



PRIVATE PLACEMENT MEMORANDUM (PPM)

Invest 200 Sober Homes LLC
(a Massachusetts Limited Liability Company)



Boston, Massachusetts
Offering of Class A, Class B, and Class C Membership Interests
Dated: September 1, 2025



PRELIMINARY DRAFT – SUBJECT TO LEGAL REVIEW

This Private Placement Memorandum (this “Memorandum” or “PPM”) has been prepared by **Invest 200 Sober Homes LLC** for informational purposes in connection with an ongoing private offering of membership interests.

The Company is **already operational and accepting investor subscriptions** under this preliminary draft. Final legal review is pending, and updated offering documents will be issued.

Such updates will be designed **solely to strengthen compliance, disclosure, and investor protections**.

No changes will be made that reduce, impair, or diminish investor economic rights or benefits as set forth herein. Any revisions will either:

- clarify terms,
- expand investor protections, or
- improve regulatory alignment.

Accordingly, investors may proceed with subscriptions under this draft with the understanding that subsequent updates will enhance, rather than reduce, their rights and security.



IMPORTANT NOTICE

This Private Placement Memorandum (this “Memorandum” or “PPM”) has been prepared by **Invest 200 Sober Homes LLC** (the “Company”) in connection with a private offering of limited liability company membership interests (the “Units” or “Interests”).

The Units are being offered exclusively to:

1. **Accredited Investors** (as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”)) in reliance on **Rule 506(c)** of Regulation D; and
2. **Certain non-U.S. persons** in offshore transactions outside the United States, in reliance on **Regulation S** of the Securities Act.

This Offering has not been registered under the Securities Act or any state securities laws. Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved, disapproved, or endorsed this Offering. Any representation to the contrary is unlawful.

This Memorandum is **confidential** and intended solely for use by the recipient in connection with evaluating the Offering. It may not be reproduced, distributed, or disclosed, in whole or in part, without the Company’s prior written consent.

The information herein is subject to change without notice. Only the **Subscription Agreement** and the **Operating Agreement** (collectively, the “Offering Documents”) contain legally binding terms. This PPM is a summary and does not purport to be complete.

This Memorandum contains **forward-looking statements** involving significant risks and uncertainties. Actual results may differ materially. Prospective investors must carefully review **Part V – Risk Factors** and consult their own professional, tax, and legal advisors before making any investment decision.

High-Risk Investment: An investment in the Units is speculative, illiquid, and involves a high risk of loss, including the potential loss of the entire investment.



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Core Exhibits (Mandatory)

- Exhibit A – Subscription Agreement
- Exhibit B – Operating Agreement
- Exhibit C – Investor Suitability Questionnaire
- Exhibit D – GP Bonus Pool Addendum (Class A & B)
- Exhibit E – Distribution Waterfall & Risk Disclosure Summary
- Exhibit F – Source of Funds / AML Declaration
- Exhibit G – Cryptocurrency Investment Acknowledgment

Operational & Informational Exhibits

- Exhibit H – Wire Instructions
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- Exhibit L – LPAC Advisory Committee Charter
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PART I – EXECUTIVE SUMMARY

1.1 Overview of the Company

Invest 200 Sober Homes LLC (the “Company”) is a Massachusetts limited liability company formed in 2025. The Company’s strategy is to acquire, hold, and master-lease residential real estate assets, with a focus on **certified sober living residences** in Greater Boston and Massachusetts.

All operational responsibility for the sober homes will rest with **independent, certified operators**, ensuring compliance with **Massachusetts Alliance for Sober Housing (MASH)** and other applicable standards. The Company will function strictly as a **real estate investment platform**.

Manager: The Company is managed by **Invest200 Capital Management, LLC**, a Delaware limited liability company (the “Manager”). The Manager is controlled by **Suad Kantarevic (Founder & Key Person)**, who brings extensive experience in real estate acquisition, sober living operations, construction, and property management.

1.2 Investment Thesis

The Company’s strategy rests on five pillars:

1. **Compelling Demand** – Massachusetts faces a chronic shortage of certified sober living beds. Demand exceeds supply by more than 2:1 for individuals leaving treatment.
2. **Stable Income** – Master leases provide predictable base rental income. Bonus rent tied to operator NOI provides upside.
3. **Attractive Returns** – 8% Preferred Return, full return of capital, and an IRR-based distribution waterfall with escalating carried interest.
4. **Scalability** – Targeting growth to 200+ homes (1,500+ beds) within 5–7 years.
5. **Social Impact** – Directly expands access to recovery housing, aligning investor returns with measurable social outcomes.



1.3 Structure of the Offering

The Company is offering up to **\$50,000,000** of Units, allocated among three Classes:

- **Class A (Prime Units):**
 - Authorized: 1,000,000 Units at \$1.00 each.
 - Rights: 8% Preferred Return, full Waterfall participation, pro rata share of 20% Class A GP Bonus Pool, voting on Major Decisions (with Class B).
- **Class B (Early LP Units):**
 - Authorized: 4,000,000 Units at \$1.00 each.
 - Rights: 8% Preferred Return, full Waterfall participation, pro rata share of 20% Class B GP Bonus Pool, voting on Major Decisions (with Class A).
- **Class C (Limited Partner Units):**
 - Authorized: 45,000,000 Units at \$1.00 each.
 - Rights: 8% Preferred Return, full Waterfall participation, no GP Bonus Pool, no voting rights (except as required by law).

1.4 Use of Proceeds (Target Allocation)

- 80–90% – Property acquisitions and master leases.
- 5–10% – Renovations, compliance upgrades, and certification costs.
- 3–5% – Reserves for contingencies and working capital.
- 2–5% – Organizational, legal, and administrative expenses.

The Manager retains discretion to adjust allocations in the best interests of the Company.

1.5 Investor Economics

- **Preferred Return:** 8% annualized, cumulative, non-compounding.
- **Return of Capital:** 100% of contributed capital returned before GP profit allocations.
- **Profit Waterfall:** IRR-based distribution waterfall with GP Catch-Up and escalating carried interest tiers.
- **Bonus Pools:**
 - 20% of GP Net Profit Allocations to Class A Members (pro rata).
 - 20% of GP Net Profit Allocations to Class B Members (pro rata).
- **Illiquidity:** Units subject to 24-month lock-up, withdrawal restrictions, and redemption penalties.
- **Valuation Policy:** NAV determined quarterly under ASC 820.
- **Withdrawal Limits:** Post-lockup redemptions capped at 10% NAV annually, processed pro rata.



1.6 Management & Governance

- **Manager:** Invest200 Capital Management, LLC (Delaware), controlled by Suad Kantarevic.
- **Governance:**
 - **Major Decisions** reserved for Class A & B Members.
 - **LPAC Advisory Committee** may be constituted once institutional scale is achieved.
 - **Key Person Event Protections** ensure orderly suspension or liquidation if the Founder is unable to serve.

1.7 Summary of Risks

An investment in the Units is speculative and involves substantial risks, including:

- Illiquidity and absence of a secondary market.
- Reliance on Manager and third-party operators.
- Real estate market and financing risks.
- Regulatory and zoning uncertainties for sober homes.
- Complexity of GP Bonus Pool allocations.
- Tax risks (including phantom income).
- Potential total loss of capital.

Prospective investors must carefully review **Part V – Risk Factors** before investing.



