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MFCI Fund I LLC

OFFERING FOR AN UNDETERMINED AMOUNT OF PREFERRED INVESTMENT UNITS

SUMMARY OF THE OFFERING*

This term sheet is a summary of the principal terms and conditions for investment in MFCI Fund I LLC (the “Offering” and the entirety of this offering document is the “Memorandum”). The terms and conditions set forth hereafter are qualified in their entirety by their more thorough treatment in the Memorandum. This summary alone does not constitute an offer to sell an investment in the Company. An offer may be made only by an authorized representative of the Company and the recipient must receive a complete Memorandum, including all Exhibits.

The Company:

MFCI Fund I LLC ("we", "us", "our", the "Company" or the “Fund”) is a Company organized under the laws of the State of Delaware. The Company's principal place of business 10860 Switzer Ave., Ste. 114, Dallas, TX 75238, USA. The Company's main telephone number is (214) 924-6942. The Company intends to issue membership interest in the Company in the form of investment units (the “Investment Units”) to certain qualified investors in exchange for capital contributions as set forth in greater detail herein. The capital contributions from investors will aggregate and be invested in various real estate ventures, including, but not limited to, single-family homes, multi-family apartment buildings, and other income-producing commercial and residential real estate, and certain forms of lending. The Company anticipates issuing the Investment Units to Accredited Investors (as defined herein). Subscribers whose subscriptions are accepted by the Company shall become Preferred Members of the Fund and shall receive Preferred Units of the Company in exchange for their capital contributions. THE INVESTMENT UNITS OFFERED HEREBY ARE FOR NON-EQUITY MEMBERSHIP INTEREST AND ONLY GIVE THE INVESTOR THE RIGHT TO ECONOMIC GAIN AND LOSS THROUGH PRIORITY DISTRIBUTIONS OF CASH OF THE COMPANY¹.

Our Managing Member:

The Managing Member of the Company is MFCI Fund I MGR LLC, a Delaware limited liability company (“Managing Member”), which is comprised of multiple members, the biographies of whom are contained in this Memorandum.

Our Strategy:

Over the past several years, the Managing Member has spent considerable time and resources acquiring, developing, renovating, improving, and operating multifamily residential real estate. Equipped with this knowledge and experience, the Managing Member plans to provide its accredited investors who subscribe to Investment Units (hereinafter, the “Preferred Members”) with distributions of Cash Available for Distribution to the extent available from Fund operations as expressed in greater detail in the Company Operating Agreement governing this investment. Each Preferred Member shall be entitled to receive a Current Pay Preferred Return and a Deferred Pay Preferred Return so long as the Cash Flow is available to distribute by the Fund.

¹ You are required to read and understand the entire Company Operating Agreement which includes detailed information regarding the Investment Units and Distributions to Preferred Members.

Fund Income:

The Fund shall receive as income, for purposes of making distributions, to the Preferred Members, the following (without limitation):

- origination fees collected on loans and promissory notes;
- interest paid on the principal loan amounts, plus any late fees;
- 100% of any interest collected on loans and under promissory notes; and
- Income from (and arising during the ownership of) any real estate asset which becomes the property of the Fund during its operation.

Distribution Policy:

Current Pay Preferred Return: The Preferred Members shall receive an annualized cumulative, non-compounding priority distribution to be paid in advance of the Managing Member in the amount which depends upon the amount of the Preferred Member's Initial Capital Contribution to the Fund on a current-pay basis made during the holding period of the investment (the "Current Pay Preferred Return"):

A) Capital Contributions of less than \$500,000 shall receive a Current Pay Preferred Return of Seven and 25/100 Percent (7.25%) calculated on the Initial Capital Contribution of each Preferred Member in this threshold.

B) Capital Contributions of at least \$500,000 but less than \$1,000,000 shall receive a Current Pay Preferred Return of Eight Percent (8.0%) calculated on the Initial Capital Contribution of each Preferred Member in this threshold.

C) Capital Contributions of \$1,000,000 or greater shall receive a Current Pay Preferred Return of Nine Percent (9.0%) calculated on the Initial Capital Contribution of each Preferred Member in this threshold.

"Initial Capital Contribution" is defined in the Company Operating Agreement and is generally defined as the amount of capital invested by the Preferred Member which is further represented in the capital account for the Preferred Member by the Company.

Deferred Pay Preferred Return: In addition to the Current Pay Preferred Return, each Preferred Member shall earn a priority distribution which is generally paid in arrears at or before the winding up and dissolution of the Fund (the "Deferred Pay Preferred Return"). As part of the winding up and dissolution of the Fund, or as otherwise determined by the Managing Member in its sole and absolute discretion during the operation of the Fund, the Company shall distribute in a priority fashion the Deferred Pay Preferred Return as follows:

A) Capital Contributions of less than \$500,000 shall receive a Deferred Pay Preferred Return of Seven and 25/100 Percent (7.25%) calculated on the Initial Capital Contribution of each Preferred Member in this threshold.

B) Capital Contributions of at least \$500,000 but less than \$1,000,000 shall receive a Deferred Pay Preferred Return of Eight Percent (8.0%) calculated on the Initial Capital Contribution of each Preferred Member in

this threshold.

C) Capital Contributions of \$1,000,000 or greater shall receive a Deferred Pay Preferred Return of Nine Percent (9.0%) calculated on the Initial Capital Contribution of each Preferred Member in this threshold.

For the avoidance of doubt, the Managing Member may elect, in its sole unfettered discretion, to either pay any Deferred Pay Preferred Return before winding up the Fund or may pay all such accrued but unpaid Deferred Pay Preferred Return at the winding up of the Fund.

Please note, the Current Pay Preferred Return and the Deferred Pay Preferred Return are collectively deemed the “**Preferred Return**” throughout this Memorandum except where specifically distinguished otherwise.

Net Capital Transaction Proceeds (in the event a collateralized asset is foreclosed upon by the Fund) or upon Winding Up the Fund: Subject to the right of the Managing Member to reinvest Net Capital Transaction Proceeds (as defined below) during the Investment Period, the Managing Member shall cause the Company to distribute one hundred percent (100%) of the Net Capital Transaction Proceeds, no less frequently than quarterly (to the extent Net Capital Transaction Proceeds are available) or upon the winding up and dissolution of the Fund:

1. First, to all Preferred Members pro-rata according to each Preferred Member's Unreturned Capital Contribution until each Preferred Member's Unreturned Capital Contribution has been reduced to zero (0);
2. Second, to all Preferred Members pro-rata according to each Member's accrued but unpaid Current Pay Preferred Return, if any;
3. Third, to the extent the Managing Member desires to wind up and dissolve the Fund, to the Preferred Members accrued but unpaid Deferred Pay Preferred Return;
3. Third, 100% of all remaining Net Capital Transaction Proceeds shall be distributed to the Managing Member.

As used herein, "Net Capital Transaction Proceeds" means the net cash proceeds resulting from the refinance, sale, disposition, exchange or other transfer of all or any portion of a Target Asset held by the Company, less any portion thereof used to establish reserves for all Company expenditures (including fees described herein due the Managing Member or Affiliates) and contingencies, and less any portion thereof to be used for reinvestment (as described above under Reinvestment of Capital). Net Capital Transaction Proceeds includes proceeds received by the Company from the following: (i) balloon payments with interest from third-party borrowers; (ii) the sale of foreclosed assets collateralized by the Company; (iii) an insurance company due to a loss of a property securing a specific trust deed; (iv) the sale of Real Estate Owned ("REO") properties; (v) the sale of

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Real Estate Investments; (vi) the sale or payoff of any Third Party Note; (v) the sale of the Company of its ownership interest in any Project SPE; or (vi) the Company's portion of any of the above which may be earned or received by the Company through its ownership interest in a Project SPE. NOTE: one (1) or more of the foregoing modes of income may not be utilized by the Fund to the extent that the Company does not actually earn income from any mode described herein.

As used herein, "Investment Period" means the period of time during which the Fund is accumulating and/or reinvesting Capital Contributions of the Preferred Members.

Management Compensation: The Managing Member shall be paid all such income from the Company beyond the Preferred Return distributions paid to the Preferred Members. Preferred Members are entitled to the **Preferred Return** distributions ONLY. Once the Current and accrued Pay Preferred Return is distributed to the Preferred Members, then the Managing Member, at its sole discretion, may take for its own account as compensation and carried profits interest hereunder, the remaining profits available for distribution; provided, however, that the Managing Member shall exert commercially reasonable efforts in taking compensation in excess of the payment of all accrued and Current Pay Preferred Return to ensure the Company can reasonably meet all of its current and future Preferred Return distributions. The Managing Member shall not be obligated to return any capital that it takes as compensation once the Current Pay Preferred Return which has accrued has been distributed to the Preferred Members in the event future Preferred Return distributions are unable to be distributed by the Company.

Securities Offered:

We are initially offering for sale an undetermined number of non-equity Investment Units to investors to become the Preferred Members of the Company. The Company may elect to solicit investments from an unlimited number of "accredited" investors. The Company is relying on Section 4(a)(2) and the Private Placement 506(c) exemption under the Securities Act of 1933, specifically regulation D thereof.

