

**INVESTOR PACKAGE**

**201 Crowdfund, LLC**

Minimum Offering: \$350,000.00

Maximum Offering: \$650,000.00

Series A Preferred Units of Membership Interest  
Purchase Price: \$1,000 per Series A Preferred Unit

**DO NOT REPRODUCE**

The Date of this Investor Package is October 2nd, 2018  
The Date of Expiration of the Offering is November 24th, 2018

**201 Crowdfund, LLC**  
**UP TO \$650,000.00 of Series A Preferred Units**

201 Crowdfund, LLC, a Minnesota Limited Liability Company, is offering a minimum of 350 of its Series A Preferred Units for an aggregate total of \$350,000.00 and maximum of 650 of its Series A Preferred Units of Membership Interest for an aggregate total of \$650,000.00, at an offering price of \$1,000 per Series A Preferred Units, pursuant to this Investor Package. The minimum required investment is \$10,000, unless waived by the Company, in its sole discretion.

All funds received from investors will be held in an escrow account at in until such time as the Company has received subscriptions for 350 Series A Preferred Units (an aggregate amount of \$350,000.00) or until the earlier expiration or termination of the Offering, as provided herein. Once we have reached this minimum threshold, we may begin using proceeds received from those investors.

The offering price of the Series A Preferred Units has been arbitrarily determined by the Company. Before this Offering, there was no market for our securities, and it is unlikely that such a market will develop in the future. The Series A Preferred Units will be “restricted securities” under the Securities Act, must be held for investment purposes only and are subject to substantial limitations on resale or other transfer. You must purchase the Series A Preferred Units for your own account and must assume the economic risk of investment for an indefinite period of time.

**YOU ARE URGED TO SEEK INDEPENDENT ADVICE FROM YOUR LEGAL AND FINANCIAL ADVISORS RELATING TO THE SUITABILITY OF AN INVESTMENT IN OUR COMPANY AND OUR SECURITIES, IN LIGHT OF YOUR OVERALL FINANCIAL NEEDS AND WITH RESPECT TO THE LEGAL AND TAX IMPLICATIONS OF SUCH AN INVESTMENT.**

THIS DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING AND INDIVIDUAL TAX ADVICE, PARTICULARLY BECAUSE THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN A CORPORATION OR LIMITED LIABILITY COMPANY SUCH AS OUR COMPANY ARE UNCERTAIN AND COMPLEX AND MANY CONSEQUENCES WILL NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, YOU SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF YOUR OWN TAX ADVISOR, TAX COUNSEL OR ACCOUNTANT WITH RESPECT TO YOUR PROSPECTIVE INVESTMENT IN THE COMPANY. NOTHING IN THIS OFFERING DOCUMENT OR THE ACCOMPANYING DOCUMENTS IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE.

**INVESTOR PACKAGE INSTRUCTIONS: THE INSTRUCTIONS LISTED BELOW APPLY IF YOU ARE INVESTING THROUGH [HTTPS://201.SPPX.IO](https://201.sppx.io)**

On behalf of 201 Crowdfund, LLC, a Minnesota Limited Liability Company (“201 Crowdfund,” “we” or the “Company”), we are pleased that you have expressed an interest in purchasing Series A Preferred Units (the “Series A Preferred Units”) in the Company. In order to streamline the subscription process, the Company has created a “Funding Portal” located at <https://201.sppx.io> to coordinate the Company’s acceptance of investor subscriptions and issuance of the Series A Preferred Units to purchasers. In order to proceed with your purchase of the Series A Preferred Units, please visit and refer to the instructions found on the Funding Portal.

## IMPORTANT NOTICES TO PROSPECTIVE INVESTORS

We have prepared this Investor Package for distribution to prospective investors for their use and information in evaluating an investment in the Series A Preferred Units. You are urged and invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering (the "Offering"), the Company, our business, and any other relevant matters (including, but not limited to, additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that our Chief Executive Officer, Mike Sowers, (the "CEO"), possess such information or can acquire it without unreasonable effort or expense. You will be asked to acknowledge in the Subscription Agreement attached hereto as Exhibit E that you were given the opportunity to obtain such additional information and that you either did so or elected to waive such opportunity.