PART II – TERMS OF THE OFFERING

2.1 Securities Offered

The Company is offering, on a **best-efforts basis**, up to **\$50,000,000** in aggregate capital commitments, consisting of Class A (Prime), Class B (Early LP), and Class C (LP) membership interests (collectively, the “Units” or “Interests”) of **Invest 200 Sober Homes LLC** (the “Company”).

The Units represent limited liability company membership interests in the Company and confer only those rights expressly set forth in this Memorandum, the **Subscription Agreement (Exhibit A)**, and the **Operating Agreement (Exhibit B)**. Except with respect to limited voting on certain Major Decisions (see Section 2.11), the Units do not grant management authority.

2.2 Classes of Units

Class A – Prime Units

- **Authorized & Offered:** 1,000,000 Units
- **Price per Unit:** \$1.00
- **Aggregate Offering Size:** \$1,000,000
- **Rights:**
 - 8% cumulative, non-compounding Preferred Return (pari passu with all Classes).
 - Full participation in the Distribution Waterfall.
 - Pro rata participation in Class A GP Bonus Pool (20% of GP Net Profit Allocations; see Exhibit D).
 - Voting rights on Major Decisions (shared with Class B).
 - Limited liability; no management obligations.
 - **Fee Treatment:** No management, acquisition, disposition, or administrative fees apply to Class A.

Class B – Early LP Units (Discounted Fee Tier)

- **Authorized & Offered:** 4,000,000 Units
- **Price per Unit:** \$1.00
- **Aggregate Offering Size:** \$4,000,000
- **Rights:**
 - 8% cumulative, non-compounding Preferred Return.
 - Full participation in the Distribution Waterfall.
 - Pro rata participation in Class B GP Bonus Pool (20% of GP Net Profit Allocations).
 - Voting rights on Major Decisions (shared with Class A).
 - **Fee Treatment:** Reduced fees – e.g., 0.50% management fee; 0.50% acquisition/disposition fees.



Class C – LP Units (Institutional Tier)

- **Authorized & Offered:** 45,000,000 Units
- **Price per Unit:** \$1.00
- **Aggregate Offering Size:** \$45,000,000
- **Rights:**
 - 8% cumulative, non-compounding Preferred Return.
 - Full participation in the Distribution Waterfall.
 - No GP Bonus Pool participation.
 - No voting rights (except as required by law).
 - **Fee Treatment:** Standard institutional fees – 1.50% management fee, 1.00% acquisition, 1.00% disposition.

2.3 Minimum Investments

- **Class A:** By invitation only (negotiable).
- **Class B:** \$50,000 minimum.
- **Class C:** \$10,000 minimum.

The Manager may, in its sole discretion, waive or reduce minimum investment thresholds.

2.4 Use of Proceeds

Category	Target % Range	Description
Property Acquisitions / Master Leases	80–90%	Acquisition or master leasing of properties to be sub-leased to certified sober home operators.
Renovations / Compliance	5–10%	Life-safety systems, ADA upgrades, and certification compliance.
Reserves & Working Capital	3–5%	Operating reserves, contingencies, debt service.
Organizational & Offering	2–5%	Legal, accounting, marketing, and offering expenses.

The Manager reserves discretion to reallocate proceeds in the best interests of the Company.



2.5 Admission of Investors

Investors shall be admitted as Members only upon:

1. Execution and delivery of the Subscription Agreement (Exhibit A).
2. Completion of the Investor Suitability Questionnaire (Exhibit C).
3. Submission of AML/KYC documentation (e.g., government-issued ID, entity documents, Source of Funds declaration – Exhibit F).
4. Payment of subscription funds in cleared U.S. dollars (or approved cryptocurrency per Exhibit G).
5. Formal acceptance of the subscription by the Manager, in its sole discretion.

The Manager may reject any subscription, in whole or in part, without obligation to provide reasons.

2.6 Restrictions on Transfer

The Units are “restricted securities” under U.S. securities laws. They may not be sold, pledged, assigned, or transferred without:

- compliance with the Securities Act of 1933 and applicable state laws; and
- prior written consent of the Manager, in accordance with the Operating Agreement.

No public or secondary market exists or is expected to develop.

2.7 Tax Treatment

The Company intends to be treated as a **partnership** for U.S. federal tax purposes. Each Member must report its allocable share of income, gains, and losses on its personal or entity tax return, regardless of whether cash distributions are made. Members may recognize **phantom income** (taxable income without corresponding cash distributions).

2.8 Term of the Company

The Company shall continue until dissolved under the Operating Agreement, including:

- expiration of its stated term (if any),
- consent of the Manager and a majority-in-interest of Class A and B Members, or
- judicial dissolution under Massachusetts law.

2.9 Conflicts of Interest

The Manager and its Affiliates may sponsor, manage, or invest in other ventures, including real estate or sober housing projects, which may compete with the Company. The Manager has no exclusivity obligation. Conflicts will be managed in good faith and disclosed if material.



2.10 Summary of Investor Rights by Class

Feature	Class A	Class B	Class C
8% Preferred Return	✓	✓	✓
Waterfall Participation	✓	✓	✓
GP Bonus Pool Participation	✓ – 20% Pool	✓ – 20% Pool	✗
Minimum Investment	Negotiable	\$50,000	\$10,000
Voting Rights	✓ (Major Decisions)	✓ (Major Decisions)	✗ (except as required by law)
Fee Treatment	Zero Fees	Reduced Fees	Standard Fees

2.11 Voting Rights – Major Decisions

Class A and Class B Members, voting together as a single class, hold limited voting rights on **Major Decisions**, requiring approval by a majority-in-interest of such Units. Class C Members hold no voting rights except as required by law.


Major Decisions include:

1. Removal of the Manager for Cause (fraud, gross negligence, willful misconduct).
2. Amendments to the Operating Agreement or this PPM materially adverse to Members.
3. Dissolution or liquidation of the Company prior to expiration of term.
4. Related-party transactions with the Manager or Affiliates exceeding \$1,000,000.
5. Merger, consolidation, or sale of substantially all Company assets.
6. Creation of any new class of Units with pari passu or senior economics.

Institutional Safeguards:

- **LPAC Advisory Committee:** Class A and B Members may convene an LPAC to review conflicts, valuations, or confirm Key Person Events.
- **Key Person Event Protection:** Upon a Key Person Event involving the Founder, all new investments will pause until a replacement Manager is approved by Class A and B majority vote. If no replacement is approved within 180 days, the Company shall liquidate unless extended by such approval.

Rights are more fully set forth in the Operating Agreement (Exhibit B) and related exhibits. In case of inconsistency, the Operating Agreement shall govern.

 **Disclaimer:** The foregoing is a summary only. Rights and obligations of Members are governed by the Operating Agreement (Exhibit B), which controls in the event of conflict.



PART III – THE COMPANY & BUSINESS OVERVIEW

3.1 Formation and Legal Structure

Invest 200 Sober Homes LLC (the “Company”) was organized on **April 28, 2025** as a Massachusetts limited liability company under the Massachusetts Limited Liability Company Act, M.G.L. c. 156C (the “Act”).

- The Company is managed by **Invest200 Capital Management, LLC**, a Delaware limited liability company (the “Manager”), which has full authority over day-to-day operations, investments, and execution of the Company’s business strategy.
- Rights and obligations of Members are governed by:
 1. This Memorandum;
 2. The Operating Agreement (Exhibit B); and
 3. Applicable provisions of the Act.