The minimum initial Capital Contribution by an Investor is \$25,000, although the Managing Member may elect to waive this minimum requirement in its sole discretion and accept a lesser amount or raise the minimum amount required.

Type of Offering:

The Offering is being offered to "Accredited" investors ONLY pursuant to Section 4(a)(2) regarding exempt securities and the Safe Harbor Rule 506(c) of Regulation D governing Private Placements under the Securities Act of 1933, as amended (the "Act"), and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is neither available to the public nor may any offers be made in states or jurisdictions that do not recognize an equivalent exemption—this is intended to be a Private Placement as defined by the Act. This Offering is void where prohibited (including with respect to any Bad Actors). (See "Suitability of this Investment" section on Page 24 of this

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Memorandum.)

**Suitability of Preferred Members;
Hold Period; Lockup Period:**

The Investment Units contemplated in this Offering are suitable only for persons of substantial financial means that have no need for liquidity in their investments. Investment Units will be sold to “Accredited” investors ONLY, each of whom who (i) understand the profits and losses of the Fund, (ii) the risk factors impacting their investment, the financial position of the Fund, (iii) the timing and method of distributions, and who (a) have no need for liquidity regarding their investment, and (b) are able to bear the risk of loss of their investment including an entire loss of their principal investment (see “Suitability of this Investment” section on Page 24 of this Memorandum to learn more about the suitability of this Offering.) There is a mandatory lock-out period of fifteen (15) months from the initial subscription of a Preferred Member, and all other liquidations or redemptions may be considered by and subject to the sole discretion of the Managing Member.

Preferred Members will be required to hold their Investment Units for a minimum of eighteen (18) months (the “Lockup Period”) before they may request redemption of their Units (“Redemption”). Redemption requests for reasons of financial hardship or emergency during the Lockup Period may be considered on a case-by-case basis subject to a penalty (the “Redemption Fee”) but only outside of the Lockup Period (in order to comply with certain federal securities laws). The Managing Member shall be entitled to charge a higher or lower Redemption Fee in its sole discretion regarding any Redemption. All Redemption Fees charged and collected will be considered income to the Managing Member or the Fund in the sole discretion of the Managing Member.

After the Lockup Period, Redemption requests will be considered on a first-come, first-served basis. A Member shall be required to provide the Managing Member a 90-day notice for any Redemption request and any Redemption actually provided shall be done only as of the first day of the calendar quarter immediately following the end of the 90-day notice period at the then current Unit Price as determined by the Managing Member (which may be modified in its sole discretion). Any Units purchased by Members which are compounding shall be considered, for purposes of any Redemption requests, to “tag along” with the original date of purchase of the Units for which the Reinvestment Units are associated.

The Managing Member shall have no obligation to grant any particular Redemption request and shall retain sole discretion as to whether or not to redeem any Unit. No Member will be given priority for Redemption over any other Member for any reason other than the date upon which the request was made. The Managing Member may redeem Membership Units Pari Passu at any time at the then current Unit Price in its sole discretion without penalty to the Managing Member or the Fund.

All of the above parameters notwithstanding, the Managing Member will endeavor to manage the Fund in such a manner as to be able to accommodate Redemption requests at any time after the Lockup Period as consistently and expeditiously as the capital of the Fund will permit from a prudent operating

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perspective.

Risk Factors:

See "Risk Factors of the Company" of this Memorandum.

Investment Units:

We are offering an undetermined amount of Investment Units so long as Capital Contributions of at least \$25,000 in aggregate is collected by the Company, upon achievement of which the Company may deploy the capital to pursue the business strategy of the Fund and the contributing Preferred Member's interest shall vest.

Management of the Fund:

We are managed by the Managing Member through its principals (See "Key Personnel and Consultants"). We may also employ other persons to provide services required to support the Company's activities, including but not limited to loan servicers, due diligence companies, asset management firms, attorneys, property preservation firms, property Managing Members, realtors, mortgage bankers, surveyors, appraisers, etc. We may also enlist the services of other professionals if deemed in the best interest of the Company, which may receive compensation or partnership interest in the Managing Member company at the sole discretion of the Managing Member.

Fund Expenses:

The Company shall bear all costs and expenses associated with the operation of the Company, including, but not limited to, the annual tax preparation of the Company's tax returns, any state and federal income tax due, legal fees, accounting fees, filing fees, independent audit reports, foreclosure costs and expenses associated with the foreclosing on Senior Debt Instruments, Junior Debt Instruments, Take Out Debt Instruments and Third Party Notes, costs associated with force placed insurance, costs and expenses associated with the acquisition, rehabilitation, holding and management of Real Estate Investments and costs and expenses associated with the disposition of Target Assets. The Company shall undergo an annual audit for the protection of the Managing Member and the Members. The expense of said audit will be paid by the Company. Copies of the audited financial statements are available upon request. **The Managing Member shall be reimbursed for all out-of-pocket expenses which are attributable to its efforts with the Fund. The Fund will also be responsible for any expenses attributable to a Fund Administrator who may or may not be affiliated with the Fund or Managing Member, which compensation will be paid ahead of any Preferred Return to the Preferred Members.**

Voting Rights:

Preferred Members (i) have no voting rights, (ii) have no equity in the Company and (iii) are purely contributing capital to the Company in exchange for the prospect of receiving distributions of net profit earned thereon, if possible. Control of the Company is vested exclusively with the Managing Member in all respects (except for limited items expressed in the Company Operating Agreement).

Minimum Offering:

The minimum Capital Contribution for a Preferred Member is Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), which may be increased or decreased by the Managing Member in its sole discretion without notice or amendment hereto.

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Vesting of Note Proceeds:

The Company shall invest the Capital Contributions of the Fund for the business of the Company, predominantly in the form of loans made to third parties as set forth in greater detail herein below. The Investment Units will not be redeemed except in accordance with the terms of the Company Operating Agreement. The expected hold period is five (5) years, but there is a mandatory lock-out period, within which no Preferred Member may exit the Company, within eighteen (18) months from the date the Capital Contribution is received by the Company for the subject Preferred Member.

Offering Perpetual:

The Fund is an open-ended “evergreen” fund with no set end date. The Managing Member expects to originate and acquire Fund Assets (for example, without limitation, through the issuance of notes to third-party borrowers) on a frequent and ongoing basis and will continue to do so indefinitely until the Maximum Offering has been reached, or until the Managing Member believes market conditions do not justify doing so. The Managing Member expects to manage the Fund’s investments and capital structure in such a manner as to attempt to provide distributions a reasonable level of capability for the Fund to accommodate Redemption requests given the relatively illiquid nature of real estate-based investments in general. If the Managing Member deems it appropriate based on evolving market conditions and dynamics, the Managing Member shall cease to originate and acquire new Fund Assets and shall distribute any return of capital from the disposition of Fund Assets back to the Members until all Fund Assets have been liquidated. The Managing Member may choose to return capital to the Members at any time during the operation of the Fund in the form of a return of capital which is an untaxed event and not deemed a distribution.

Tax & Federal Income Taxation:

The Fund will elect to be taxed on an accrual basis unless determined otherwise by the Managing Member. The Fund intends to conduct an audit on its annual financials as it deems appropriate at its sole discretion without obligation.

Each investor must consult with its own tax advisors on this investment. Preferred Members are intended to be “passive” Members (limited partners) of the Company and shall receive a K-1 from the Company for each tax year in which the Preferred Member is invested with the Company. The Company makes no other representation regarding taxation of this investment.

Restriction on Transfer of Investment Units:

Investment Units may not be transferred or assigned without the prior written consent of the Managing Member which may be withheld, conditioned, or delayed at the Managing Member’s sole unfettered discretion.

Self-Dealing Policy:

The Company is NOT prohibited from trading, buying, or acquiring assets, or accepting Investment Units from Affiliates and expects to do so from time to time.

Final Return of Investment:

In accordance with the terms of the Company Operating Agreement, once the Managing Member determines in its sole discretion to wind up the affairs of the Company, the Managing Member shall make all final distributions, return all Unreturned Capital Contributions to the Members, and close the Company by

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filing the final tax returns as soon as practicable or as advised by the Company tax advisors. This is anticipated to be on or around the fifth (5th) anniversary of the first subscription received hereunder without guarantee.

Miscellaneous Provisions:

Co-Investment: The Company reserves the right to invest in Target Assets with one or more Persons. The Managing Member reserves the right to choose the allocation of the Company's aggregate committed capital to such co-investment.

Leverage/Credit Facilities: The Fund and/or any Project SPV(s) of the Fund may choose to borrow money from time to time from one or more senior lenders ("Credit Facilities" or "Facilities") and may pledge one or more Fund Assets as collateral for any such borrowing, subject to certain restrictions imposed in the Operating Agreement.

How to Subscribe to this Offering: Please send the documents listed below to the Managing Member:

**MFCI Fund I LLC
c/o MFCI Fund I MGR LLC
10860 Switzer Ave., Ste. 114
Dallas, TX 75238
E: brian@elevatecig.com**

1. One copy of a Proof of Accreditation status of the Investor;
2. One executed copy of the Subscription Agreement and Operating Agreement (signed and correct interest rate selected); and
3. Wire Confirmation Transmission Receipt (PLEASE CONTACT US TO CONFIRM OUR WIRING INSTRUCTIONS).

