,810	$ 28,125	$ 27,700	$ 28,755	$ 28,165	$ 28,529	$ 332,574

2015 Jan-June Rent Roll (notice nearly 100% occupancy)

January 1, 2015 through December 30, 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan - Dec 2015
Rental Income													
Property/Unit													
A-1	$ 565	$ 565	$ 565	$ 565	$ 565	$ 565							$ 3,390
A-2	575	525	575	575	575	575							$ 3,400
A-3	560	560	560	560	560	300							$ 3,100
A-4	530	530	530	530	595	545							$ 3,260
A-5	595	595	595	595	595	-							$ 2,975
A-6	-	600	600	600	600	600							$ 3,000
A-7	555	555	555	555	555	585							$ 3,360
A-8	600	600	600	600	600	600							$ 3,600
B-1	575	575	575	575	575	575							$ 3,450
B-2	605	605	605	605	605	605							$ 3,630
B-3	595	595	595	595	595	595							$ 3,570
OFFICE	-	-	-	-	-	-							$ -
B-5	615	615	615	615	-	605							$ 3,065
B-6	615	615	615	615	615	615							$ 3,690
B-7	595	-	635	635	635	595							$ 3,095
B-8	615	615	-	615	615	615							$ 3,075
C-1	575	575	575	575	585	575							$ 3,460
C-2	595	595	595	595	595	595							$ 3,570
C-3	615	615	615	-	400	615							$ 2,860
C-4	615	615	615	615	615	615							$ 3,690
C-5	615	615	615	615	615	615							$ 3,690
D-1	625	200	625	625	625	-							$ 2,700
D-2	585	625	625	625	625	585							$ 3,670
D-3	595	595	595	595	595	595							$ 3,570
D-4	590	590	590	590	590	590							$ 3,540
D-5	575	575	575	575	585	575							$ 3,460
E-1	615	615	615	615	615	615							$ 3,690
E-2	600	600	600	600	600	600							$ 3,600
E-3	595	595	595	595	595	595							$ 3,570
E-4	625	625	625	-	580	615							$ 3,070
E-5	585	585	585	585	585	585							$ 3,510
E-6	615	615	615	615	615	615							$ 3,690
F-1	615	420	625	625	625	615							$ 3,525
F-2	585	585	585	585	585	585							$ 3,510
F-3	615	615	615	615	615	615							$ 3,690
F-4	605	605	605	605	605	605							$ 3,630
F-5	585	585	585	585	585	595							$ 3,520
F-6	605	605	605	605	605	605							$ 3,630
F-7	615	615	615	615	615	615							$ 3,690
G-1	625	625	625	625	625	615							$ 3,740
G-2	595	595	595	595	595	595							$ 3,570
G-3	615	615	615	615	615	615							$ 3,690
G-4	595	595	595	595	595	595							$ 3,570
G-5	605	605	605	605	-	605							$ 3,025
H-1	615	615	615	615	615	615							$ 3,690
H-2	625	625	625	625	625	615							$ 3,740
H-3	635	635	635	635	635	625							$ 3,800
H-4	615	615	615	615	615	615							$ 3,690
H-5	615	615	615	615	615	615							$ 3,690
Total rental income	$ 28,180	$ 27,555	$ 28,255	$ 27,630	$ 27,475	$ 27,305	$ -	$ -	$ -	$ -	$ -	$ -	$ 166,400

Prudent Growth Partners, LLC
Real Estate Investments

Competitive Analysis

Of the three comparable properties, the best ones are properties 1 and 3 – they are located very nearby, and are very similar in size, age, and demographic. The following pages contain a snapshot of those two properties. They all have gravel lots, two story buildings, and similar policies regarding pets, parking, etc. Remember, Fisher Apartment has all 2-bedrooms with an average rent of $627 per month.

1 HUCKLEBERRY APARTMENTS

704 West B Street
Butner, NC 27509

PROPERTY DETAILS	
YEAR BUILT	1999
OCCUPANCY	100%
UNIT TYPE	2 BR/2 BA
# OF UNITS	32
SQ. FT.	1,008
RENT	$690
RENT / SQ. FT.	$0.68

ELLIS APARTMENTS 3

503 West C Street
Butner, NC 27509

PROPERTY DETAILS	
YEAR BUILT	1995
OCCUPANCY	99%
UNIT TYPE	2 BR/2 BA
# OF UNITS	49
SQ. FT.	1,008
RENT	$690
RENT / SQ. FT.	$0.68

Information on Butner, NC (from the City of Butner website):

Located in southern Granville County, the Town of Butner offers its residents a high quality of life attributed to its rich history, the ideals of small town living with the ease of being just minutes from the Triangle, and its vision for the future. Located less than thirty minutes from Durham with easy access to I-85, Butner invites you to experience the opportunities the employment, recreation, and housing offered here!