For U.S. federal income tax purposes, the Company intends to be classified as a **partnership**. Each Member will be allocated its share of income, gain, loss, deduction, and credit under the Operating Agreement and must report such items on its own tax return, regardless of cash distributions.

The Company has authorized three Classes of Units: Class A (Prime), Class B (Early LP), and Class C (LP), each with distinct rights (see Part II).

3.2 Business Purpose

The Company’s primary purpose is to **acquire, hold, and master lease residential properties** suitable for use as **certified sober living residences**, and to **sub-lease such properties to independent, sober home operators**.

- The Company does **not** operate sober homes directly, nor does it provide treatment or clinical services.
- All operational responsibilities—including resident intake, compliance, staffing, and certification—remain with independent operators.
- As a secondary strategy, the Company may opportunistically invest in other **income-producing residential assets** (e.g., workforce housing, multifamily, or transitional housing) where consistent with its objectives.

3.3 Market Opportunity – Massachusetts Recovery Housing

3.3.1 Industry Context

Massachusetts remains among the states most severely impacted by the addiction epidemic. With overdose mortality rates more than **30% above the national average**, over **100,000 individuals exit treatment programs annually**, many of whom relapse without safe recovery housing.



3.3.2 Demand-Supply Gap

- Massachusetts Alliance for Sober Housing (“MASH”) reports certified beds meet **less than one-third** of actual demand.
- Demand: 20,000+ beds.
- Supply: ~3,000–4,000 beds.
- Shortfall: 16,000+ beds (80%+ gap).
- Shortage is most acute in Boston metro, Worcester, Lowell, and Springfield.

3.3.3 Regulatory Framework

Sober homes are not licensed medical facilities but MASH certification ensures safety and compliance with Fair Housing standards. Certification requires:

- Life-safety systems (sprinklers, alarms, egress).
- Written policies and accountability systems.
- ADA and zoning compliance.

Certification enhances credibility, stabilizes occupancy, and reduces risk of eviction or community opposition.

3.4 Business Model

3.4.1 Acquisition & Leasing Strategy

- Acquire or master lease residential properties.
- Enter long-term sub-leases with certified operators.
- **Income sources:**
 - **Base Rent:** Fixed contractual rent (stability).
 - **Bonus Rent:** Variable rent tied to operator net operating income (upside).

3.4.2 Renovations & Compliance

Offering proceeds may fund required improvements, such as:

- Fire sprinkler and alarm systems.
- ADA accessibility modifications.
- Renovations to maximize occupancy and certification.

3.4.3 Diversification Strategy

- Partner with **multiple operators** to reduce counterparty risk.
- Invest across **multiple Massachusetts submarkets** to mitigate geographic risk.



3.5 Growth Strategy

The Company targets **200+ sober homes within 5 years**, in three phases:

- **Phase I (Years 1–2):** Acquire/master lease 25–50 properties in Greater Boston; establish income base.
- **Phase II (Years 3–4):** Expand to 150+ properties statewide; achieve refinancing scale.
- **Phase III (Year 5):** Reach 200+ properties; pursue institutional recapitalization, merger, or REIT conversion.

3.6 Competitive Advantages

1. **Experienced Management** – Led by a Manager with expertise in sober home operations, acquisitions, leasing, and compliance.
2. **Social Impact Alignment** – Every property addresses a critical community need.
3. **Diversified Income Model** – Base rent + performance-based upside.
4. **Investor Incentives** – GP Bonus Pools reward early Class A & B investors.
5. **Market Timing** – 80%+ supply gap in Massachusetts recovery housing.

3.7 Competition

The Company competes with:

- Non-profits operating sober homes.
- Small landlords renting individual houses.
- Local operators with limited scale.

Few competitors operate under a **professionally structured investment fund model** with institutional governance, transparency, and capital raising capacity.

3.8 Broader Investment Flexibility

While the primary focus is sober housing, the Operating Agreement authorizes opportunistic investments in residential assets such as:

- Workforce or multifamily housing.
- Transitional housing and recovery-supportive real estate.
- Redevelopment/value-add projects consistent with Member risk/return expectations.



3.9 Exit Strategy

The Manager may pursue one or more of the following:

- **Refinancing:** Recapitalize portfolio to return investor capital while retaining equity.
- **Portfolio Sale:** Sell properties to an institutional buyer (private equity, REIT).
- **Public Offering:** Convert to or merge with a listed REIT or fund vehicle.

Exit strategies will be evaluated by the **LP Advisory Committee (LPAC)** if convened. In the event of a **Key Person Event** (incapacity of the Manager), new investments will pause pending Class A & B approval of a replacement, or else the Company will liquidate within 180 days unless extended by Members.

Market Opportunity Snapshot – Massachusetts

Category	Data / Insight
Public Health	MA overdose mortality 30%+ above U.S. average
Annual Treatment Discharges	~100,000
Certified Beds	3,000–4,000
Estimated Demand	20,000+
Shortfall	16,000–17,000 (80%+)
Hotspots	Boston metro, Worcester, Lowell, Springfield
Certification	MASH standard
Investment Rationale	Persistent supply gap → predictable occupancy + scalable income

Key Takeaway: Massachusetts’ **80%+ shortage** of certified sober housing creates a **durable, impact-driven investment opportunity** with scalable income potential.



PART IV – INVESTOR ECONOMICS, DISTRIBUTIONS, GP COMPENSATION, AND WITHDRAWALS

4.1 Overview of Classes and Core Economics

Class A – Prime Units

- **Authorized:** 1,000,000 Units | **Price:** \$1.00 | **Minimum:** \$100,000 (waivable)
- **Economics:** (i) 8% cumulative, non-compounding Preferred Return; (ii) full Waterfall participation; (iii) pro rata share of **20% Class A GP Bonus Pool** (from GP’s carry only—see Exhibits).
- **Governance:** Limited voting on **Major Decisions**.

Class B – Early LP Units

- **Authorized:** 4,000,000 Units | **Price:** \$1.00 | **Minimum:** \$50,000
- **Economics:** (i) 8% cumulative, non-compounding Preferred Return; (ii) full Waterfall participation; (iii) pro rata share of **20% Class B GP Bonus Pool**.
- **Governance:** Limited voting on **Major Decisions** (with Class A).

Class C – LP Units

- **Authorized:** 45,000,000 Units | **Price:** \$1.00 | **Minimum:** \$10,000
- **Economics:** (i) 8% cumulative, non-compounding Preferred Return; (ii) full Waterfall participation; **no GP Bonus Pool**.
- **Governance:** No voting rights, except as required by law.

4.2 Comparative Economics (Summary)

Class	Preferred Return	Waterfall	GP Bonus Pool	Voting Rights	Target Profile
A	8% cumulative	Yes	20% of GP Net Profit Allocations (pro rata)	Limited (Major Decisions)	First/strategic investor
B	8% cumulative	Yes	20% of GP Net Profit Allocations (pro rata)	Limited (Major Decisions)	Early LP
C	8% cumulative	Yes	None	None	General LP

4.3 Sources of Return and Distribution Principles

Returns are expected from: **(i)** base rent under long-term master leases, **(ii)** bonus rent tied to operator NOI, **(iii)** capital appreciation via value-add and compliance upgrades, and **(iv)** capital events (refinancings/recaps/dispositions). Distributions are made from **Available Cash Flow**, net of reasonable reserves for operations, debt service, taxes, contingencies, and cap-ex, as determined by the Manager in good faith.