Note: Applications will be accepted or rejected within fifteen (15) days of their receipt. If rejected all monies tendered will be returned in full without interest or further obligation.

NOTICE:

The foregoing summary is qualified in its entirety by the MFCI Fund I LLC ("we", "our", "us", or the "Company") Confidential Offering Memorandum as may be amended or supplemented from time to time (the "Memorandum") which contains more complete information including risk factors. This summary may also contain certain forward-looking financial and operational statements and hypothetical economic forecasts that may not be realized. By receiving or viewing this summary, you acknowledge and agree not to rely upon it in making an investment decision in any manner whatsoever. Please read the Memorandum in its entirety. By receiving or viewing this summary, you acknowledge and agree that (i) all of the information contained herein is subject to confidentiality between yourself and the Company and/or its Affiliates; (ii) you will not copy, reproduce or distribute this summary or the Memorandum, in whole or in part to any person or party without the prior written consent of the Company's Managing Member; (iii) in the event you do not invest you will return this summary and the Memorandum as soon as practicable to the Company, together with any other summary relating to the Company or its Affiliates in your possession. This summary does not constitute or form a part of any offer to sell or solicitation to buy securities nor shall it or any part of it form the basis of any contract or commitment

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whatsoever. Without limiting the foregoing, this summary does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not permitted under applicable law or to any person or entity who is not an "accredited investor" as defined under Rule 501(a) of the Securities Act of 1933, as amended.

PLEASE READ THE ENTIRE MEMORANDUM.

If you or your advisor(s) need additional information, and/or to obtain a copy of the complete Memorandum, please contact our Managing Member:

**MFCI Fund I MGR LLC
c/o Brian Wagers, Managing Member of Elevate CIG, LLC
10860 Switzer Ave., Ste. 114
Dallas, TX 75238
Telephone: (214) 924-6942**

INVESTMENT OBJECTIVES, POLICIES, AND CRITERIA

The objectives of the Company or any Project SPE will engage in the business of acting as a (i) mortgage lender by funding Senior Debt Instruments, Junior Debt Instruments and Take Out Debt Instruments; (ii) mortgage investor and acquire Third-Party Notes; and (iii) real estate investor and acquire Real Estate Investments or the making of loans to qualified borrowers of real estate assets nationwide. A Project SPE is defined as an entity formed by the Company for any asset(s) acquired by, controlled by, or affiliated with the Fund.

During the time the Fund is investing the capital contributed by the Preferred Members, the Company or Project SPEs will look to immediately deploy the capital for the purpose of funding or acquiring an investment into the Target. A "Target" is an asset or investment opportunity of the Fund. The funding of Senior Debt Instruments, Junior Debt Instrument and Take Out Debt Instruments will be subject to the Managing Member's restrictions set forth below as well as set forth in the Target Managing Member's underwriting guidelines (collectively, the "Underwriting Guidelines"). The making of Third-Party Notes and Real Estate Investments will be subject to the Target Managing Member's restrictions set forth below.

The Company's Target invests into the following:

- **Third-Party Notes.** These are secured loans made by a third party to real estate investors and secured by a deed of trust or mortgage on non-owner occupied real property assets that the Company or a Project SPE may purchase. **The Fund initially contemplates that this business strategy will comprise the largest part of the Fund's business income.**
- **Senior Debt Instruments.** These are loans made by the Company or a Project SPE to real estate investors by way of a promissory note secured by a first position deed of trust or mortgage on non-owner occupied real property assets;
- **Junior Debt Instruments.** These are loans made by the Company or a Project SPE to real estate investors by way of a promissory note secured by either a second or junior position deed of trust or mortgage on non-owner-occupied real property assets;
- **Take Out Debt Instruments.** These are refinance loans made by the Company or a Project SPE to real estate investors by way of a promissory note secured by either a first position deed of trust or mortgage on non-owner occupied real property assets who are at the end of the term of a Senior Debt Instrument or Junior Debt Instrument and desire to hold the subject non-owner occupied real property asset for a longer term.
- **Real Estate Investments.** These are non-owner occupied properties that the Company or a Project SPE may purchase for the purpose of rehabbing and selling, rehabbing and holding or selling to another real estate investor.
- **Various real estate short term lending opportunities.** Borrowers qualified by the Managing Member may borrow funds from the Fund for their investment objectives on terms determined by the Managing Member in its sole discretion.

See below for additional restrictions regarding the funding of Senior Debt Instruments, Junior Debt Instruments, Take Out Debt Instruments, Third-Party Notes and Real Estate Investments:

Third-Party Notes

Program Description:	These are secured loans made by a third party to real estate investors and secured by a deed of trust or mortgage on non-owner occupied real property assets that the Target or a Project may purchase.
Borrower:	Properly formed, validly existing U.S. entity.
Security:	Mortgage or Deed of Trust.
Lien Position:	First or Second.
Property Types:	Non-owner occupied real estate. Cannot be owner occupied, residential real estate.
Typical LTV:	A loan-to-value (LTV) on a third-party loan shall be determined by the Managing Member in its sole discretion; provided, that the Company, when determining value, typically, without obligation, uses various local resources and recent sales comparisons to establish values and then uses its own strategy to determine the viability of any particular LTV on which it is willing to lend to a third-party Borrower securing the loan with the subject asset.
Market:	All states except where licensing is required or is prohibitively expensive to obtain.
Est. Interest Rate:	At the Managing Member's discretion.
Est. Points:	Third-Party Notes will not likely result in any point being paid to the Target, a Project SPE or the Managing Member.
Interest-Only:	Loans will either be interest-only payments or payments of interest plus principal as determined by the Managing Member in its sole discretion.
Loan Terms:	At the Managing Member's discretion.
Loan Purpose:	Third Party Note loan documentation must expressly state the loan is for business or commercial purposes. The Target or a Project SPE will not purchase Thirty Party Investment Units that were made for personal, family or household use.
Minimum Loan Size:	No minimum loan size.
Appraisal	The Target or Project SPE may require the delivery of a 3 rd party appraisal or BPO of the property that will serve as the collateral but only as determined by the Managing Member in its sole discretion where any comparable sales are unknown. Acceptance of the appraisal or BPO will be at the sole and absolute discretion of the Managing Member.
Guaranty:	Except as otherwise prohibited by law, the payment and performance of Third-Party Notes must be personally guaranteed by the principals of the borrowing entity.
Due Diligence Documents:	Prior to purchasing a Third-Party Note, the Target or Project SPE shall use all reasonable means to obtain the original loan/underwriting file used by the

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original lender used in making its determination to fund the Third-Party Note.

Senior Debt Instruments

Program Description:	<p>The Target will lend money to real estate investors via promissory notes secured by real property assets.</p> <p>The Target will originate Senior Debt Instruments on: (i) purchase transactions and (ii) refinance transactions.</p>
Borrower:	Properly formed, validly existing U.S. entity.
Security:	Mortgage or Deed of Trust.
Lien Position:	First.
Property Types:	Non-owner occupied real estate. Cannot be owner occupied, residential property.
Typical LTV:	A loan-to-value (LTV) on a third-party loan shall be determined by the Managing Member in its sole discretion; provided, that the Company, when determining value, typically, without obligation, uses various local resources and recent sales comparisons to establish values and then uses its own strategy to determine the viability of any particular LTV on which it is willing to lend to a third-party Borrower securing the loan with the subject asset. The loan to value will not exceed 75% of the after repair value (ARV) except in rare circumstances in which the Managing Member determines that the loan amount may exceed 75% of the ARV of the subject collateral. The loan to value will not exceed 75% of the after repair value (ARV) except in rare circumstances in which the Managing Member determines that the loan amount may exceed 75% of the ARV of the subject collateral.
Market:	All states.
Estimated Interest Rate:	<p>Subject to the Managing Member's discretion and as allowed by applicable law. Terms are subject to change based upon numerous factors, including prevailing market circumstances. The estimated interest rate reflects the current market condition, which the Company acknowledges may change during the Investment Period.</p> <p>At the Managing Member's discretion some points paid by the borrower may be paid at closing while a portion may come at payoff of the loan. Estimated points reflects the current market condition, which the Company acknowledges may change during the Investment Period.</p>
Interest-Only:	Loans are generally provided as interest-only for borrowers, but the Managing Member reserves the right to defer all interest and principal payment until a sale of the collateralized property in a single balloon payment.

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Loan Terms: Up to 12 months; subject to exception and extension at the discretion of the Managing Member.

Credit Considerations: The Target and Project SPEs are predominately asset-based lenders and as a result, the Target and Project SPE do not always require the evaluation of a borrower or the borrower's principals through a credit report. However, the Target or a Project SPE may use credit considerations in offering more attractive rates or a higher loan to value if the borrower's principals have strong credit.

Loan Purpose: Business or commercial purpose, including investment. The Target or Project SPE will not make loans that are for personal, family or household use.

Minimum Loan Size: \$25,000 subject to exception at the discretion of the Managing Member.

Reserve Requirement: At the Managing Member's discretion the Target or a Project SPE may require a borrower to meet a specific reserve requirement.