Originally an agricultural community, it became a training camp during World War II known as Camp Butner. Part of the camp remains and is used as a training facility for branches of the military and various divisions of law enforcement. Given its proximity to Research Triangle Park (RTP), local universities and major transportation thoroughfares, Butner is the industrial hub of southern Granville County. Founded in 1949, Newton Instrument has endured and prospered as its manufacturing goals and processes changed, now focused on telecommunication equipment components. Carolina Sunrock's facility is the only pure trap rock quarry in the Southeast, from Manassas, VA all the way to the Gulf of Mexico. The quarry produces a wide variety of construction materials including asphalt aggregates, concrete aggregates and more. Altec, a leading provider of products and services to telecommunications, tree care, electric utilities, and contractor markets, is headquartered in Butner. A Canadian company, Ritchie Bros. Auctioneers, specializes in industrial equipment sales. Its location in Butner, just off I-85, is one of 44 auction sites worldwide. The company sells new and used equipment, vehicles and other assets used in various industries including construction, agriculture, mining, and transportation.

In addition to being an industrial hub, the Town is also home to several distribution centers including Food Lion, Sleepy's and Sonoco. Butner has a thriving commercial market with local businesses continuing to open and prosper both in Old Butner and along the NC Hwy 56 Corridor east of I-85.

Butner also features a strong medical presence with Granville Medical Center, Duke Primary Care and several practices (general, dentistry, optometry, etc.). A leading, global medical technology company, CareFusion, has over 15,000 employees in more than 20 countries around the world, including Butner. CareFusion manufactures and provides products and services to the medical community including IV therapy, sleep diagnostics and therapy, infection prevention, and surgical instruments.

The Town provides educational opportunities for children, young adults and those seeking continuing education. Butner-Stem Elementary School, Butner-Stem Middle School, Falls Lake Academy, Granville Early College High School, and the South Campus of Vance-Granville Community College are all located here.

Investment Summary:

Prudent Growth Partners, LLC, a North Carolina limited liability company ("PGP") is offering certain qualified Investors who meet the minimum suitability requirements (the "Investors" or "Members") the opportunity to purchase an investment in the form of a unit of ownership interest (the "Unit") in PGP Fisher Apartments, LLC (the "Company"), which will own the Fisher Apartment complex located at 403 W C St, Butner, NC 27509 (the "Property").

The Company believes that the Units offer Investors the opportunity to participate in the acquisition of the Property at a favorable price, which will provide the Investors with an attractive cash-on-cash return in the short term. Longer term gains are possible with experienced management, appropriate financial leverage, and a strategic view towards an exit by means of a refinancing event or an outright sale of the Property.

PGP is the sponsor for this Offering (the "Sponsor") and also the Manager of the Company. PGP is also a Member of the Company. PGP, as Manager, will have full and exclusive control over the management, conduct and operations of the Company.

The Company PGP Fisher Apartments, LLC

The Sponsor Prudent Growth Partners, LLC

Project Total Cost: $2,733,750 (including closing costs, escrows, and reserve funding)

Amount to be Raised $765,000

Breakdown of Costs

Contract Price:	$2,625,000
Closing Costs:	$66,938
Reserve Account:	$41,812
Total Costs:	$2,733,750
Loan Proceeds:	$1,968,750
Equity Raised:	$765,000

Projected Debt Terms PGP will be seeking to arrange the following debt in order to complete the purchase of the Property:

Loan Amount of $1,968,750 which represents 75% of the purchase price and 72% of the total Capitalization. Interest rate of 4.375%, fixed for 10 years, with a 30 year amortization and one year of interest-only. Non-recourse to the Investors.

The Offering PGP is offering up to 100 Units at a price of $7,650 per Unit, for a total offering size of $765,000, under the circumstances described below (the "Offering"). At the discretion of the Sponsor, or if the full number of 100 Units are not sold, the offering will terminate and the subscription funds will be promptly returned to the prospective Investors with interest.