4.4 Distribution Timing

- **Quarterly distributions** targeted (subject to reserves and Manager discretion).
- **Capital event proceeds** distributed as practicable post-closing.
- **Tax distributions** may be advanced; advances offset subsequent distributions.

4.5 Distribution Waterfall

Subject to §4.11 (NAV/valuation reserves) and after payment of Company obligations, **Available Cash Flow** and **Capital Event Proceeds** will be distributed in the following priority (the “**Waterfall**”):

1. **Return of Capital Contributions** — 100% to Members, pro rata, until all unreturned Capital Contributions are returned.
2. **Preferred Return (8%)** — 100% to Members, pro rata, until each Member receives an 8% cumulative, non-compounding return on average daily unreturned Capital Contributions.
3. **GP Catch-Up** — 100% to the GP until cumulative GP distributions equal **10%** of aggregate distributions made under Steps 1–3.
4. **Carried Interest Splits (IRR-Tiered)** — thereafter:
 - **10–20% IRR:** 80% Members / 20% GP
 - **20–30% IRR:** 70% Members / 30% GP
 - **>30% IRR:** 50% Members / 50% GP
5. **GP Bonus Pools (from GP’s share only)** — of GP Net Profit Allocations: **20% to Class A Pool** (pro rata), **20% to Class B Pool** (pro rata), remainder retained by GP.

Illustrations provided in Exhibit I.

4.6 Illustrative Outcomes (High Level)

- **Moderate Case (~15% IRR):** Members ≈ **\$13.6M**; GP ≈ **\$1.1M** net after Bonus Pools.
- **High Case (~35% IRR):** Members ≈ **\$24.3M**; GP ≈ **\$3.2M** net after Bonus Pools.
(Illustrative only; see Exhibit I. OA controls.)

4.7 GP Compensation; Fees and Expenses

In addition to carried interest under §4.5, the Manager (the “**GP**”) is entitled to the following market-standard fees/reimbursements (which may be waived or reduced at the GP’s discretion; any waiver benefits the Company/ALL Members pro rata unless otherwise agreed in a side letter).

(a) Class A (Prime Units) – No fees charged to Class A capital.

- Management / Acquisition / Disposition-Refi / Development / Asset Mgmt & Admin: **0.00%**
- Class A’s GP-level upside occurs solely via the **Class A GP Bonus Pool**.



(b) Class B (Early LP; discounted tier)

- **Management Fee: 0.50% p.a.** of invested equity during the Investment Period; **0.25% p.a.** thereafter; accrued quarterly in arrears.
- **Acquisition Fee: 0.50%** of gross purchase price (at closing).
- **Disposition/Refi Fee: 0.50%** of gross proceeds (at closing).
- **Development/Construction Fee: 2.00%** of direct hard/soft costs (ex-land), paid as incurred.
- **Asset Mgmt & Fund Admin: 0.25% p.a.** of NAV, accrued quarterly.
- **Class B GP Bonus Pool** participation per §4.5(5).

(c) Class C (Institutional/standard tier)

- **Management Fee: 1.50% p.a.** of invested equity during the Investment Period; **1.00% p.a.** thereafter; accrued quarterly.
- **Acquisition Fee: 1.00%** of gross purchase price.
- **Disposition/Refi Fee: 1.00%** of gross proceeds.
- **Development/Construction Fee: 3.00%** of direct construction/renovation costs.
- **Asset Mgmt & Fund Admin: 0.50% p.a.** of NAV, accrued quarterly.
- **Org & Offering Expenses:** Reimbursable up to **1.00%** of aggregate commitments (cap includes any third-party placement agent fees).

(d) General Provisions (All Classes)

1. **No Transaction-Based Compensation for Fundraising.** The GP and Affiliates are not broker-dealers and will not receive commissions or transaction-based comp for selling Units.
2. **Expense Reimbursement.** Reasonable, allocable out-of-pocket expenses for Company business (legal, audit, tax, valuation, compliance, diligence, asset-level travel) are reimbursable.
3. **Offsets.** Any third-party fees paid to the GP/Affiliates relating to a Company asset will be disclosed and offset to avoid duplication.



4.7.1 Founder Participation Rights

In recognition of his role as Founder, **Suad Kantarevic** shall be entitled to a continuing participation equal to **25% of all GP Net Profit Allocations** for the life of the Fund, whether or not he remains Manager.

- **While Acting as Manager:** Founder receives all Manager compensation and carry; the **25% Founder Participation** is **in addition to** such compensation.
- **Upon Removal/Death/Incapacity:** Founder (or estate/heirs) continues to receive **25%** of all GP Net Profit Allocations for the Fund's remaining life.
- **Non-Dilution:** Founder participation comes **solely** from GP economics; it does **not** reduce Member capital, Preferred Returns, or Member Waterfall distributions.
- **Future Vehicles:** Founder is entitled to **10%** of GP Net Profit Allocations of any successor/co-investment/parallel vehicles (see Exhibit N).

Note: where this PPM states a fee as "0.25% p.a. of NAV" (Class B) or "0.50% p.a. of NAV" (Class C), such fee replaces any conflicting earlier draft references.

4.8 Valuation; NAV Policy (ASC 820)

- (a) **Policy.** NAV is determined **quarterly** as of each quarter-end using a fair-value framework consistent with **ASC 820** (cap-rate/DCF for stabilized assets, cost-to-complete for projects, broker opinions where appropriate).
- (b) **Process & Oversight.** The Manager may engage independent valuation advisors for material assets or at least annually. Any LPAC (if formed) may review methodology and significant judgments.
- (c) **Reserves & Adjustments.** The Manager may establish valuation reserves for contingencies and known capital needs. NAV is used for reporting, fee calc, and withdrawals—not a guarantee of realizable value.

4.9 Investor Liquidity; Withdrawals and Redemptions

- (a) **Lock-Up:** No withdrawals/transfers during the first **24 months** after a Member's subscription.
- (b) **Manager Discretion:** Post lock-up, withdrawals permitted **only** at Manager's discretion and subject to liquidity and lender/legal constraints.
- (c) **Annual Gate:** Aggregate withdrawals capped at **10% of NAV** per calendar year (the "Annual Gate"), unless waived by the Manager.
- (d) **Early Withdrawal Penalty:** Redemptions prior to the **5th anniversary** of initial subscription incur a **3% penalty** retained for remaining Members.
- (e) **Suspension:** The Manager may suspend withdrawals during liquidity stress, market disruption, litigation, regulatory constraint, or force majeure.
- (f) **Transfers:** Require Manager consent and legal compliance (see OA).
- (g) **No Put Right:** Members cannot compel redemption or dissolution, except as expressly provided.



4.10 Redemption Mechanics; Priority (Post-Lock-Up)

- (a) **Request/Eff. Date:** Written requests due **≥90 days** before a Valuation Date; processed at then-current NAV (less any penalty/unpaid obligations).
- (b) **Pro Rata Filling:** If accepted requests exceed the Annual Gate or available liquidity, redemptions are filled **pro rata**; unfilled portions automatically **queue** to the next period (seniority = original request date; pro rata within each period).
- (c) **In-Kind:** Manager may satisfy redemptions **in kind** (fractional rounding at Manager discretion).