Guaranty: The Target or Project SPE will require all key principals (those individuals owing more than 40% of the borrowing entity) of the borrowing entity to execute a personal payment guaranty. An exception would be made for a transaction in which the borrower is a self-directed IRA or if the borrower's principal is a self-directed IRA.

Appraisal: The Target or Project SPE may require the delivery of a 3rd party appraisal or Broker Price Opinion (BPO) of the property that will serve as the collateral but only as determined by the Managing Member in its sole discretion where any comparable sales are unknown. Acceptance of the appraisal or BPO will be at the sole and absolute discretion of the Managing Member.

Cash Out Policy: In most instances, the Target or a Project SPE will not allow a borrower to obtain cash out at the closing of a Senior Debt Instrument; however, the Managing Member may allow an initial draw to be distributed from the closing to the Borrower for rehabilitation work previously completed or to begin the rehabilitation work.

Borrower Submission Packet: The Target or Project SPE will typically require the following documents to be submitted to underwriting prior to the transaction receiving underwriting approval and the Managing Member making a decision to fund a Senior Debt Instrument:

1. Completed Loan Application;
2. Completed Schedule of Real Estate Owned;
3. Builder resume;
4. Valid Photo ID of key principals of borrowing entity and all guarantors;
5. Signed Authorization to Release Information and Credit Authorization;
6. Signed Zero Tolerance/ Fraud Policy;

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7. Business Entity information for borrowing entity, including (i) Articles of Incorporation/Certificate of Formation/Articles of Formation; (ii) Bylaws or Operating Agreement; and (iii) Federal EIN Verification;
8. Preliminary Lender's Title Report listing Target as the lender;
9. Proof of collateral for additional properties being added to transaction;
10. Previous Two months of all bank statements /all pages;
11. Insurance Company name and agent contact information;
12. Property Valuation conducted by a third party appraiser;
13. Current lease agreement(s), if applicable;
14. Detailed rent roll, if applicable;
15. Complete and executed Purchase and Sale Agreement, if applicable;
16. Copies of current recorded deeds of trust or mortgages;
17. Payoff letter stating mortgage balance owed and/or real estate tax bills substantiating any back taxes owed;
18. Terms of Seller carry-back financing, if applicable; and
19. Contractor bids from a licensed and bonded contractor.

This list may not be exhaustive of all documents requested from a borrower.

Loan Documents:

The loan documents to be executed by the borrower and/or the guarantor may consist of the following:

1. Promissory Note;
2. Mortgage or Deed of Trust;
3. Borrower Agreement;
4. Loan Purpose and Property Use Affidavit,
5. Payment Guaranty;
6. Compliance Agreement;
7. Escrow Instructions;
8. Escrow Holdback Agreement; and
9. Single Owner Affidavit, if applicable.

The Target and Project SPE may take advantage of some of the opportunities afforded by the use of land trusts. If the Target and Project SPE elects to use land trusts, there may be certain costs and expenses the Target and Project SPE may incur to properly use land trusts to the full advantage of the Target and Project SPE.

Junior Debt Instruments

Program Description:	<p>The Target or Project SPE will lend money to real estate investors via promissory notes secured by real property assets on purchase transactions.</p> <p>On purchase transactions in which a borrower is requesting an ARV loan, the Target or Project SPE may work closely with the Senior Lender to make a 1st or 2nd position "as is" loan under the criteria for which 3 MONTH INCOME FUND, LLC is allowed to make such loans. Under that scenario described above, the Target or Project SPE would then originate a Junior Debt Instrument subject to the requirements and restrictions contained herein.</p>
Borrower:	Properly formed, validly existing U.S. entity.
Security:	Mortgage or Deed of Trust or Pledge.
Lien Position:	Second on real property and first or second on membership interests of Borrower.
Property Types:	Non-owner occupied real estate. <u>Cannot be owner occupied, residential property.</u>
Typical LTV:	A loan-to-value (LTV) on a third-party loan shall be determined by the Managing Member in its sole discretion; provided, that the Company, when determining value, typically, without obligation, uses various local resources and recent sales comparisons to establish values and then uses its own strategy to determine the viability of any particular LTV on which it is willing to lend to a third-party Borrower securing the loan with the subject asset.
Market:	All states.
Est. Interest Rate:	Subject to the Managing Members discretion and as allowed by applicable law. Terms are subject to change based upon numerous factors, including prevailing market circumstances. The estimated interest rate reflects the current market condition, which the Target acknowledges may change during the Investment Period.'
Est. Points:	At the Managing Member's discretion some points paid by the borrower may be at closing while a portion may come at payoff of the loan. The estimated pointes reflects the current market condition, which the Target acknowledges may change during the Investment Period
Interest-Only:	Loans are generally provided as interest-only for borrowers, but the Managing Member reserves the right to defer all interest and principal payment until a sale of the collateralized property in a single balloon payment.
Loan Terms:	Up to 12 months; subject to exception and extension at the discretion of the Managing Member.

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Credit Considerations:	The Target and any Project SPE are predominately asset-based lenders and as a result, the Target or Project SPE do not anticipate evaluating the credit of a borrower or the borrower's principals through a credit report. However, the Target or Project SPE may use credit considerations in offering more attractive rates to a borrower if the borrower's principals have strong credit.
Transaction Size:	Transaction size shall be determined by the Managing Member in its sole discretion.
Loan Purpose:	Business or commercial purpose, including investment. The Target or Project SPE will not make loans that are for personal, family or household use.
Minimum Loan Size:	\$25,000 at the discretion of the Managing Member.
Reserve Requirement:	At the Managing Member's discretion the Target or a Project SPE may require a borrower to meet a specific reserve requirement.
Guaranty:	The Target and Project SPE will require all key principals of the borrowing entity to execute a personal payment guaranty. An exception would be made for a transaction in which the borrower is a self-directed IRA or if the borrower's principal is a self-directed IRA.
Appraisal:	The Target or Project SPE may require the delivery of a 3 rd party appraisal or BPO of the property that will serve as the collateral but only as determined by the Managing Member in its sole discretion where any comparable sales are unknown. Acceptance of the appraisal or BPO will be at the sole and absolute discretion of the Managing Member.
Borrower Submission Packet:	<p>The Target or a Project SPE will typically require the following documents to be submitted to underwriting prior to the transaction receiving underwriting approval and the Managing Member making a decision to fund a Junior Debt Instrument³:</p> <ol style="list-style-type: none"> 1. Completed Loan Application; 2. Completed Schedule of Real Estate Owned; 3. Builder resume; 4. Valid Photo ID of key principals of borrowing entity and all guarantors; 5. Signed Authorization to Release Information and Credit Authorization; 6. Signed Zero Tolerance/ Fraud Policy; 7. Business Entity information for borrowing entity, including (i) Articles of Incorporation/Certificate of Formation/Articles of Formation; (ii) Bylaws or Operating Agreement; and (iii) Federal EIN Verification; 8. Preliminary Lender's Title Report listing Target as the lender; 9. Proof of collateral for additional properties being added to transaction; 10. Previous Two months of all bank statements /all pages; 11. Insurance Company name and agent contact information;

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12. Property Valuation conducted by a third party appraiser;
13. Current lease agreement(s), if applicable ;
14. Detailed rent roll, if applicable;
15. Complete and executed Purchase and Sale Agreement, if applicable;
16. Copies of current recorded deeds of trust or mortgages;
17. Payoff letter stating mortgage balance owed and/or real estate tax bills substantiating any back taxes owed;
18. Terms of Seller carry-back financing, if applicable; and
19. Contractor bids from a licensed and bonded contractor.

This list may not be exhaustive of all documents requested from a borrower.

Loan Documents:

The loan documents to be executed by the borrower may consist of the following:

1. Promissory Note;
2. Junior Mortgage or Deed of Trust;
3. Borrower Agreement;
4. Loan Purpose and Property Use Affidavit;
5. Payment Guaranty;
6. Compliance Agreement;
7. Escrow Instructions;
8. Escrow Holdback Agreement; and
9. Single Owner Affidavit (if applicable).

The Target and Project SPE may take advantage of some of the opportunities afforded by the use of land trusts at a future date. If the Target and Project SPE elects to use land trusts, there will be certain costs and expenses the Target or a Project SPE may incur to properly use land trusts to the full advantage of the Target and Project SPE.

**General Payment
Structure of Investment
Units:**

The Target and Project SPE's promissory notes are generally interest-only with a lump sum principal payment due on the note's maturity date. Payments under the promissory notes will be due and payable on the first day of each calendar month. A borrower will have a grace period of no more than five (5) calendar days before incurring a late charge on the monthly interest-only payment. The late charge will be equal to ten percent (10%) of the borrower's monthly interest-only payment. If a borrower has not repaid a promissory note in full on or before the maturity date or made arrangements for an extension, the borrower will be charged a late fee equal to ten percent (10%) of the borrower's unpaid principal Capital Contribution or \$5,000, whichever is greater. In the Managing Member's sole discretion, however, a borrower may be eligible to defer all interest and principal payments until the sale of the collateralized asset in a single balloon payment.

