

Paradise Recovery Fund, LLC  
1503 S Coast Dr,  
Costa Mesa, CA 92626  
(714) 376-2669

January 1, 2019

Dear Potential Fund Subscriber,

This letter enumerates the documents necessary for you to become a Fund Subscriber:

- Paradise Recovery Fund, LLC Operating Agreement
- Paradise Recovery Fund, LLC Investor Questionnaire
- Paradise Recovery Fund, LLC Subscription Agreement

It is highly recommended that you carefully read the Operating Agreement as it also is the primary disclosure document. It contains detailed descriptions of how the Fund will operate and the risks of investing in the Fund. The key points are summarized as follows:

- Each membership unit costs \$5,000, and a minimum investment of 1 unit (\$5,000) is required. The units are being offered to “accredited investors” or “sophisticated investors” as defined by various government regulations.
- The fund may close to new investment when 35 “sophisticated investors” have subscribed, or the Manager may decide to close the fund at another time. The latest the Fund will be open to new investment is December 31, 2019.
- Beginning in 2020, the value of the fund will be updated yearly. The Manager will establish Net Asset Value of the properties using a broker’s opinion of value.
- The Fund is set to operate for a ten-year period. Due to the illiquid nature of these investments, there will be no early redemptions in the ten-year operating period. No profits are distributed until liquidation.
- The fund will invest in vacant buildable lots and liquidate in 10 years, ostensibly after prices have appreciated to historic support levels.
- The primary risk to the fund is the liquidation of properties while values are still depressed. A secondary risk is diminished returns due to poor performance of properties selected. All investor funds are at risk, and substantial losses could accrue to the investor.
- The Manager is taking a 10% ownership stake in lieu of yearly management fees. The Manager may invest other personal funds in the venture.
- The Manager is charging a Fund liquidation fee equal to 20% of the profit of the Fund. This aligns the interests of the Manager and the Investors to maximize profits.

After you review the disclosure document, if you have any questions, I am available to meet with you to discuss your investment. I can be reached at (714) 376-2669 from 9:00 AM to 9:00 PM daily. If you decide you wish to invest in Paradise Recovery Fund, LLC, you will need to fill out the Investor Questionnaire and Subscription Agreement.

The Investor Questionnaire is designed to help you determine if this type of investment is right for you. It establishes contact information, discloses your financial status and other data to help me evaluate your suitability as a Fund Subscriber.

The Subscription Agreement is your petition to the Fund for admission. I may accept you into the Fund by processing the Subscription Agreement, depositing your check or accepting your wire transfer, and returning you a copy of the Subscription Agreement signed by me.

Thank you for your interest in Paradise Recovery Fund, LLC.

Sincerely,

Joe Weber