Prospective investors having questions or desiring additional information should contact Mike Sowers, at 612-598-0780.

You should not construe the contents of this Investor Package as legal, tax, or investment advice, and you should consult your own attorney, accountant, and business advisor as to legal, tax, and related matters concerning an investment in the Series A Preferred Units.

**THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SERIES A PREFERRED UNITS. THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. ALL INFORMATION CONTAINED HEREIN IS AS OF THE DATE OF THIS INVESTOR PACKAGE, AND NEITHER THE DELIVERY OF THIS INVESTOR PACKAGE NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE SUCH DATE.**

**THE SERIES A PREFERRED UNITS ARE HIGHLY SPECULATIVE, ILLIQUID, INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE PURCHASED ONLY IF YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT. SEE THE "RISK FACTORS" ATTACHED HERETO AS EXHIBIT C.**

**IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SEC RULE 504, AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

**SALES WILL BE MADE ONLY TO RESIDENTS OF MINNESOTA , UNLESS THIS SECURITY IS EXEMPT OR REGISTERED UNDER OTHER STATE SECURITIES LAWS. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.**

Should the Company issue a certificate or other document evidencing the security, the following legend must be displayed conspicuously:

**OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.**

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## INDEX OF EXHIBITS

- Exhibit A of this package includes a copy of the Company’s Investor Overview, which includes projected financial statements (the “***Investor Overview***”).
- Exhibit B of this package contains a summary of the terms of this Offering (the “***Summary of Terms***”).
- Exhibit C of this package describes key risk factors that may be relevant to an investment in the Series A Preferred Units (the “***Risk Factors***”). Please read them carefully.
- Exhibit D of this package includes a copy of the Company’s Articles of Organization (“***Articles of Organization***”) and Operating Agreement (“***Operating Agreement***”).
- Exhibit E of this package contains the subscription agreement to be completed by investors in order to purchase Series A Preferred Units (the “***Subscription Agreement***”).
- Exhibit F of this package contains interim financial statements of the Company (the “***Interim Financial Statements***”).
- Exhibit G of this package contains the Opinion of Counsel (the “***Opinion of Counsel***”).
- Exhibit H of this package contains an example Note and Guaranty (the “***Note and Guaranty***”).
- Exhibit I of this package contains the Form U-7 (the “***Form U-7***”).
- Exhibit J of this package contains the Form U-2 (the “***Form U-2***”).
- Exhibit K of this package contains the Portal Agreement (the “***Portal Agreement***”).

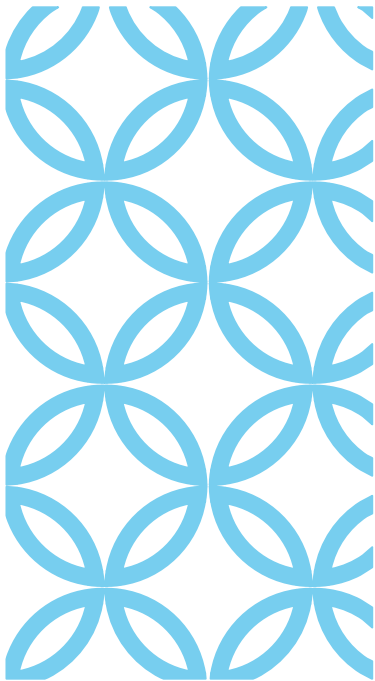
**EXHIBIT A**  
**Investor Overview**  
(See attached)



## **BUSINESS PLAN**

## **201 Crowd FUND**

TEXT "LOWERTOWN" TO 555888  
[THECOMMERCIALINVESTORS.COM/LOWERTOWN](http://THECOMMERCIALINVESTORS.COM/LOWERTOWN)



This 36,000 historic building hosts 16 office studios, 3 Apartments, and 3 retail spaces! It has been a cultural center for art and music dating back decades and the new ownership hopes to restore it to its original charm through a government approved historic renovation project.