Take Out Debt Instruments

Program Description:	<p>The Target or Project SPE will lend money to real estate investors via promissory notes secured by real property assets.</p> <p>The Target or Project SPE will originate Take Out Debt Instruments on refinance transactions in which (i) the borrower first borrows money via a Senior Debt Instrument and, if applicable, a Junior Debt Instrument; (ii) the subject property rehab has been successfully completed; (iii) an after repair value appraisal indicates the subject property has sufficient value; and (iv) the borrower desires to hold the subject property for an extended period rather than sell the subject property.</p>
Borrower:	Properly formed, validly existing U.S. entity.
Security:	Mortgage or Deed of Trust.
Lien Position:	First.
Property Types:	Non-owner occupied real estate. Cannot be owner occupied, residential property.
Typical LTV:	A loan-to-value (LTV) on a third-party loan shall be determined by the Managing Member in its sole discretion; provided, that the Company, when determining value, typically, without obligation, uses various local resources and recent sales comparisons to establish values and then uses its own strategy to determine the viability of any particular LTV on which it is willing to lend to a third-party Borrower securing the loan with the subject asset. The loan to value will not exceed 75% of the after repair value (ARV) except in rare circumstances in which the Managing Member determines that the loan amount may exceed 75% of the ARV of the subject collateral.
Market:	<p>All states except where prohibited by law.</p>
Est. Interest Rate:	Subject to the Managing Members discretion and as allowed by applicable law. Terms are subject to change based upon numerous factors, including prevailing market circumstances. The estimated interest rate reflects the current market condition, which the Target acknowledges may change during the Investment Period.
Est. Points:	At the Managing Member's discretion some points paid by the borrower may be at closing while a portion may come at payoff of the loan. Estimated points reflects the current market condition, which the Target acknowledges may change during the Investment Period.
Interest-Only:	Loans are generally provided as interest-only for borrowers, but the Managing Member reserves the right to defer all interest and principal payment until a sale of the collateralized property in a single balloon payment.

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Loan Terms: Up to 60 months; subject to exception and extension at the discretion of the Managing Member

Credit Considerations: The Target and Project SPEs are predominately asset-based lenders and as a result, the Target or Project SPE do not anticipate evaluating the credit of a borrower or the borrower's principals through a credit report. However, the Target or Project SPE may use credit considerations in offering more attractive rates to a borrower if the borrower's principals have strong credit.

Loan Purpose: The Target or Project SPE will not make loans for personal, family or household use.

Minimum Loan Size: \$25,000 subject to exception at the discretion of the Managing Member.

Reserve Requirement: At the Managing Member's discretion the Target or Project SPE may require a borrower to meet a specific reserve requirement.

Guaranty: The Target and Project SPE will require all key principals (those individuals owing more than 40% of the borrowing entity) of the borrowing entity to execute a personal payment guaranty. An exception would be made for a transaction in which the borrower is a self-directed IRA or if the borrower's principal is a self-directed IRA.

Appraisal: The Target or Project SPE may require the delivery of a 3rd party appraisal or BPO of the property that will serve as the collateral but only as determined by the Managing Member in its sole discretion where any comparable sales are unknown. Acceptance of the appraisal or BPO will be at the sole and absolute discretion of the Managing Member.

Borrower Submission Packet: The Target and Project SPE will typically require the following documents to be submitted to underwriting prior to the transaction receiving underwriting approval and the Managing Member making a decision to fund a Senior Debt Instrument:

1. Completed Loan Application;
2. Completed Schedule of Real Estate Owned;
3. Builder resume;
4. Valid Photo ID of key principals of borrowing entity and all guarantors;
5. Signed Authorization to Release Information and Credit Authorization;
6. Signed Zero Tolerance/ Fraud Policy;
7. Business Entity information for borrowing entity, including (i) Articles of Incorporation/Certificate of Formation/Articles of Formation; (ii) Bylaws or Operating Agreement; and (iii) Federal EIN Verification;
8. Preliminary Lender's Title Report listing Target as the lender;
9. Proof of collateral for additional properties being added to transaction;

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10. Previous Two months of all bank statements /all pages;
11. Insurance Company name and agent contact information;
12. Property Valuation conducted by a third party appraiser;
13. Current lease agreement(s), if applicable ;
14. Detailed rent roll, if applicable;
15. Complete and executed Purchase and Sale Agreement, if applicable;
16. Copies of current recorded deeds of trust or mortgages;
17. Payoff letter stating mortgage balance owed and/or real estate tax bills substantiating any back taxes owed;
18. Terms of Seller carry-back financing, if applicable; and
19. Contractor bids from a licensed and bonded contractor.

Loan Documents:

This list may not be exhaustive of all documents requested from a borrower.

The loan documents to be executed by the borrower and/or the guarantor may consist of the following:

1. Promissory Note;
2. Mortgage or Deed of Trust;
3. Borrower Agreement;
4. Loan Purpose and Property Use Affidavit,
5. Payment Guaranty;
6. Compliance Agreement;
7. Escrow Instructions;
8. Escrow Holdback Agreement; and
9. Single Owner Affidavit, if applicable.

The Target and Project SPE may take advantage of some of the opportunities afforded by the use of land trusts at a future date. If the Target and Project SPE elects to use land trusts, there will be certain costs and expenses the Target and Project SPE may incur to properly use land trusts to the full advantage of the Target and Project SPE.

**General Payment
Structure of Investment
Units:**

The loan documents to be executed by the borrower and/or the guarantor may consist of the following:

The Target and Project SPE's promissory notes are generally interest-only with a lump sum principal payment due on the note's maturity date. Payments under the promissory notes will be due and payable on the first day of each calendar month. A borrower will have a grace period of no more than five (5) calendar days before incurring a late charge on the monthly interest-only payment. The late charge will be equal to ten percent (10%) of the borrower's monthly interest-only payment. If a borrower has not repaid a promissory note in full on or before the maturity date or made arrangements for an extension, the borrower will be charged a late fee equal to ten percent (10%) of the borrower's unpaid principal Capital Contribution or \$5,000, whichever is greater. In the Managing Member's sole discretion, however, a borrower may be eligible to defer all interest and principal payments until the sale of the collateralized asset in a single balloon payment.

Real Estate Investments

Program Description:	These are non-owner occupied investment properties that the Target or a Project SPE may purchase for the purpose of rehabbing and selling, rehabbing and holding or selling to a third-party.
Property Types:	Non-owner occupied real estate. Cannot be owner occupied, residential property.
Purchase Price:	At the Managing Member's discretion.
Appraisal Fee:	When deemed necessary, shall be paid by the Target or a Project SPE. The Target or Project SPE may borrow from a third-party the funds necessary to complete renovations and repairs upon terms acceptable to the Managing Member.
Rehab Funds:	For Real Estate Investments located in the state of Washington, the Managing Member will retain APH to complete all renovations and repairs.
Holding Period:	The Target or Project SPE do not intend to hold a Real Estate Investment for a period to exceed 24 <i>months</i> ; <i>provided</i> , however, this is at the Managing Member's discretion.

Loan Servicing

All Senior Debt Instruments, Junior Debt Instruments and Take Out Debt Instruments will be serviced by Managing Member or through the Managing Member through a dba (an assumed business name of the Managing Member), or another loan servicing company. Initially, Managing Member will service all Senior Debt Instruments, Junior Debt Instruments and Take Out Debt Instruments except those secured by real property located in states where licensing is required or prohibitively expensive to obtain. The loan servicing company will receive compensation for performing loan servicing activities. Borrower's payments will be made in the name of the applicable servicing company. The funds will be deposited into the specific loan servicing company's trust account and will then be transferred to the Target or Project SPE's account. Regardless of whether the loan servicing is performed by Managing Member, Managing Member through a dba, or another servicing firm, the Target or Project SPE will be required to execute a standard loan servicing agreement which will govern the relationship between the Target or Project SPE and the applicable loan servicing entity.

The servicing of Third-Party Notes may be done by transferring the servicing activities to Managing Member, Managing Member dba (an assumed business name of the Managing Member) or other servicing company; however, servicing of Third-Party Notes may be maintained at the current servicing company. The Target or Project SPE may be required to pay a fee associated with the transfer of servicing for a Third-Party Note.

SUMMARY² OF THE INVESTMENT

The Company, a Delaware limited liability company, is a newly formed single-purpose entity specifically organized to raise funds from Accredited Investors ONLY for the purpose of investing through loaning such proceeds, with interest, to third-party qualified borrowers to purchase, develop, own, and operate improved and unimproved residential and commercial real estate. The Company is currently seeking an unlimited number of Preferred Members to loan funds to the Company evidenced by Investment Units, the terms for which are contained in Exhibit B-1 attached hereto, in exchange for interest which will accrue and be paid to the Preferred Members (the “**Offering**”). The minimum Capital Contribution for Investment Units is \$25,000 (25 Units @ \$1,000 per Unit) which may be revised by the Managing Member in its sole discretion. For purposes of this Memorandum, the term “we”, “us”, “our”, or “Fund” shall in all instances refer to the Company.

The Managing Member (as defined below) may begin loaning funds to third-party borrowers upon receipt of at least \$25,000 worth of Capital Contributions from Preferred Members. The Company may cancel or modify the Offering, reject issuance of Investment Units in whole or in part, waive conditions to the issuance of Investment Units, and accept purchases of less than required minimum purchase, except as prohibited by law.