4.11 Alignment of Interests (Summary)

- **LPs (A/B/C):** Capital protection via **return-of-capital** and **8% Preferred Return** priority.
- **Early Investors (A/B):** Additional upside via **GP Bonus Pools**.
- **GP:** Performance-weighted compensation; transparent, tiered fees.
- **Liquidity Controls:** Lock-up, gate, and pro-rata mechanics protect asset stability and all Members.

4.12 Voting Rights (Summary)

Class	Voting Rights	Scope	Approval Threshold
A	Yes	Major Decisions	Majority-in-interest of A & B, voting together
B	Yes	Major Decisions	Majority-in-interest of A & B, voting together
C	No	—	—

Major Decisions (summary; see OA §3.3 / PPM §2.11): (1) materially adverse amendments; (2) removal of Manager for Cause; (3) merger/sale of substantially all assets; (4) dissolution; (5) related-party transactions >\$1,000,000; (6) creation of pari passu/senior classes.

Control mechanism: governance oversight only; day-to-day control remains with the Manager.

4.13 Limited Partner Advisory Committee (LPAC)

Upon **≥ \$5,000,000** in aggregate Class A & B commitments, the Manager shall establish an **LPAC** for governance oversight and conflict resolution.

Composition. Up to **five (5)** representatives elected by Class A & B Members (one-member-one-vote). Observers (e.g., counsel, auditors) may be invited.



Functions (advisory):

1. Related-party transactions >\$1,000,000.
2. Quarterly NAV methodology reviews.
3. Confirm Key Person Events.
4. Approve extensions of Investment Period beyond 12 months.
5. Provide non-binding recommendations regarding removal for Cause.

Limitations. LPAC does not manage or approve deals; duties are confidentiality-only (no fiduciary duty to other Members).

Charter. See **Exhibit L** (controls solely for LPAC matters).

4.14 Key Person Event

A **Key Person Event** occurs upon the death, disability, permanent incapacity, or withdrawal of **Suad Kantarevic** (or any designated successor).

Consequences: (1) automatic suspension of new investments (except protective follow-ons); (2) LPAC convenes; (3) replacement Manager requires A/B majority-in-interest; (4) if none within **180 days**, orderly liquidation unless extended by A/B majority; (5) Manager may pre-designate an interim designee for ordinary-course operations.

Founder economics preserved per Exhibit N.

4.15 Reporting and Transparency

The Company intends to provide **quarterly investor letters** (with NAV and portfolio updates), **annual audited financial statements (U.S. GAAP)**, and **timely K-1s**. The Manager may host update calls and maintain a secure data room.

4.16 Founder Economics & Continuing Entitlements

(Recap; see **Exhibit N.**) Founder retains **25% of GP Net Profit Allocations** for the Fund's life (borne solely from GP economics) and **10%** of GP Net Profit Allocations in **Future Vehicles**. Member economics (return of capital, 8% pref, Waterfall splits) **are not diluted** by Founder participation.



PART IV-A – LIMITED PARTNER ADVISORY COMMITTEE (LPAC)

Prior to LPAC formation, Class A and B Members retain their **Major Decision** and **Key Person** rights. Upon formation:

Composition: Up to **five (5)** representatives appointed by Class A & B Members (aggregate \geq \$500,000 Units). Each LPAC member must be a Member or its designee; observers allowed.

Responsibilities (advisory only):

1. Approve related-party transactions $>$ \$1,000,000.
2. Review NAV methodologies and quarterly marks.
3. Confirm Key Person Events; pause new investments pending replacement approval if required.
4. Approve Manager requests to extend the Investment Period beyond 12 months.
5. Provide recommendations on removal for Cause.
6. Approve waivers of concentration or deviations from stated policies (advisory).

Voting: One vote per LPAC member; majority action; written consents permitted; quarterly meetings (or as needed).

Limitations & Protection: No day-to-day control; confidentiality obligations; no liability for good-faith decisions. No compensation; reasonable expenses reimbursable.

Exhibit I – Distribution Waterfall Illustration (Summary)

Step 1 – Return of Capital: 100% to Members until all capital is returned.

Step 2 – 8% Preferred Return: 100% to Members until 8% cumulative, non-compounding is paid.

Step 3 – GP Catch-Up: To GP until GP equals 10% of aggregate distributions through Step 3.

Step 4 – IRR-Tiered Splits: 80/20 (10–20% IRR); 70/30 (20–30% IRR); 50/50 ($>$ 30% IRR).

Step 5 – GP Bonus Pools: From GP's share only \rightarrow 20% to **Class A Pool**, 20% to **Class B Pool**, balance to GP.

Illustrative Example (high level):

Invested \$10M \rightarrow Total dists \$30M over \sim 5 yrs (\sim 15%+ IRR):

- Members \approx **\$24.3M**
- GP net \approx **\$3.2M** (after Bonus Pools)
- Class A Pool \approx **\$0.8M**; Class B Pool \approx **\$0.8M**
(*Illustrative; OA controls.*)



KEY RISK SUMMARY

*(Convenience summary only; **Part V – Risk Factors** controls.)*

The following is a **non-exhaustive** summary of certain material risks of investing in Units of **Invest 200 Sober Homes LLC** (the “Company”). Investors must review **Part V – Risk Factors** in full.

Principal Risks (summary)

- **Illiquidity.** Units are **restricted securities** with **no public market**; a **24-month lock-up** applies and post-lock-up withdrawals are **limited, discretionary, gated, and may incur penalties**.
- **Manager / Key Person Dependence.** Success depends heavily on the capabilities and continuity of the **Manager (Invest200 Capital Management, LLC)** and the **Key Person (Suad Kantarevic)**.
- **Real Estate Market Risk.** Values, rents, cap rates, and financing terms fluctuate with economic cycles and interest rates.
- **Operator Reliance.** Cash flow depends on **independent certified sober-home operators** maintaining occupancy and compliance.
- **Regulatory & Zoning.** Sober homes may face zoning disputes, community opposition, or legal/regulatory changes.
- **Complex Class Structure.** Class A/B share GP Bonus Pools; Class C does not—creating potential alignment differences.
- **Valuation / NAV.** NAV is determined by the Manager under ASC 820 and is **inherently judgmental**; realizable value may differ.
- **Fees & Expenses.** Ongoing fees and reimbursements reduce distributable cash regardless of performance.
- **Tax Risks / Phantom Income.** Pass-through taxation may create taxable income **without** matching distributions.
- **Conflicts of Interest.** The Manager and Affiliates may manage other ventures and earn fees at asset and fund levels.
- **Macroeconomic / Public Health.** Recession, inflation, rate spikes, pandemics, or disasters may impair occupancy and liquidity.
- **Loss of Capital.** An investment is **speculative** and may result in **total loss**.



PART V – RISK FACTORS

An investment in the Units is **speculative** and involves a **high degree of risk**. The risks below are not exhaustive. Additional risks—known or unknown—could materially and adversely affect the Company and the value of the Units. Capitalized terms follow the Operating Agreement.