Minimum Investment	The minimum investment amount is $38,250 (5 Units), although the Sponsor, in its sole discretion and without notice to Investors, may permit smaller investments and fractional Interests.
Investment Strategy	The strategy will be to acquire the property, bring in a professional, third party manager, who will work to immediately bring rents up to market levels, as well as maintain the property and improve where needed. Liquidity event in 5 to 7 years via a refinance or sale of the property, at a higher price based on a reasonable cap rate tied to a higher NOI.
Projected 5 Year IRR	Projected 5-year IRR for the Company is 20+%.
Investor Suitability	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 represent, warrant and verify, among other things, that such Investor is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.
Risk Factors	The Units offered hereby involve a high degree of risk, including risks associated with the ownership and renovation of real estate, as well as risks associated with the general economy. Investors should carefully review the information in the "Risk Factors" section of this Memorandum before making a decision to purchase Units.
How to Subscribe	In order to purchase a Unit in the Offering, each prospective Investor must complete and deliver to the Sponsor all Subscription Documents and wire such prospective Investor's initial Capital Contribution in accordance with the instructions provided in the offering materials. Once made, an Investor's subscription is irrevocable unless otherwise specifically provided in the Subscription Documents.
Use of Funds	Subscription funds will be deposited directly into the Company's bank account, not a separate escrow account, and will be available for the uses set forth in this memorandum at the Sponsor's discretion. These uses include the acquisition of the Property, the payment of all closing costs and fees, the funding of any initial capital improvements to the Property, the funding of the initial LLC organization costs, and the securing of new debt. Notwithstanding the foregoing, the Sponsor will not use subscription funds of any Investor until the Sponsor accepts the applicable Investor's subscription.
Operating Agreement	A copy of the Company's Operating Agreement will be available to Investors prior to closing ("Operating Agreement").

Subscription Agreement The Subscription Agreement to subscribe for Units will be available to Investors prior to closing ("Subscription Agreement").

Distributions and Fees The Investors shall each receive Distributions in accordance with the Operating Agreement of the Company as follows:

Cash Flow Distributions from Operations:

1. First to the Investors until the Investors have received an 8% preferred return on their Unrecovered Capital balance; and
2. Thereafter, 75% to the Investors, 25% to the Sponsor.

Distributions from Capital Events:

1. First, to the Investors until the Investors have received the full amount of any Unpaid Preferred Return; and
2. Second, to the Investors until each Investor receives a complete return of their Unrecovered Capital balance.
3. Thereafter, 75% to the Investors, 25% to the Sponsor.

Managers of the LLC PGP will be the manager of the Company ("Manager").

Limited Liability The liability of each Member is limited to the amount of his capital contribution to the Company, together with his share of undistributed profits. The Members have no personal liability for Company obligations to third parties, the Company, the other Members or the Manager. The Members' share of any Company debt, including the primary mortgage on the Property, is entirely non-recourse to the Members, and Prudent Growth Partners, LLC will provide whatever recourse or guarantee is required by the bank or lender.

Members are not required to make any additional capital contributions to the Company unless the Manager determines that an additional capital contribution is necessary for the operation of the LLC. If a Member does not make their required share of the additional capital contribution, then that Member's unpaid share will may be funded by the Manager or other Members and treated as a loan to the LLC and will be repaid from that Member's share of any distributions from operations or capital events. After 1 year the Manager or other Members, as applicable, will have the option to convert the loan into an additional capital contribution for the Manager or other Members, as applicable, and the Company will adjust the Member's capital accounts accordingly to reflect the applicable change in ownership interest based on the updated capital accounts.

Rights of Members	As Manager, PGP will have significant authority with respect to the Property and the Company. Under the terms of the Operating Agreement, Members of the Company will have very limited rights to vote on matters with respect to the Property or the Company
Restrictions on Transfer	After acquisition of Units by Investors, no Units may be transferred until the transferor and the transferee supply such instruments and assurances as the Managers may reasonably require, including the assurance that such transfer would not be a violation of federal or state securities laws. Without the prior written consent of the Managers, a transferee will not be admitted as a Member of the Company, but may still have the economic rights of Units.
Fees to the Manager:	In addition to any share of distributions which the Manager may be entitled as a result of any membership interest or Units which the Manager may itself own in the Company, the Manager will also receive the following fees in exchange for bearing the full recourse of the debt and for managing the LLC and the investment of the property: 1. 1.00 % acquisition fee at time of closing of the property, based on the purchase price. 2. 0.50% annual management fee/loan guarantee fee based on the purchase price of the property. 3. 1.00% one-time disposition fee based on the selling price of the property.

Operator Information

Why Invest with Prudent Growth Partners?

Prudent Growth Partners' deals share the following characteristics:

1 – All deals use leverage that is absolutely non-recourse to the Investors. Any recourse or guarantees required by the bank are provided by PGP and its principals, not the Investors.

2 – LLC income is taxed like partnership income – all gains and losses "flow through" to the Investors directly, without being taxed at the entity level.

3 – The Investors share in the depreciation of the asset, which helps to offset gains on the property. Typically, over half of the annual income is tax deferred due to the depreciation expense allowed by the IRS on the property.

4 – There are usually two opportunities for significant liquidity in years 5-7: one would be an outright sale of the property, and the second would be a cash-out refinance of the property, which is an opportunity to pull equity back out that has been created both by the payments made to principal each year as well as through property appreciation, which is generally the result of higher Net Operating Income. The cash-out refinance proceeds are not considered a taxable event.