Most other large commercial firms are converting historic art and studio spaces into modern residential apartment. As a result, affordable office studios for artists and small businesses are fast becoming hard to find!

We are going to undergo a Multi-Million Dollar Historic Renovation to restore the character and beauty of this building with the vision of creating a safe, affordable environment for small creative businesses to perform the work that inspires them and brings value to this neighborhood.

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**HELP US KEEP ART IN LOWERTOWN!**

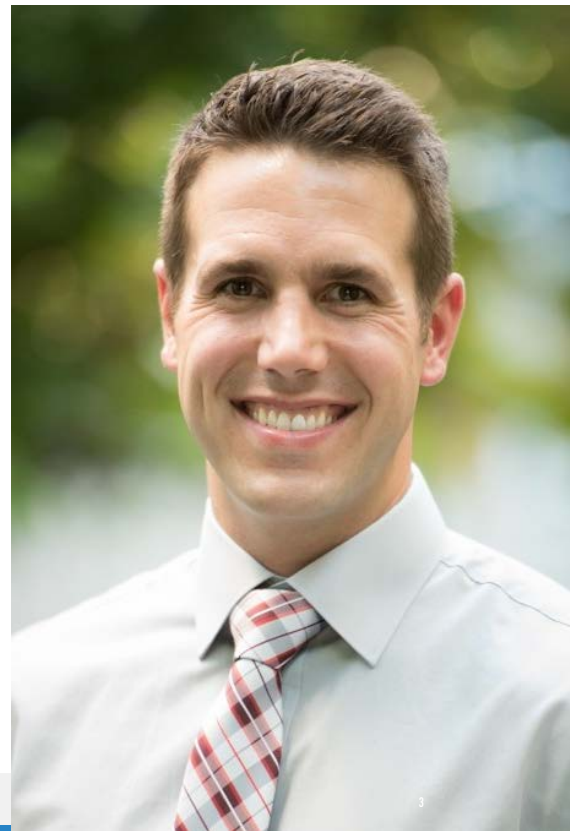


## PROJECT SPONSOR MIKE SOWERS

Mike is a licensed commercial real estate developer, contractor and broker. He is Accredited by the Association for Capital Placement Agents in Real Estate (ACPARE) and is a candidate for the CCIM Certification.

He graduated from the Carlson School of Management of the University of MN in 2006 with a double major in Finance and Entrepreneurial studies. Mike has been in the real estate industry since 2005 and has cross functional experience in Development, Construction, Loan Origination, Brokerage, Leasing, Property Management, Acquisition Strategy, Capital structure, Joint Venture Structure, and Negotiations.

Mike says his purpose in life is to Humbly and Gratefully do God's work by Investing In people, places, and ideas and Empowering Others to Find Freedom Doing The Things That Inspire Them. This is why this project to keep creative art in Lowertown is so important to him.



Our mission is to creatively unlock potential in PEOPLE and BUILDINGS.

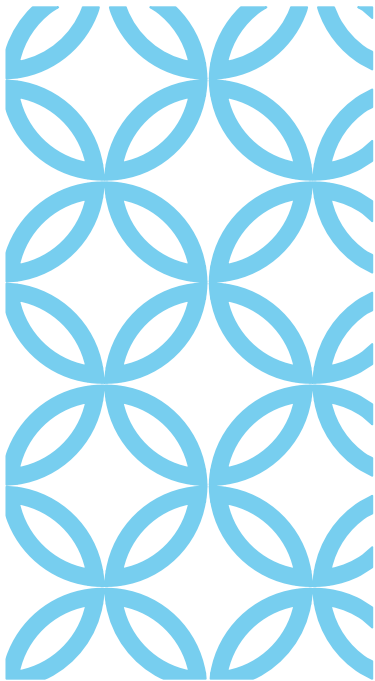
We do this by:

- ✓ Staying open minded to possibilities
- ✓ Being grateful for our work
- ✓ Displaying humility in our achievements

Our vision is to bring joy and abundance to the lives of those we touch.