5.1 Real Estate Investment Risks

- **Market Volatility.** Property values, rents, and occupancies fluctuate with economic cycles, interest rates, inflation, cap rates, and credit availability.
- **Illiquidity of Assets.** Real estate is inherently illiquid; asset sales and refinancings may be delayed or unavailable on acceptable terms.
- **Financing & Leverage.** Use of debt magnifies gains **and** losses; rising interest rates, lender covenants, or credit tightening may impair cash flow or refinancing.
- **Construction / Renovation.** Compliance upgrades (e.g., sprinklers, ADA) and renovations may face **cost overruns**, delays, supply-chain issues, or underperformance versus underwriting.
- **Environmental / Legal Compliance.** Properties may contain unknown environmental conditions or face costly compliance for zoning, life-safety, ADA, and building codes. Insurance may not cover all risks.
- **Concentration.** The strategy concentrates in **Massachusetts** and the sober-housing niche; geographic and sector concentration increases vulnerability to local downturns or policy changes.
- **Casualty / Catastrophe.** Losses from fire, flood, or other catastrophes may exceed insurance or cause prolonged interruptions.

5.2 Sober-Home Operating Risks

- **Operator Dependence.** Revenue relies on third-party **certified operators**. Operator mismanagement, financial distress, or turnover could materially reduce rent collections.
- **Certification / Compliance.** Loss or lapse of **MASH (or equivalent)** certification may reduce occupancy and threaten continued use; operators must maintain policies and staffing.
- **Community Opposition / Zoning.** Despite fair-housing protections, “NIMBY” opposition or municipal actions may lead to disputes, litigation, additional costs, or delays.
- **Insurance / Liability.** Operators may carry **insufficient insurance**; incidents involving residents/staff could produce reputational damage or claims against the Company.
- **Master-Lease Counterparty Risk.** Master-lease tenants can default; enforcement and re-tenanting may be costly and time-consuming.
-



5.3 Company & Fund Structure Risks

- **Illiquidity of Units.** Units are **restricted** and may not be freely sold or transferred.
- **Lock-Up; Limited Withdrawals.** A **24-month lock-up** applies. Thereafter, withdrawals are at **Manager discretion**, subject to an **annual 10% NAV gate**, and may be **suspended** during stress periods. Early withdrawals may incur a **3% penalty**.
- **Dependence on Manager.** Performance depends on the skill and continuity of the **Manager** and service providers.
- **Key Person Risk.** A **Key Person Event** (see OA/PPM) may materially impair execution; new investments pause pending Member action and, absent replacement approval, could result in liquidation.
- **Conflicts of Interest.** The Manager and Affiliates may sponsor or invest in other ventures, receive fees at asset and fund levels, and enter related-party transactions. Policies and LPAC oversight mitigate but do not eliminate conflicts.
- **Valuation / NAV Subjectivity.** NAV is determined by the Manager in good faith under **ASC 820** using estimates, judgments, and third-party inputs that may differ from realizable values.
- **Fee Drag.** Management, acquisition/disposition/refi, development, asset-management, and admin fees—plus reimbursable expenses—reduce cash available for distribution.
- **Side Letters / Class Differences.** Certain investors may receive side-letter terms; Class A/B receive GP Bonus Pools while Class C does not.

5.4 Class Structure & GP Bonus Pool Risks

- **Complex Allocations.** Multi-class waterfalls and GP Bonus Pools require complex accounting; errors or timing differences may occur.
- **Performance Dependence.** GP Bonus Pools for Class A/B are paid **only from GP carry**; if hurdles are not achieved, **no bonus** is paid.
- **Alignment Differences.** Because Class C does not share GP Bonus Pools, perceived alignment may differ versus A/B; Member protections rely on **pref/return of capital priority** and governance limits.
- **Founder Entitlements.** Founder's continuing economics (see Exhibit N) reduce residual GP share but **do not** dilute Member returns; nonetheless, they may affect future GP incentives.

5.5 Regulatory & Legal Risks

- **Securities Law Exemptions.** The Offering relies on **Reg D Rule 506(c)** and **Reg S** exemptions; failure to comply could result in liability, rescission rights, or limits on capital raising.
- **Investment Company Act.** The Company intends to remain exempt from registration (e.g., **§3(c)(1)** or **§3(c)(7)**). Loss of exemption would impose burdensome regulation and costs.
- **Broker-Dealer.** Neither the Company nor the Manager is a registered broker-dealer; no transaction-based compensation will be paid for selling Units.



- **ERISA / Plan-Asset Risk.** Significant participation by “benefit plan investors” could cause plan-asset status and impose fiduciary duties; the Company may limit such participation to remain below **25%** thresholds.
- **Housing / Land-Use.** Changes in fair-housing enforcement, zoning, occupancy limits, or licensing could adversely affect operations and costs.
- **AML / Sanctions / KYC.** AML/OFAC violations by a Member or operator could trigger severe penalties and forced redemptions.

5.6 Tax Risks

- **Pass-Through Taxation / Phantom Income.** Investors must report allocated taxable income **regardless of distributions**; cash may be insufficient to pay taxes.
- **IRS Challenges.** Allocation provisions under **IRC §704(b)**, valuations, or timing may be challenged.
- **Multi-State Filing.** Investments in multiple jurisdictions may require investors to file additional state/local returns.
- **Withholding / FATCA / CRS.** Changes in U.S. or foreign reporting regimes may impose withholding or reporting obligations on the Company or Members.

5.7 General & Macroeconomic Risks

- **Economic Downturns.** Recession, inflation, and interest-rate spikes may reduce values and operator stability.
- **Public Health / Force Majeure.** Pandemics, natural disasters, terrorism, cyber events, labor shortages, or supply-chain disruptions may impair operations.
- **Litigation.** The Company may face claims from neighbors, residents, municipalities, vendors, lenders, or regulators.
- **Total Loss.** Investors should be prepared to **lose the entire investment**.

5.8 Key Person Risk (Expanded)

The Company’s strategy relies on the leadership and active involvement of **Suad Kantarevic** (the “Key Person”). A **Key Person Event** (death, disability, incapacity, or permanent withdrawal) triggers an **automatic suspension** of new investments (other than protective follow-ons) until a replacement Manager is approved by a **majority-in-interest of Class A and B Members**. If no replacement is approved within **180 days**, the Company will commence an **orderly liquidation**, unless extended by such Members. Founder participation rights are preserved as described in **Exhibit N**.



Risk Summary Table (Convenience Only)

Risk Category	Description	Mitigant / Company Approach
Illiquidity of Units	No market; 24-month lock-up; post-lock-up gate and penalties	NAV-based redemptions after lock-up; pro-rata priority; Manager discretion
Manager Dependence	Execution depends on Manager/Key Person	Governance limits; removal-for-Cause; Key Person protections; LPAC oversight
Real Estate Cycles	Values/rents/financing sensitive to cycles and rates	Focus on master-lease cash flows; reserves; conservative leverage
Operator Reliance	Defaults or non-compliance by sober-home operators	Multiple operators; certification standards (MASH); master-lease terms
Regulatory & Zoning	NIMBY, zoning disputes, fair-housing shifts	Legal strategy; community engagement; contingency reserves
Class Alignment	A/B share GP Bonus Pools; C does not	Transparent disclosures; pref & return-of-capital priority for all
Valuation/NAV	ASC 820 marks may diverge from realizable value	Methodology governance; third-party inputs; LPAC review rights
Fee Burden	Fees reduce cash available for distribution	Tiered fees (A: 0; B: reduced; C: standard); clear disclosure
Tax / Phantom Income	Taxable allocations without cash	Discretionary tax distributions; investor education
ERISA / Plan Assets	Crossing 25% threshold increases burdens	Monitor/limit benefit-plan investor participation
Conflicts of Interest	GP runs other ventures; related-party fees	Disclosure, LPAC oversight, offsets, fiduciary duties
Macro / Public Health	Recession, inflation, pandemics	Diversification; reserves; ability to suspend withdrawals
Loss of Capital	Private placements can lose all capital	Suitability screening; risk disclosures; long-term orientation



PART VI – LEGAL & REGULATORY MATTERS

Preliminary Draft Notice: The Company is operational and accepting subscriptions under this preliminary draft. Final legal review is pending. Updates will be issued to enhance compliance and investor protections and will **not reduce investor economic rights** described herein.