Due to the long-term nature of real estate, PGP's criteria for investment deals is as follows:

1 – The deal needs to provide solid cash distributions from year one. That means we look for properties that are leased and providing solid income at acquisition, with minimal deferred maintenance or renovation needed. While there may be a deal involving extensive renovation that makes sense to us, it would definitely be an outlier and not a typical deal. PGP also likes to enter every deal with a reasonable reserve account fully funded up front.

2 – The property needs to be located in an area that is stable or growing with respect to factors like population, income growth, job growth, etc. There are frequently high cash flow properties that are on the market, but they may be located in areas that are in decline. The expectations for long term income growth is low, so once the leases run out with the existing tenants, it is likely that renewal income will be lower, not higher, which means the property suddenly becomes a declining asset. The key to success is to find a property that is well priced while being located in an area that will support high occupancy with stable or rising long term rents.

3 – The deal needs to work with conservative financing in place. For PGP, that means most deals are entered into with no more than 80% loan-to-value with no longer than a 30-year amortization. Some deals look great if they are done using higher leverage, or tactics such as interest-only mortgages, etc. But the risk is that at a refinance event, there may not be enough equity in the property to roll the loan. Plus,

there is usually very little buffer in a highly leveraged deal for other risks such as softer rents or tenant vacancies. By only choosing deals that work with conservative financing, PGP is automatically avoiding riskier deals.

4 – For retail or office properties, the tenant mix needs to be one that the local community can support, and the property needs to be one that would be easy to market in the event of a vacancy. Neighborhood centers that are on busy roads, preferably near big intersections with high visibility meet this criteria nicely. The tenants tend to be service based businesses – hair salons, urgent care clinics, pharmacies, tax planners, cell phone stores, cleaners, etc. – that every community needs. Those sorts of tenants are not going to be put out of business by the Amazons of the world, and if a space becomes available, there are dozens of other companies similar to them that will be interested in the space if the center is well maintained and located on a busy, high visibility road. The same is true for office space: a great building with other professional tenants that is well managed and near major highways and services will always be in demand.

Prudent Growth Partners Process

Once a deal that meets our criteria is selected, the work is really just beginning. PGP's principals and advisors have decades of combined experience in commercial real estate investments and understand how to get a deal through due diligence and ultimately closed.

Here is the typical timeline of a commercial real estate investment:

Purchase contract signed

Due diligence period starts – typically 30 days – during which the following occurs:

- Full property inspection completed and analyzed by licensed inspector
- Phase 1 Environmental Inspection completed
- Property Survey and Title search completed
- Bank loan terms finalized
- Bank ordered appraisal completed
- All leases obtained and analyzed for any discrepancies with forecasted rent
- Tax and insurance information analyzed for any discrepancies with forecasted amounts
- All tenants interviewed and tenant estopple agreements signed
- LLC paperwork for the new entity formalized and distributed to Investors
- Legal counsel for closing identified and escrow account for funding opened
- Property management agreement negotiated and signed
- Any deferred maintenance items identified and costs estimates completed

Due diligence period ends, and if all of the above is completed to our satisfaction, we prepare to close.

Prior to closing the following occurs:

- All Subscription Documents must be signed and returned by Investors
- Bank loan documents are finalized and executed
- All funds needed for closing must be wired to the closing attorney
- Property manager sets up the operating account and begins the onboarding process for the new property
- All SEC Regulation D forms and state notice filings submitted (as needed)

Once the property is closed, we fund the operating account and begin operating the property. On a quarterly basis all Investors will receive their distribution checks and a property update. At the end of each tax year, all Investors receive a K1 from the CPA handing the LLC's tax return. All gains and losses from the investment flow through to the Investors.

Owner and Operator Information:

The property will be owned by PGP Fisher Place, LLC, a North Carolina LLC (the "Company"), which will be managed by Prudent Growth Partners, LLC (the "Manager" or "Sponsor"). PGP's President is Thomas F. Hahn, Jr., a successful real estate investor and operator with 20+ years of investing experience. He is an investor or manager in over two-dozen LLCs with holdings that consist of a variety of neighborhood shopping centers and office spaces, single tenant retail properties, multi-family properties, and residential investment properties throughout the Midwest, Mid Atlantic and the Southeast. Tom is also employed by ICAP Energy, LLC, as an executive and manager of their energy derivatives business. He divides his time between real estate investing, derivatives brokering, and activities with his family.

Tom's years of experience in business and real estate have enabled him to become an expert in deal selection, negotiation, management, finance, and investor relations. He has a proven track record of selecting properties that meet the PGP guidelines discussed above, as well as experience with the successful disposition of properties, regulatory issues, real estate financing strategies, the management of the property managers, tenant negotiations, and renovation and development issues. He has acquired, managed, sold and refinanced properties in a variety of economic cycles and interest rate environments, including the "great recession" of 2008-2009.