The initial Managing Member of the Company is MFCI Fund I MGR LLC, a Delaware limited liability company (the “**Managing Member**”), of which Brian Wagers or an affiliated entity is its managing member. The Managing Member of the Company may have other investments in same or similar market as the Property (See “Management” and “Conflicts of Interest”) and may also have an interest in the Property or company which the Company is loaning or investing capital as may be raised under this Memorandum and offering. The Managing Member may admit other Members to the Company as a Managing Member or Member without any effect to the Investment Units and without condition or notice from or to the Preferred Members.

² PLEASE READ THE ENTIRE MEMORANDUM AND ALL ITS EXHIBITS, AND DO NOT RELY ON ANY SUMMARY.

SUITABILITY OF THE INVESTMENT

INVESTMENT IN THE INVESTMENT UNITS INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL FINANCIAL RESOURCES WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENTS AND WHO CAN AFFORD TO RISK LOSING THEIR ENTIRE INVESTMENT.

The Investment Units substantially lack liquidity, as compared to other securities investments, since there is not expected to be any public market for the Investment Units and the sale and transfer of the Investment Units will be restricted by the Investment Units, and applicable federal and state securities laws. Accordingly, an investment in the Investment Units is suitable only for persons of substantial financial means who have no need for liquidity with respect to this investment.

An investment in these Investment Units should be considered long-term in nature. Preferred Members should be in a financial position that will enable them to hold these Investment Units for approximately five (5) years (but not less than eighteen (18) months), however depending on market conditions, the investment may be repaid earlier or held for longer as provided by the terms of the Investment Units.

The Investment Units may be purchased only by Accredited Preferred Members (as defined below). Preferred Members who are residents of certain states may be required to meet stringent suitability standards. The Managing Member has the discretion to reject or accept any subscription, in whole or in part, for any Investment Units. The acceptance of an investment by the Managing Member does not constitute a determination by the Managing Member that an investment in the Investment Units is suitable for a prospective investor—the Company presumes and relies on the Investor’s representation that it is sophisticated, provided that the Investor must prove its Accreditation status with the Company as a condition to its investment pursuant to this Offering.

Private Placement & No General Solicitation

This offering is in accordance with the exemption from securities registration allowed under the Securities Act of 1933 (the “Act”) Section 4(a)(2) of the Act and Regulation D, Rule Safe Harbor 506(c) for Private Placements, and general solicitation is not permitted whatsoever. Accredited Preferred Members can participate in the offering, provided they meet the suitability requirements as set out below.

Investor Qualifications

Accredited Investor Requirements

Preferred Members who wish to purchase Investment Units as an “accredited” investor (“**Accredited Investor**”) must meet one of the following Suitability Standards as defined by SEC Rules 501 and 506; 17 CFR 230.501(a):

- A natural person whose individual net worth or joint net worth with that person’s spouse, at the time of the purchase of the Investment Units, exceeds One Million Dollars (\$1,000,000), disregarding any positive equity in their personal residence. Note, however, that any loans against the personal residence taken out within the sixty (60) days prior to a subscription and any negative equity in the personal residence, (as determined by the Investor), must be considered in the calculation of net worth; or
- A natural person who had individual income in excess of Two Hundred Thousand Dollars (\$200,000) in each of the two most recent years or joint income with that person’s spouse in excess of Three Hundred Thousand Dollars (\$300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- A bank, insurance company, registered investment company, business development company, or small

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business investment company; or

- An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of Five Million Dollars (\$5,000,000); or
- A charitable organization, corporation, or partnership with assets exceeding Five Million Dollars (\$5,000,000); or
- A director, executive officer, or Managing Member of the company selling the securities;
- A business in which all the equity owners are accredited Preferred Members; or
- A trust with assets in excess of Five Million Dollars (\$5,000,000) that was not formed to acquire the Investment Units.

Non-U.S. Persons

The Managing Member may accept investments from non-U.S. Persons as defined under Rule 902 of Regulation S. The Managing Member, for such Preferred Members, will rely on the exemption afforded under Regulation S of the Securities Act.

Self-Directed IRA Account Holders

For an entity such as an Individual Retirement Account (IRA) or Self-Employed Person (SEP) Retirement Account, all of the beneficial owners must meet one of the above standards in order to be deemed an Accredited Investor. The beneficial owners may be either natural persons or other entities if they each of them meet one of the definitions above.

Investment Unsuitable for 1031 Exchange

The Investment Units being offered in this investment are ineligible for a 1031 exchange (unless considered by the Managing Member on a case-by-case basis which may materially change the landscape of this investment. An investor who may be interested in purchasing or subsequently disposing of their Investment Units by means of a tax-deferred exchange should NOT invest in this Offering without first seeking approval by the Managing Member.

Restrictions Imposed by the USA PATRIOT Act; Foreign Preferred Members

Investor Identification Program

To help the government fight the funding of terrorism and money laundering activities, Federal law requires the Managing Member to obtain, verify, and record information that identifies each Person who subscribes to this Offering. The Managing Member may ask for subscriber's name, address, date of birth, state and country of residence, and other information that will allow them to identify you (and every Investor whom your funds represent). The Managing Member may also ask to see your driver's license or other government-issued identifying documents. If you are a non-US Person (i.e., someone who is not a U.S. citizen, a U.S. resident alien, or a person living in the U.S. at the time of Subscription), additional identification information issued by your country of residence will be required. If you are unable or unwilling to provide all of the requested information, the Managing Member may deny your Subscription to this Offering.

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Foreign Preferred Members (i.e., non-U.S. Persons) should inquire of the Managing Member for a complete list of identifying information that will be required specifically of them. Additionally, foreign Preferred Members may be required to complete a supplemental offeree questionnaire and/or subscription agreement.

Prohibited Transactions with Certain Foreign Preferred Members

The Investment Units may not be offered, sold, transferred or delivered, directly or indirectly, to any Person who:

- Is named on the list of “specially designated nationals” or “blocked persons” maintained by the U.S. Office of Foreign Assets Control (“OFAC”) at <http://www.ustreas.gov/offices/enforcement/ofac/sdn/> or as otherwise published from time to time; and
- (1) An agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A “**Sanctioned Country**” shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at the following location <http://www.ustreas.gov/offices/enforcement/ofac/sdn/> or as otherwise published from time to time.

In addition, Investment Units may not be offered, sold, transferred or delivered, directly or indirectly, to any Person who:

- Has more than fifteen percent (15%) of its assets in Sanctioned Countries; or
- Derives more than fifteen percent (15%) of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

NOTE: IF YOU ARE A NON-U.S. PERSON, THE MANAGING MEMBER IS REQUIRED TO CHECK YOUR NAME(S) AGAINST THESE LISTS. IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, DO NOT READ FURTHER AND IMMEDIATELY RETURN THIS MEMORANDUM TO THE COMPANY OR THE APPLICABLE MEMBER OF THE SELLING GROUP. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL INTERESTS TO YOU.

SOURCES OF INFORMATION

This Memorandum contains summaries of and references to certain documents which are believed to be accurate and reliable. Complete information concerning these documents is available for your inspection or your duly authorized financial consultants and advisors. All documents relating to the Company, our assets if or when acquired, the Managing Member, etc., will only be made available to you or your representatives in the sole discretion of the Managing Member which may be withheld. The Company's management is available by telephone or by appointment to provide answers to your questions. NO REPRESENTATIVE HAS BEEN AUTHORIZED TO GIVE YOU ANY INFORMATION OTHER THAN THAT SET FORTH IN THIS MEMORANDUM.

REPRESENTATIONS

This Memorandum has been prepared to provide you with information concerning the risk factors, terms and proposed activities of the Company and to help you make an informed decision before subscribing for Company Investment Units. However, neither the delivery of this Memorandum to you nor any sales made hereunder shall create any implication that there has been no change in our affairs since the date on the cover of this Memorandum.

This Memorandum does not constitute an offer or solicitation to anyone in any state or jurisdiction in which such an offer or solicitation is not authorized. Any reproduction or distribution of this Memorandum in whole or in part or the divulgence of any of its contents without our prior written consent is strictly prohibited. By accepting delivery hereof, you agree to return this Memorandum and all associated documents to the address on the cover. We reserve the right to proceed with our objectives at any time. We reserve the right to offer any Investment Units not issued through this Offering to Affiliates, employees, principals, industry participants, private partners, or to others on terms other than those outlined in this Memorandum. We reserve the right to terminate this Offering without notice at any time.

This Offering is only available to "accredited investors" ONLY as defined by Rule 501(a) of Regulation D of the Act, as amended,]each of whom can represent that they have such knowledge and experience in financial and/or business matters (or are represented by such a person) that they are capable of evaluating the merits and risks of an investment in the Company (i.e., "sophisticated"). This Offering is being conducted pursuant to Section 4(a)(2) of the Act and Rule 506(c) of Regulation D under the Act, as amended, and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is not available to the public nor may any offers be made in states or jurisdictions that do not recognize such an exemption. PROOF OF ACCREDITATION STATUS IS A CONDITION PRECEDENT TO THE COMPANY'S ACCEPTANCE OF ANY SUBSCRIPTION HEREUNDER.