6.1 Federal Income Tax Considerations

6.1.1 Partnership Classification

The Company intends to be classified as a **partnership** for U.S. federal income tax purposes under Subchapter K of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Company will not be subject to U.S. federal income tax at the entity level. Each Member must report its distributive share of the Company’s taxable income, gain, loss, deduction, and credit on such Member’s tax return, **whether or not** the Company makes cash distributions.

6.1.2 Allocation of Profits and Losses

Tax items will be allocated among the Members in accordance with the **Operating Agreement** and **Code §704(b)** (and related Treasury Regulations). The Internal Revenue Service (“**IRS**”) may challenge such allocations; any reallocation could adversely affect one or more Members.

6.1.3 Phantom Income Risk

Members may be allocated taxable income without receiving corresponding cash distributions. Members should be prepared to fund any resulting tax obligations from sources **other than** Company distributions.

6.1.4 Withholding and Reporting Obligations

The Company may be required to withhold U.S. federal, state, or local taxes on allocations or distributions to certain Members (including non-U.S. Members) under **Code §§1441–1446, FATCA**, or similar provisions. Any such withholding reduces amounts otherwise distributable to the affected Member.

6.1.5 Partnership Audit Rules

The Company is subject to the centralized partnership audit regime enacted by the **Bipartisan Budget Act of 2015. Invest200 Capital Management, LLC** (or its designee) will serve as **Partnership Representative** and has authority to bind the Company and the Members in tax proceedings and settlements. Any imputed underpayments, penalties, and interest borne by the Company will reduce cash available for distribution.



6.2 State and Local Taxation

Members may be subject to state, local, or municipal income, franchise, gross receipts, or other taxes in **Massachusetts** and in any other jurisdictions in which the Company operates or owns property. Members may be required to file **nonresident** returns in such jurisdictions regardless of domicile.

6.3 ERISA and Benefit Plan Considerations

6.3.1 General

Fiduciaries of employee benefit plans subject to **ERISA**, as well as IRAs, governmental plans, and other benefit plan investors, must determine that an investment in the Company is prudent, complies with plan documents, satisfies diversification requirements, and is compatible with plan liquidity needs.

6.3.2 Plan Asset Regulations / 25% Test

If “**benefit plan investors**” (as defined in DOL regulations) own **25% or more** of the outstanding Units of **any class**, the Company’s assets could be treated as “**plan assets.**” In such event, ERISA fiduciary standards and prohibited transaction rules could apply. To avoid plan-asset status, the Manager may **limit or cap** subscriptions by benefit plan investors on a **per-class** basis.

6.3.3 Prohibited Transactions

If the Company’s assets were deemed plan assets, transactions between the Company and the Manager or its Affiliates could constitute **prohibited transactions**, potentially requiring exemptions or restructuring and adversely affecting operations.

6.4 Securities Law Matters

6.4.1 Exempt Offering

The Offering is conducted pursuant to exemptions from registration under the **Securities Act of 1933**:

1. **Rule 506(c)** of Regulation D (general solicitation permitted; **all U.S. investors must be verified Accredited Investors**).
2. **Regulation S** (offers and sales to non-U.S. persons in **offshore transactions**).

6.4.2 State (“Blue Sky”) Compliance

The Company will make any required **notice filings** and pay applicable fees in relevant U.S. states. Investors will not be responsible for separate state filings.



6.4.3 Transfer Restrictions

Units are “**restricted securities**.” They may not be resold, pledged, or transferred except pursuant to an effective registration statement or a valid exemption **and** with the **Manager’s prior written consent** as required by the Operating Agreement.

6.4.4 No Registration Rights

Units **do not** carry registration rights. The Company does not expect to register the Units with the SEC or any state authority.

6.4.5 Broker-Dealer Matters

Neither the Company nor the Manager (nor their Affiliates) is a **registered broker-dealer**. No **transaction-based compensation** will be paid for the sale of Units. If the Company engages a registered placement agent, such arrangement will be disclosed and fees treated as **offering expenses** (subject to caps disclosed herein).

6.5 Investment Company Act Considerations

The Company intends to remain exempt from registration under the **Investment Company Act of 1940**, including reliance on **§3(c)(1)** or **§3(c)(7)**. Loss of such status would impose significant regulatory burdens and could materially impair flexibility and performance.

6.6 Anti-Fraud, AML, Sanctions, and Other Compliance

6.6.1 Anti-Fraud

The Company is subject to federal and state anti-fraud provisions, including **Section 10(b)** of the Exchange Act and **Rule 10b-5**, prohibiting false or misleading statements or omissions in connection with securities offerings.

6.6.2 AML / OFAC

The Company will maintain **AML/KYC** procedures consistent with the **USA PATRIOT Act** and will comply with **OFAC** sanctions programs. The Company may **reject or rescind** subscriptions that fail AML/KYC screening.

6.6.3 Foreign Investors

Non-U.S. investors must certify **non-U.S. Person** status under Regulation S and acknowledge **resale restrictions** into the United States absent Securities Act compliance. Non-U.S. investors may also be subject to U.S. withholding and reporting.



6.7 Manager Authority and Indemnification

6.7.1 Manager Authority

Invest200 Capital Management, LLC (the “Manager”) has **broad and exclusive authority** to manage the business and affairs of the Company, subject only to limited voting on **Major Decisions** (see OA/PPM). Authority includes: acquisitions and financings; master leases and operator contracts; hiring advisors; raising capital; establishing reserves; determining distributions; and managing compliance, audits, and litigation. Except as expressly reserved, **Members do not participate in day-to-day management.**

6.7.2 Indemnification of Manager and Affiliates

To the **fullest extent permitted by law**, the Company will indemnify the Manager, its Affiliates, and their respective members, managers, directors, officers, employees, and agents (each, an “**Indemnified Party**”) against losses and expenses arising from Company activities, **except** to the extent a final non-appealable judgment determines such losses resulted primarily from **fraud, willful misconduct, or gross negligence.**

- **Advancement:** The Company may advance defense costs, subject to repayment if indemnification is ultimately unavailable.
- **Insurance:** The Company may purchase **D&O/E&O** or similar insurance.
- **Effect:** Indemnification obligations reduce amounts otherwise distributable to Members.

6.7.3 Founder Legacy Compensation

As set forth in **Exhibit N – Founder Participation & Legacy Rights**, **Suad Kantarevic** is entitled to continuing participation in **GP Net Profit Allocations** (and successor rights for his heirs). These entitlements are **solely from GP economics** (they **do not** dilute Member distributions) and are customary founder protections aligned with long-term governance continuity.

6.7.4 Limited Partner Advisory Committee (LPAC)

Upon at least **\$5,000,000** of combined Class A and B commitments, the Manager may constitute an **LPAC** (up to **five** representatives, one-member-one-vote among A/B Members). The LPAC is **advisory** only and may:

1. review/approve related-party transactions > **\$1,000,000**;
 2. oversee valuation methodologies and NAV policy;
 3. confirm Key Person Events;
 4. approve extensions of the Investment Period; and
 5. provide recommendations regarding removal for Cause.
- The LPAC **does not** manage day-to-day operations or approve individual investments. See **Exhibit L** (controls solely for LPAC matters).