Tom's retail and office-specific investment experience includes his participate in as an active investor in 20 properties, including the following, all of which are owned in single purpose LLC entities:

Jeffcom, LLC: A neighborhood shopping and medical office center located in Jeffersonville, IN with a market value of $2,370,000.
Forbell, LLC: An Arby's restaurant located in Nashville, TN with a market value of $3,600,000.
Madmen, LLC: A Dollar General store located in Madison, TN with a market value of $1,550,000.
Fredboro, LLC: A small neighborhood shopping center located in Owensboro, KY with a market value of $1,200,000.

Glaswal, LLC: A large Walmart shadow-anchored shopping center located in Glasgow, KY with a market value of $5,400,000.
Abchil, LLC: A neighborhood shopping center located in Middletown, KY with a market value of $4,200,000.
Tringen, LLC: A Dollar General store located in Trinity, AL with a market value of $1,100,000.
Colreg, LLC: A Hobby Lobby (former HH Gregg) building located in Cincinnati, OH with a market value of $4,500,000.
West Chester Union, LLC: A bank-anchored office and shopping center located in Cincinnati, OH with a market value of $5,500,000.
Noogat, LLC: An AT&T store located in Chattanooga, TN with a market value of $2,100,000.
FirmRich, LLC: A Mattress Firm store located in Richmond, KY with a market value of $1,865,000.
RockFirm, LLC: A Mattress Firm store located in Rockford, IL with a market value of $2,890,000.
Clarkcourt, LLC: A neighborhood shopping center located in Clarksville, TN with a market value of $4,072,000.
Hendatt, LLC: An AT&T store located in Hendersonville, TN with a market value of $2,850,000.
Modent, LLC: An Aspen Dental medical office building in St. Louis, MO with a market value of $1,905,000.

In addition to his activities as an investor, Tom is also an active owner and operator of the following LLCs:

Grubbs Landing Center, LLC and West Ninth Street, LLC: recently completed $1,900,000 purchase of a 13,000 square foot neighborhood office and retail center located at 2710 Philadelphia Pike, Claymont, DE. Tom is the owner and manager of West Ninth Street, LLC as well as the manager and a member of Grubbs Landing Center, LLC which own the property as Tenants-in-Common. The property was acquired for $1,900,000 in July 2015 and has a NOI of approximately $155,000. Expected cash-on-cash returns of 10+% to Investors, with projected 5-year IRR of over 20%.

Garrett Road Ventures, LLC: recently completed $1,015,000 purchase of a 15,000 square foot neighborhood retail center located at 4226 Garrett Road, Durham, NC. The center is 100% leased and was successfully negotiated and purchased at a price that allows for Investor returns of over 18% with a 5 year IRR of over 25%. The property is managed by Real Estate Associates and promises strong cash flow with an excellent exit potential as development progresses along the 15-501 corridor.

PGP Stanton Medical, LLC: $881,000 purchase of a 4711 medical office space in the rapidly growing Christiana Hospital area of Newark, DE. The office is under a fresh long-term lease to St. Francis Healthcare, part of Trinity Health, the nation's largest faith based hospital operator. The deal was an off-market deal at a very desirable cap rate of 8.95% with cash returns to Investors of just over 10% in year one.

West Ninth Street, LLC: successful purchase and exit of a small, 6 unit apartment building in Wilmington, DE. Tom purchased the property for $295,000 in July, 2014, negotiated a long-term master lease on the entire building with a large social services agency, and then sold the building in July 2015 for $420,000, which represented a one-year return of well over 120% on invested capital. The proceeds were successfully swapped into the Grubbs Landing Shopping Center deal as part of a 1031 tax-free exchange.

Gilpin Avenue Properties, LLC: owns a 7-unit apartment building in the Trolley Square area as well as two other apartment buildings in the Cool Springs area for a total of 17 units. The buildings were all acquired in off-market transactions, and they all appraised for well over purchase price during the due diligence period. These buildings are a mix of strong, stable rents along with the opportunity for a complete renovation and repositioning of one building, which is nearly 70% complete. The total value of the buildings owned is approximately $1,750,000, and the NOI is approximately $135,000.

Tatnall Street Properties, LLC: owns 5 attached multi-unit buildings on Tatnall Street in the downtown business district of Wilmington with a total of 13 units. The total market value is approximately $800,000 and the buildings have an NOI of approximately $70,000.

1507 Coleman, LLC: owns a 6-unit apartment building in the Browntown section of Wilmington with a market value of $450,000 and an NOI of approximately $35,000. This was a successful renovation project which was completed in 2014.

Browntown Properties, LLC and H4 Enterprises, LLC: own a portfolio of 18 single-family rentals in Wilmington with a market value of $1,375,000 and an NOI of approximately $115,000.