The Investment Units are considered "restricted securities" as such term is defined under federal and state securities laws and cannot be subsequently sold or transferred without registration or reliance, to the satisfaction of counsel for the Company, that an exemption from registration is available. You should be aware that no market for the Investment Units presently exists and there can be no assurance that a market will ever materialize.

To the extent such statutes are applicable to us or to our activities, if at all, we are claiming exemptions and/or exclusion from registration under the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, and applicable state law. We are not currently subject to the ongoing information disclosure requirements of the Securities and Exchange Act of 1934, as amended, and most likely will not be subject to such requirements after the completion of this Offering. Accordingly, we are not required to provide annual reports to the Preferred Members, although we plan to keep Preferred Members apprised of the

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Company's activities and progress from time to time as deemed reasonable by the Managing Member.

Throughout this Memorandum reference is made to certain information not contained in this document. If you wish to read the referenced material, we will attempt to provide it for you so long as procuring such information is not unduly expensive or burdensome. Please contact the Managing Member to inquire about referenced information.

RISK FACTORS OF THE COMPANY

GENERAL RISK CONSIDERATIONS

This investment is speculative and involves high risk

The Investment Units being offered should be considered a speculative investment that involves a high degree of risk. Therefore, you should thoroughly consider all of the risk factors discussed herein. You should understand that there is a possibility that you could lose your investment. You should only invest in this Offering if you are not dependent upon any income derived from this investment.

This Memorandum includes no forward-looking statements

This Memorandum includes no initial forward-looking statements as the investment is highly speculative and the Company is only providing interest on the Investment Units to the Preferred Members. Although we may attempt to supplement this Memorandum from time to time with new information with respect to our progress, we may not provide, update or revise forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Memorandum, if at all, might not occur. You should rely only on the information contained in this Memorandum and the responses to any questions received directly from the Managing Member. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, do not rely on it.

We are not making an offer to issue these Investment Units in any jurisdiction where the offer or issuance is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover. With respect to our business or financial condition, the results from our operations and prospects may have materially changed subsequent to the initial issuance date of the Memorandum.

The Company will be subject to inherent conflicts of interest

As explained elsewhere in this Memorandum, the Company's Managing Member receives One Hundred Percent (100.0%) of distributions in the event the Company realizes revenue or other monetization of assets following the distribution of the Preferred Return. Thus, there may be an inherent tendency for the Managing Member to cause the Company to take disproportionate risks with the Company's capital in order to achieve higher overall returns. Prospective Preferred Members should consider these factors in addition to and/or in conjunction with all of the other risk factors detailed below and elsewhere in this Memorandum.

The Company has minimal initial capitalization

The Company has received minimal initial capital from the Managing Member. To become further capitalized, and in order to fully implement our business objectives, we will rely primarily upon the proceeds of this Offering. None of the capital contributed by the Managing Member will be used to pay distributions.

No recourse against the Company

In the event the Managing Member is unable to repay the principal and interest of the Capital Contribution, the Investor has no recourse against the Company, the Managing Member, or any assets of the Company. The Managing Member will work in good faith to ensure there is no loss of principal, but this is not a guarantee of performance, and the Managing Member expressly disclaims any guarantee of performance hereunder.

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Reliance on Management

The Managing Member will have the right to make all decisions with respect to the management and operation of the business and affairs of the Company. Although the Managing Member and its Affiliates have direct and substantial experience in managing partnerships and/or limited liability companies, and making loans to third-party borrower, there can be no assurance that this will translate into successful management of the Company. See "Company Management". Under our Limited Liability Company Agreement, the Preferred Members will have no right or power to take part in the management of the Company. Accordingly, no Person should purchase Investment Units unless such Person is willing to entrust all aspects of the management of the Company to the Managing Member.

No Market for Investment Units; Liquidity Restricted

The transfer of Investment Units will be subject to certain limitations. Moreover, it is not anticipated that any public market for Investment Units will develop, and the transfer of Investment Units may result in adverse tax consequences for the transferor. Consequently, holders of Investment Units may not be able to liquidate their investment in the Company in the event of emergency or for any other reason, and Investment Units may not be readily accepted as collateral for a loan. The purchase of Investment Units, therefore, should be considered only as a long-term investment. The terms of the Note will provide the conditions for transfer and liquidation.

Timing of Sale of Assets

The Managing Member intends to sell, exchange or otherwise dispose of our assets when the Managing Member, in its sole discretion, determines such action to be in the best interests of the Company. The Managing Member and Preferred Members may experience a conflict of interest as to the optimum time to sell a particular asset.

Exclusion from Management and Indemnification

The Managing Member will have sole and absolute authority over the management of the Company.

Affiliate Transactions

The Company shall be permitted to invest in affiliate transactions which means that the recipient of investment or loan funds by the Company may involve one (1) or more of the affiliates of the Managing Member. In such a case, the terms for such loan or investment, as the case may be, shall be not be arm's length but shall be deemed commercially reasonable and not materially out of market for a transaction that would have been otherwise made at arm's length if there was no affiliate transaction.

RISKS ASSOCIATED WITH THE COMPANY AND THIS OFFERING

This Offering is not registered under federal or state securities laws

This Offering has **not** been registered under the Securities Act of 1933, as amended, nor registered under the securities laws of any state or jurisdiction. We do **not** intend to register this Offering at any time in the future. Thus, you will not enjoy any benefits that may have been derived from registration and corresponding review by regulatory officials. You must make your own decision as to investing in our Company with the knowledge that regulatory officials have not commented on the adequacy of the disclosures contained in this Memorandum or on the fairness of the terms of this Offering. The Managing Member is relying upon an exemption from any SEC registration and relies upon the representations of each investor to ensure compliance with the SEC exemption so relied upon.

We lack an operating history

The Company lacks an operating history. As a result, we are subject to all the risks and uncertainties which are characteristic of a new business enterprise, including the substantial problems, expenses and other difficulties typically encountered in the course of establishing a business, organizing operations and procedures, and engaging and training new personnel. The likelihood of our success must be considered in light of these potential problems, expenses, complications, and delays.

We cannot forecast or predict the outcome of our activities

We are dependent upon proceeds of this Offering to Company our operations. There is no information at this time upon which to base an assumption that our plans will materialize or prove successful. There can be no assurance that our planned endeavors will result in any operational revenues or profits in the future - especially if our assets prove to be commercially unprofitable. This, coupled with our limited operating history, makes prediction of our future operating results difficult, if not impossible. Because of these reasons, you should be aware that your entire Capital Contribution is at risk. There is **no** guarantee of successful performance of this investment.

Transferability of Investment Units you purchase will be restricted

Investment Units offered by way of this Memorandum have not been registered with the SEC or any government's securities authority and will be restricted and therefore cannot be resold unless they are also registered or unless an exemption from registration is available. Therefore, you should be prepared to hold the Investment Units for at least six (6) months (and perhaps even an indefinite period of time) if so required.

There is no liquidity associated with the Investment Units

The Investment Units will not be listed on any national securities exchange or included for quotation through an inter-dealer quotation system of a registered national securities association. The Investment Units constitute a new issue of securities with no established trading market. Furthermore, it is not anticipated that there will be any regular secondary market following the completion of the Offering of the Investment Units. Therefore, an investment in the Investment Units should be considered non-liquid. In addition, no assurance can be given that the initial offering price for the Investment Units will continue for any period of time.

All financial forecasts are subject to limitations

If any financial forecasts are utilized by the Company in connection with this Offering, they have been prepared

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solely by the Company's management. Such forecasts, if any, have not been compiled or reviewed by independent accountants, and, accordingly, no opinion or other form of assurance is expressed. Because such projections are based on a number of assumptions and are subject to significant uncertainties and contingencies, many of which are beyond the control of the Company, there can be no assurance that such projections, if any, will be realized as actual results may vary significantly from the results included. Such projections, if any, should not be regarded as a representation that the projections will be achieved, nor should the projections be relied upon in purchasing the Investment Units offered hereby and are qualified in their entirety by the content of this Memorandum.

OTHER POSSIBLE RISKS

The foregoing represent the Company's best attempt to identify the various risks the Company's capital may be exposed to. It does not purport to be complete and may not adequately cover all activities in which we may be engaged nor all the risks we will be subject to, either directly or indirectly, as a result of pursuing our objectives. You are encouraged and entitled to ask questions of and receive answers from the Company's management as to assess the merits and risks of investing in the Company's Investment Units.

RISKS RELATING TO THE PATRIOT ACT, MONEY LAUNDERING, AND TERRORISM PREVENTION

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"), signed into law on and effective as of October 26, 2001, requires "financial institutions", a term that includes banks, broker dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The Patriot Act requires the Secretary of the U.S. Treasury (the "Treasury") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Federal Reserve Board, the Treasury, and the SEC are currently studying what types of investment vehicles should be required to adopt anti- money laundering procedures, and it is unclear at this time whether such procedures will apply to the Company. It is possible that there could be promulgated legislation or regulations that would require the Company or other service providers to the Company, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to purchasers of Company Investment Units. Such legislation and/or regulations could require the Company to implement additional restrictions on the transfer of Investment Units. The Company reserves the right to request such information as may be necessary to verify the identity of Preferred Members and the source of the payment of subscription monies, or as may be necessary to comply with any customer identification programs required by the Financial Crimes Enforcement Network and/or the SEC, or as may be required under any anti-money laundering legislation and regulation of the United States. In the event of delay or failure by any Unit holder to produce any information required for verification purposes, an application for or transfer of Investment Units and the subscription monies relating thereto may be refused.