6.8 Key Person Event

A **Key Person Event** occurs upon the death, incapacity, permanent withdrawal, or inability to perform the duties of **Suad Kantarevic**. Consequences include: (i) **automatic suspension** of new investments other than protective follow-ons; (ii) LPAC (if formed) convenes; (iii) replacement Manager requires **A/B majority-in-interest**; and (iv) if none is approved within **180 days**, the Company will commence an **orderly liquidation** unless extended by such Members.

6.9 Amendments

The Manager may, **without Member consent**, amend this Memorandum, the Operating Agreement, or other Offering Documents to: (i) comply with law or regulatory guidance; (ii) make administrative/clerical/corrective changes; (iii) add or modify disclosures, insurance, or compliance measures that **enhance investor protections**; or (iv) implement changes recommended by legal, tax, or regulatory counsel.

Any amendment that would **materially and adversely** affect Member economic rights (e.g., **Preferred Return**, distribution priority, or voting rights) requires **majority-in-interest approval of Class A and Class B Members**, voting together.

6.10 No Regulatory Review

Neither the **SEC**, the **Massachusetts Securities Division**, nor any other regulator has reviewed or approved this Memorandum, the Operating Agreement, or the Offering. **Any representation to the contrary is unlawful.**



PART VII – SUBSCRIPTION PROCEDURES & INVESTOR REPRESENTATIONS

7.1 Subscription Procedures: Each prospective investor (a “**Subscriber**”) must complete the following steps to subscribe for Units:

1. **Execution of Subscription Agreement** – Complete, execute, and deliver **Exhibit A** specifying the class and number of Units and purchase price.
2. **Investor Suitability Questionnaire** – Complete **Exhibit C**, certifying Accredited Investor status (Rule 501(a)) or Non-U.S. Person status (Reg S).
3. **AML / KYC Documentation** – Provide:
 - o **Individuals:** government-issued photo ID, proof of address, and signed Source of Funds Declaration (Exhibit F).
 - o **Entities:** certified formation docs, certificate of good standing, incumbency certificate, beneficial ownership disclosure, and org chart.
4. **Payment of Subscription Amount** – Wire in cleared U.S. dollars (or approved cryptocurrency per Exhibit G) to the Company’s designated account.
5. **Acceptance by Manager** – All subscriptions subject to review and approval by the Manager in its sole discretion. May be accepted or rejected, in whole or part, without liability.
6. **Closing & Admission** – Upon acceptance, Subscriber admitted as a Member, recorded in the Company’s register, and Units deemed issued.

Subscriptions are **irrevocable**, except as required by law.

7.2 Investor Representations and Warranties

By executing the Subscription Agreement (Exhibit A), each Subscriber represents, warrants, and agrees that:

1. **Investment Intent** – Acquisition is for investment only, not resale/distribution. Units are “restricted securities.”
2. **Accredited / Non-U.S. Status** – Subscriber qualifies as an **Accredited Investor** (if U.S.) or a **Non-U.S. Person** (if offshore).
3. **Sophistication** – Subscriber has the financial knowledge and ability to evaluate risks.
4. **Independent Advice** – Subscriber relied on its own legal, tax, and financial advisors.
5. **Ability to Bear Risk** – Subscriber can withstand complete loss of investment; acknowledges speculative and illiquid nature of Units.
6. **AML / OFAC Compliance** – Funds are lawful; Subscriber and its beneficial owners are not on OFAC lists or other restricted lists.
7. **Acknowledgment of Risks** – Subscriber has reviewed **Part V – Risk Factors** and understands no guarantee of returns.
8. **Binding Commitment** – Once accepted by the Manager, the Subscription Agreement is binding.



7.3 AML / KYC Compliance

The Company must comply with **AML, counter-terrorist financing, and OFAC sanctions** requirements.

- Additional documentation may be requested at any time.
- Information may be disclosed to regulators if required.
- Subscriptions failing AML/KYC checks may be rejected or rescinded.

7.4 Rescission Rights

If a subscription is **not accepted**, funds will be promptly returned without interest, deduction, or offset.

7.5 Limitation of Liability

Neither the Company, the Manager, nor their Affiliates shall be liable if the Offering does not close or if actual returns differ from projections, except as expressly provided in the **Operating Agreement**.

7.6 Express Risk Acknowledgment

Each Subscriber must expressly acknowledge in writing that:

- Investment is speculative and could result in a **total loss**.
- Units are illiquid and may not be transferred except under securities laws and the OA.
- Subscriber has read and accepted **Part V – Risk Factors**.



End of Private Placement Memorandum

Transition to Exhibits

This PPM sets forth the terms and conditions of the Offering of Units of **Invest 200 Sober Homes LLC**. The Exhibits are incorporated by reference and control where inconsistent with this Memorandum.

Core Exhibits (A–I)

- **Exhibit A** – Subscription Agreement (signature required; incorporates acknowledgments for Exhibits C, D, E, F, and G)
- **Exhibit B** – Operating Agreement (governing document; controls over PPM)
- **Exhibit C** – Investor Suitability Questionnaire
- **Exhibit D** – GP Bonus Pool Addendum (Class A & B)
- **Exhibit E** – Waterfall & Risk Disclosure Summary (informational only)
- **Exhibit F** – Source of Funds / AML Declaration
- **Exhibit G** – Cryptocurrency Investment Acknowledgment (if applicable)
- **Exhibit H** – Wire Instructions (informational only)
- **Exhibit I** – Distribution Waterfall Illustration

Institutional Add-Ons (J–N)

- **Exhibit J** – Valuation Policy (quarterly NAV under ASC 820)
- **Exhibit K** – Redemption Priority Rule (pro rata across withdrawals)
- **Exhibit L** – LPAC Advisory Committee Charter
- **Exhibit M** – Key Person Event Protocol
- **Exhibit N** – Founder Protection & Economics Disclosure



Notice to Investors:

By signing Exhibit A, each Subscriber acknowledges review of the PPM and all Exhibits, and agrees to be bound by their terms, including **risk disclosures, transfer restrictions, AML compliance, waterfall structures, and GP bonus mechanics**.



Disclosure – Preliminary Offering Documents

The offering materials provided by Invest 200 Sober Homes LLC (the “Company”) have been prepared by the management team for preliminary informational purposes. The Company has already commenced investment activities and may continue to deploy investor funds prior to the completion of comprehensive offering documents prepared by independent legal counsel.

Final legal documents, including a Private Placement Memorandum, Subscription Agreement, and Operating Agreement, will be issued within a reasonable period and will supersede preliminary materials. **The finalized documents will not reduce or diminish any investor benefits, rights, or economic terms. The structure of the investment will remain the same.**

The purpose of engaging legal counsel is to strengthen investor protections, ensure full compliance with applicable regulations, and provide additional legal security to all participants. Investors acknowledge and agree that their subscriptions and deployed funds are accepted on this basis.

Contact Information:

Invest 200 Sober Homes LLC

100 Summer St., Suite 1600, Boston MA 02110, USA

Website: www.invest200.com

Email: info@invest200.com

Telephone: 617.888.9706

All correspondence, subscription documents, and investor inquiries should be directed to the Company at the address and contact information above.