Risk Factors

Risk Factors

The Offering involves a high degree of risk. You should carefully consider the risks described below and the other information in this memorandum and the Subscription Documents before deciding to invest in the Company. An investment in the Company carries with it the inherent risks associated with investing in a real estate venture that competes in a competitive marketplace with low barriers to entry. These inherent risks and the risks described below are not the only ones the Company faces. Additional risks that the Company has not yet identified or that Company management currently thinks are not material may also impair the Company's business operations. In assessing these risks, you should also refer to the other information in this memorandum. If any of the following risks actually occur, the Company's business, financial condition and results of operations would likely suffer. The Units should be purchased only by Investors who have the resources to assume the risk characteristics of this type of investment and who have no need for liquidity in their investment.

General Risks

General Risks of Real Estate Ownership. The Company will be subject to the risks generally incident to the operation of a commercial space, including, without limitation, the following: uncertainty of cash flow to meet fixed obligations; adverse changes in general or local economic conditions; excessive vacancies; relative appeal of particular types of facilities to tenants; the possible need for unanticipated renovations; adverse changes in interest rates and availability of funds and other changes in operating expenses; changes in governmental rules and fiscal policies; acts of God, including earthquakes, which may cause uninsured losses; environmental risks; loss to or condemnation of the Property; and other factors which are beyond the control of the Manager. Decreases in actual Company income from anticipated amounts, or increases in operating expenses, among other factors, could result in the Company's inability to meet all its cash obligations. Any decrease in income received by the Company may reduce, and possibly eliminate, the amount of cash available for distribution to Investors, since operating expenses, such as taxes, utility costs, maintenance, and insurance are unlikely to decrease significantly, and other expenses such as labor, advertising, and promotion may increase.

General Economic Conditions and Business Climate. The Company's operations are subject to any general negative economic conditions existing in the commercial real estate investment sector, as well as the local and national economy as a whole. These risks would include, without limitation, any potential wage and price freezes or other restrictions imposed by governmental authorities; changes in federal, state or local tax laws applicable to the Company; availability of capital for future needs; and changes in consumer purchasing habits and trends. The Company may not have sufficient capitalization to enable the Property to survive extended work stoppages, strikes, lack of market acceptance, and economic exigencies in general.

Lack of Diversification. The Company will have all of its resources initially invested in a single category investment, namely, the operation of a commercial real estate investment. This investment will lack diversification of risk with respect to local economic, social, or environmental problems and other similar matters, the impact of which might be better absorbed or compensated for in an offering providing for diversified types of investments in diverse categories. This lack of diversification increases the risk of materially adverse results, including an Investor's loss of its entire investment.

Environmental Risks. Investing in businesses operated on real property involves risks relating to hazardous and toxic contamination of such property or adjacent property, including subsurface and underground water contamination. Such contamination could have a detrimental effect on the Company, and can result from the actions of tenants, contractors, patrons, visitors, and other parties, including adjacent property owners to the Property, over whom the Company could exercise little or no control. The Company could be required to participate financially in the clean up or other abatement of such contamination, which could cause the Company to suffer a loss of some or all of the capital invested in the Property.

Competition. Competition in the commercial real estate sector is highly competitive with respect to (1) price and/or concessions, (2) amenities, (3) tenant loyalty, and (4) location. Competition includes established commercial buildings with potentially greater financial and other resources than the Company. The Property will operate in a highly fragmented and competitive environment. Business tenants have many options for commercial space. Further, the Property will compete with other establishments for qualified management personnel and other service providers. Although the Company will endeavor to compete in this market, no assurances can be given to Investors that the Property will be able to compete effectively and successfully. Instead, all this competition may materially reduce revenues and net income. The Company cannot assure any Investor that the Company will be successful in addressing the risks it may encounter, and its failure to do so could have a material adverse effect on business, and the financial condition and results of operations.

Future Market Value of the Property. The economic future of the Property'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 Property and its assets. There is no assurance that the Property will increase in value, or even maintain its respective current value.

Management Risks

Reliance on Management. The Members will have only limited rights to participate in only certain narrowly define aspects of the management of the Company or the decision made by the Manager or other Company management personnel. Thus, the Company will effectively be totally dependent upon the Manager for most aspects of its operations and affairs.

Limitation of Manager's Liability. The Operating Agreement provides that the Manager shall not be liable to the other Members for any loss or liability incurred in connection with the affairs of the Company, so long as such loss or liability did not result from willful misconduct or gross negligence. Therefore, Investors may have a more limited right of action against the Manager than they would have had absent these provisions in the Operating Agreement.