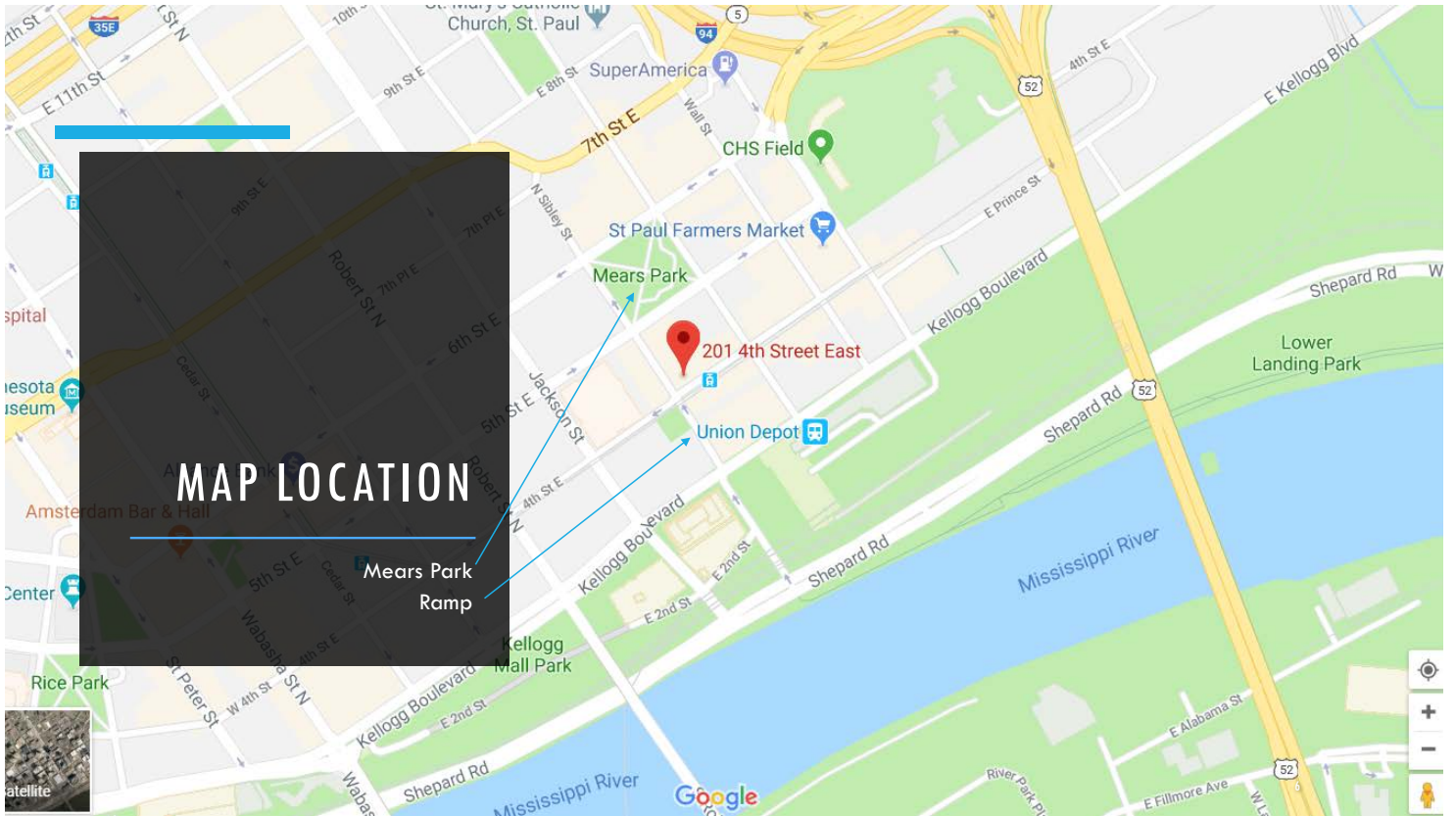
## ABOUT THE DEVELOPER



Property Owner – 201 Opportunity Fund LLC  
Developer & Broker – Commercial Investors Group LLC Prime  
Contractor – Commercial Construction Group  
Historical Consultant – Landscape Research  
Architect – Pope Architects  
Cost Segregation – Crown Pointe Financial  
Cost Certification – Mahoney, Ulbrich, Christiansen & Russ, P.A.  
Crowd Funding Legal Work – Messerli & Kramer  