TAX RISKS

The following is a brief summary of what we believe are the most significant tax risks involved in an investment by the Preferred Members in the Investment Units. Numerous changes in the tax law have increased the tax risk and uncertainty associated with investments in limited liability companies. An unfavorable outcome with respect to any tax risk factor may have an adverse effect on an investment in the Investment Units. THEREFORE, NONE OF THE FOLLOWING SHOULD BE CONSIDERED TAX ADVICE FROM THE COMPANY, ITS MANAGEMENT, COUNSEL, ACCOUNTANTS, AFFILIATES, ETC. YOU ARE EXPECTED TO CONSULT WITH YOUR OWN PERSONAL TAX ADVISOR BEFORE MAKING A DECISION TO INVEST OR LOAN FUNDS TO THE COMPANY.

We have not obtained a tax opinion

We have not obtained an opinion of counsel as to the tax treatment of certain material federal tax issues potentially affecting the Company or the Preferred Members. Moreover, any such opinion, if we obtained one, would not be binding upon the Internal Revenue Service ("IRS"), and the IRS could challenge our position on such issues. Also, rulings on such a challenge by the IRS, if made, could have a negative effect on the tax results of ownership of the Company's Investment Units.

Tax audits are possible

The IRS has announced, and for several years has implemented, a policy which attempts to locate and select for audit the information returns of partnerships having tax loss benefits. Although we do not believe the Company is the type that would be subject to such greater IRS scrutiny, the federal income tax information return of the Company will still be subject to audit. If the Company's information return is audited, such audit may cause corresponding adjustments to, and may increase the probability of an audit of, an Investor's federal income tax return. If such audits occur, no assurance can be given that adjustments in the tax treatment of certain items of deduction or credit will not be made.

Tax laws are subject to change

Tax laws are continually being introduced, changed, or amended, and there is no assurance that the tax treatment presently potentially available with respect to the Company's proposed activities will not be modified in the future by legislative, judicial, or administrative action. Proposals having an adverse tax impact on our activities could be adopted by Congress at any time, and such proposals could have a severe economic impact on us.

PLAN OF PAYMENT

We are offering to issue an undetermined amount worth of Investment Units of the Company, the Company will be the Borrower (the "Investment Units"). Investment Units with a Capital Contribution of at least \$25,000 (the "Minimum Offering") are required. The Offering will begin on the date on the cover of this Memorandum and shall continue unless all of the Investment Units are issued prior to such time or unless we elect to close the Offering on an earlier or later date. We reserve the right to close this Offering at any time without notice.

The minimum Capital Contribution is \$25,000, although we may elect to waive this minimum requirement and accept a lower Capital Contribution in the Managing Member's sole discretion.

The Offering is being conducted pursuant to Rule 506(c) of Regulation D under the Act, as amended, and pursuant to applicable state laws that provide an exemption for limited private offerings. This Offering is not available to the public nor may any offers be made in states or jurisdictions that do not recognize such an exemption. No underwriter, broker or dealer has been retained or is under any obligation to purchase any Investment Units.

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CERTAIN RELATIONSHIPS AND CONFLICTS OF INTEREST

As discussed elsewhere in this Memorandum, the Company is subject to various conflicts of interest arising out of the relationship between the Managing Member and the Preferred Members.

For example, as discussed above, the Company's Managing Members may receive compensation regardless of whether the Company performs well with the acquisition and/or disposition of any particular asset or loans to third-parties.

Furthermore, it is expected that the Company and its Affiliates will employ or retain the same investment advisors, consultants, bankers, attorneys, accountants, and other advisors as may be employed by the Managing Member and their Affiliates. In some cases, such advisors may be representing the Company and the Managing Member at the same time, which could result in conflicts of interest and lack of independent review.

Also, since the Managing Member holds 100% of the Company's voting power, the ability of the Preferred Members to exercise any degree of control whatsoever will be non-existent. Furthermore, it is contemplated and expected that the Managing Member, Managing Members and their Affiliates may engage in other business activities, investments, or ventures and will only be devoting such time as may be necessary to conduct the business of the Company. Such persons may have conflicts of interest in allocating time, services and functions among the Company and other present and future ventures they may organize or be affiliated with. Our Managing Members and Managing Member may engage for their own account, or for the account of others, in other business ventures without obligation to the Company or to the Preferred Members.

The structure and proposed method of operation of the Company create certain inherent conflicts of interest between the Company and the Managing Member and its Affiliates.

Competition by the Company with Other Companies and Activities for Management Services

The Managing Member believes that it will have sufficient time to discharge fully its responsibilities to the Company and to other business activities (including other limited liability companies or partnerships) in which it is or may become involved. The Company initially will not have independent or third-party management and will rely on the Managing Member (and its staff) for its management and operation. The Managing Member and its Affiliates, however, are engaged in substantial other activities apart from the Company. Accordingly, the Managing Member will devote only so much of its time to the business of the Company as is reasonably required in its judgment. The Managing Member and its Affiliates will have conflicts of interest in allocating management time, services and functions among the Company and any other partnerships it or they have organized or may organize in the future, as well as among the Company and other business ventures in which it or they are or may become involved.

Compensation and Reimbursements Irrespective of Company Profitability

The Company's Managing Members, the Managing Member and/or their Affiliates may

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be paid compensation in connection with their management of Company affairs. Such persons are also eligible for reimbursement for general and administrative costs and expenses, due diligence, market research, and pre-acquisition research costs in connection with the pursuit of the Company's objectives (See "Compensation"). Consequently, such persons may realize profits or monetary income irrespective of whether the Company generates sufficient income to make interest payments to Preferred Members.

Legal Representation

Legal counsel to the Managing Member and certain of its Affiliates also may serve as legal counsel to the Company. In the event that any controversy arises following the termination of the Offering in which the interests of the Company appear to be in conflict with those of the Managing Member or any of its Affiliates, it may be necessary to retain other counsel for one or both of these parties, particularly where your interests are averse to those of the entities or persons that the law firm of Robinson Franzman LLP represent. Robinson Franzman LLP has not passed on the merits of this Offering and does **not** represent you in your review of this Offering in any manner whatsoever.

Non-Arm's Length Agreements

Certain agreements and arrangements, including those relating to compensation between the Company and the Managing Member and its Affiliates, have been established by the Managing Member and are not the result of arm's length negotiations. This includes other affiliate transactions where the Company is loaning or investing funds into a company of which an affiliate of the Managing Member is affiliated.

Purchases of Investment Units by Managing Member or its Affiliates

The Managing Member or its Affiliates may acquire Investment Units on the same terms and conditions as other Preferred Members, net of commission and other fees. See "Terms of the Offering." The Managing Member or its Affiliates will have all of the rights and powers of Preferred Members with respect to any such Investment Units purchased. Accordingly, the Managing Member may have a conflict of interest with respect to Company decisions if it purchases Investment Units because of its dual capacity as Managing Member and an Investor. The Managing Member may not vote any Investment Units it owns with respect to the election of a successor Partnership Representative or successor Managing Member.

Policies With Respect to Conflicts of Interest

Competition by Affiliates. The Managing Member and its Affiliates will be free to compete with the Company.

Transactions with Affiliates. The Managing Member's policy is that the terms on which the Company's relationships are conducted with the Managing Member or any of its Affiliates or Persons employed by the Managing Member or its Affiliates will be fair to the Company as disclosed in this Memorandum or on terms and conditions no less favorable to the Company than can be obtained from independent third parties for comparable services in the same location or within a commercially reasonable degree.

TRANSFERS OF INTEREST

Restrictions on transfers

Except as otherwise provided in the Note to the contrary, no Member may sell, assign, transfer, encumber or otherwise dispose of their Investment Units or any interest in the Company without the express prior written consent of the Managing Member. Any such prohibited transfer, if made, shall be void and without force or effect, and any attempt by any Member to dispose of his interest in violation of this prohibition shall constitute a material breach of the Note as provided in greater detail therein.

Redemption Policy

The Preferred Members will be required to hold the Investment Units indefinitely or until the Company pays back the Investment Units or the maturity date accrues. We may compulsorily repay the Investment Units of any investor at any time to ensure compliance with securities laws or for any or no reason. However, the Investment Units are not liquid and may not be redeemed except as may be in accordance with the Investment Units.

FOR MORE INFORMATION, PLEASE REACH OUT TO THE MANAGING MEMBER:

**MFCI Fund I LLC
c/o MFCI Fund I MGR LLC
10860 Switzer Ave., Ste. 114
Dallas, TX 75238
E: brian@elevatecig.com**

*This section alone does not constitute an offer to sell Unit(s) in the Company.
An offer may be made only by an authorized representative of the Company and the recipient
must receive a complete Memorandum including all Exhibits.*

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