Manager Conflict of Interest. The obligations of the Manager to the Company are not exclusive, and the Manager need only devote so much time to the Company's affairs as the Manager, in its sole discretion, determines to be necessary to manage the Company's business. The Manager and/or its affiliates may, from time to time, be involved in the development of other properties that may compete with the Property. Separately, commitments undertaken by the Manager and/or its affiliates in connection with such other properties may materially and adversely affect its ability to manage the Property and the profitability of the Property and any investment in the Units in the Company.

No Independent Counsel. No independent counsel has been retained to represent the interest of the Investors. The Operating Agreement has not been reviewed by an attorney on behalf of the Investors but only by and on behalf of the Sponsor. Each Investor is therefore urged to consult with its own counsel as to the terms and provisions of the Operating Agreement and all other documents relating thereto, as well as its own accountant as to the financial information and projections provided.

Lack of Operating History. The Company is being formed for the specific purpose of owning and managing the Property. Accordingly, the Company has no operating history. The Manager has described certain aspects and projections for the Property in this Memorandum which are based primarily on its own knowledge and experience, and the Manager believes it can successfully acquire and manage the Property.

Financial and Regulatory Risks

Financial Projections. Since the Company itself has no operating history and is currently being formed, no balance sheet or income statement based on actual operations of the Company is available. The Financial Projections included in this memorandum are based upon what the Company believes to be reasonable assumptions concerning certain factors affecting the Property and probable future Property operations. Despite these future projections, no assurances can be made that these projections will prove to be accurate, and Investors are cautioned against placing excessive reliance on such projections in deciding whether to invest in the Company.

Leverage and Other Factors Relating to Financing. The use of secured indebtedness to finance a portion of acquisition costs and/or working capital is referred to as “leveraging.” Leveraging increases the risk of loss of the Company’s investment in the Property if and to the extent that the Property 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 Property 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.

Adequacy of Capital. The Company has based the present Offering on certain assumptions regarding the costs and timing of acquiring and managing the Property. Although not anticipated, the management of the Property could require additional capital beyond what is anticipated. No assurance can be given that such capital would be available from banks or other sources. The failure to raise adequate capital could have a material adverse effect on the Company’s business and the financial condition and results of its operations.

Reserves for capital expenditures may prove inadequate. It is expected that the Company will be required to maintain and replace from time to time structural components of the Property, including roofs, parking lots and HVAC equipment and systems. These costs may not always be able to be passed through to tenants. Although the Company is planning to maintain reserves for those capital expenditures, these reserves may be inadequate if the Company’s assumptions and estimates on the useful life of these improvements are inaccurate. Costs and expenses for these capital expenditures over and above budgeted expenses could adversely affect the Company’s financial condition.

Distributions from Operations. There is no assurance that there will be cash from operations sufficient to pay distributions to the Investors in the Company.

Illiquidity (Limited Transferability of Units). The Units offered for sale hereby are a highly illiquid asset in that they cannot be readily sold or pledged as collateral for a loan or other obligation. Those Units have not been, and will not be, registered under the Securities Act or under any state securities law, in reliance upon certain exemptions provided thereunder. An Investor may not assign, sell, or transfer its Units to another party without the Manager’s consent, and then only as provided for in the Operating Agreement and otherwise only in accordance with available exemptions under applicable securities laws. There is no present plan to register the Units in the future. Accordingly, the Units must be acquired for investment purposes only, and not with a view to resale or other distribution. In addition, the Operating Agreement contains additional restrictions on the transfer of Units. For such reasons, it is likely that an Investor would not be permitted to sell or otherwise dispose of Units even if he or she wished to do so. Finally, there is no public market for sale of the Units, and it is not anticipated that a market will develop for the purchase or sale of the Units. Consequently, the Company’s Investors may not be able to liquidate their investment in the Company in the event of their desire or need to do so.

Uninsured Losses; Casualty Insurance. Certain risks in connection with the Property are either uninsurable or not insurable at commercially reasonable rates, and could have a detrimental effect on the Company. Examples of uninsurable losses are those arising from flood, earthquakes, war, and acts of God, among others. Should such an uninsurable loss occur, the Company could suffer a loss of some or all of the capital invested in the Property, as well as the loss of any potential distributions or profits from the Company's operations.

Unregistered Offering. The Offering is not registered under state or federal securities laws, thereby reducing the level of oversight of the offering process and safeguards available in a registered public offering. In a registered public offering of securities, the U. S. Securities and Exchange Commission or a state regulatory authority may review the disclosures provided by the issuer (in this case, the Company) and comment upon its compliance with the disclosure requirement of applicable securities laws. Because of the nature of this Offering, there are no specific required disclosures (although the anti-fraud provisions of the securities laws are still applicable). Furthermore, there will be no regulatory authority reviewing or commenting upon the Subscription Documents or any of the Offering documents. In addition, in an underwritten public offering, the underwriter will retain separate counsel, and the underwriter and its counsel will perform due diligence on the issuer. Prospective Investors in the Company must rely on their own knowledge of the market and their own due diligence in making an investment decision regarding the Company.

Government Regulation. The operations of the Company are and will be subject to various federal, state, and local laws and regulations, as well as court decisions, affecting those operations and the Company's business. The Property's operations will also be subject to federal, state, and local regulations and court decisions, including regulatory provisions relating to sanitation, health, and safety. All of these laws, regulations, and court decisions could have both a positive and/or negative impact on the Property's operations and the financial results from those operations and on the Property's 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 Company. Increased regulation of various aspects of the Company's operations, should this occur, could also have an adverse effect on the Company's financial position.

Forward-looking Statements May Prove Materially Inaccurate. The statements contained in this Memorandum that are not historical facts are forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on current expectations, beliefs, assumptions, estimates, and projections about the industry and locale in which the Property will be operated. Investors should not rely on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond the Company's control and may cause its actual results, performance, or achievements to differ materially from anticipated future results, or the performance or achievements expressed or implied by such forward-looking statements. While forward-looking statements in this Memorandum reflect the Company's estimates and beliefs, they are not guarantees of future performance. The Company does not promise to update any forward-looking statements to reflect changes in the underlying assumptions or factors, new information, future events, or other changes.

Tax Risks

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS COMMUNICATION, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON SUCH TAXPAYER. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS MEMORANDUM. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

There are various federal income tax risks associated with an investment in the Units. Some, but not all, of the various risks associated with the federal income tax aspects of the Offering of which prospective Investors should be aware are set forth below. The effect of certain tax consequences on an Investor will depend, in part, on other items in the Investor's tax return and other items connection with such Investor's particular tax situation.

Partnership Status. The Company has been or will be organized as a Limited Liability Company under the laws of the State of North Carolina. The Company will not apply for a ruling from the IRS that it will be treated as a partnership for federal income tax purposes, but intends to file its tax returns as a partnership for federal and, if required, state income tax purposes. Investors should recognize that many of the advantages and economic benefits of an investment in the Units depend on the classification of the Company as a partnership (rather than as an association taxable as a corporation) for federal income tax purposes. A change in this classification would require the Company to pay a corporate level tax on its income which would reduce cash available to fund distributions to Investors, would prevent the flow-through of tax benefits, if any, for use on Investors' personal tax returns, and could require that distributions be treated as dividends, which together could materially reduce the yield from an investment in the Company. The discussion herein assumes that the Company will at all times be treated as a partnership for federal tax purposes.

Federal Income Tax Liability in Excess of Cash Distributions. Each Investor that is subject to U.S. tax will be, and other Investors subject to tax in other jurisdictions may be, required to take into account and pay taxes on such Investor's allocable share of the Company's taxable income, regardless of whether the Company distributes cash to Investors. Prospective Investors should be aware that the Company is not required to make distributions in an amount necessary to pay income tax on the Company's income and that the federal income tax on an Investor's allocable share of the Company's taxable income may exceed cash distributions to such Investor. Accordingly, each Investor should ensure that he or she has sufficient cash flow from other sources to pay all tax liabilities resulting from such Investor's ownership of Units in the Company.

Tax Auditing Procedures Under Control of the Manager. Any audit of items of income, gain, loss or credits of an Investor will be administered at the Company level. The decisions made by the Manager with respect to such matters will be made in good faith, consistent with the Manager's fiduciary duties to both the Company and to the Investors, but may have an adverse effect upon the tax liabilities of the Investors.

Changes in Federal Income tax Laws and Policies. There can be no assurance that U.S. federal income tax laws and IRS administrative policies respecting the U.S. federal income tax consequences described in this Memorandum will not be changed in a manner that adversely affects the Units of Investors.

Foreign Taxation. Foreign tax laws may create tax liability for an Investor based on the acquisition, ownership and disposition and the receipt of income and distributions from the Company. The Company will not make any tax filings in any foreign jurisdiction, and will not prepare any special documentation for Investors to assist them with compliance with such foreign tax laws. Each Investor is responsible for ensuring compliance with all applicable tax laws.

UBTI Exposure for IRA Owners. Investors may choose to invest in the Company through their Individual Retirement Accounts ("IRA"). IRAs that invest in alternative investments that generate trade or business or debt-financed income could be subject to unrelated business taxable income ("UBTI"), which currently requires the IRA to file federal and state income tax returns when gross unrelated business income from such investments exceeds $1,000. The Company and its subsidiaries may generate unrelated business taxable income for the Investors. Given the complexity of the UBTI rules, Investors purchasing Units in the Company through an IRA should consult with their tax advisors regarding such IRA's exposure to UBTI.