Crowd Funding Platform - Silicon Prairie Portal & Exchange, llc  
General Counsel – GDO Law

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## THE PROJECT TEAM



# PROPERTY DETAILS

## Zoning

- B5

## Parking

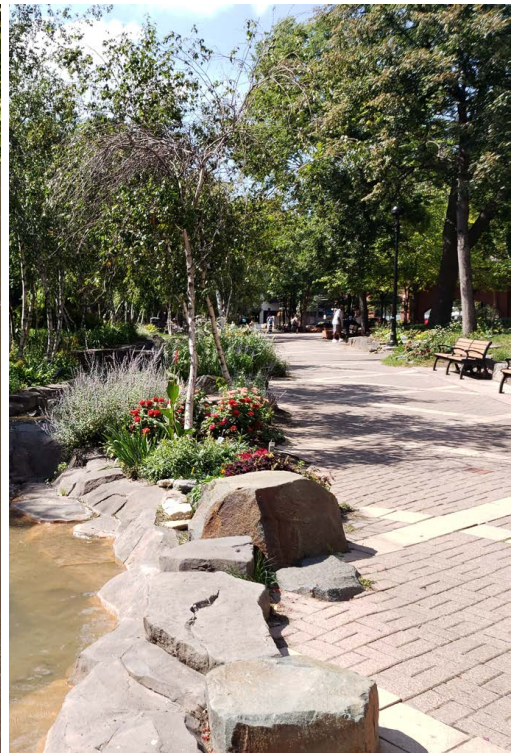
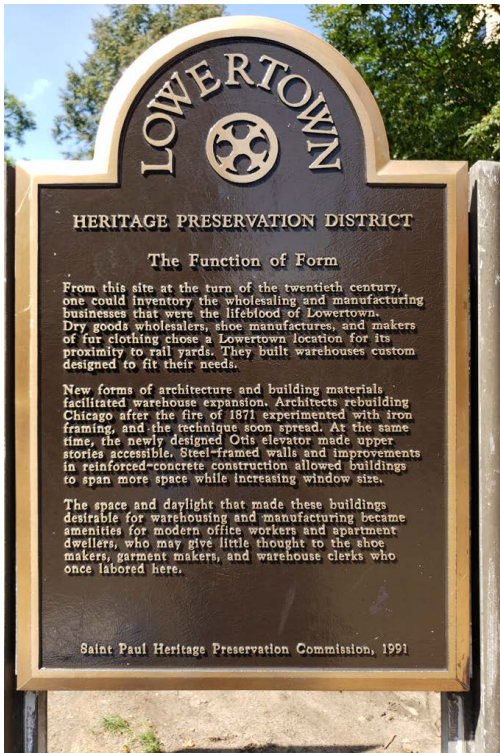
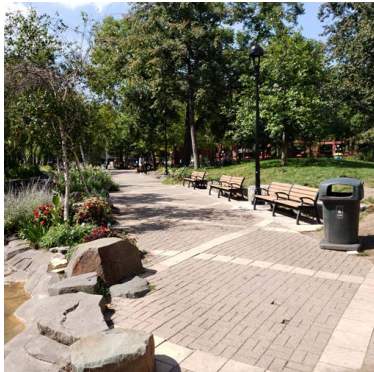
- Parking is plentiful in the Lowertown Ramp 1/2 Block Away

## Year Built

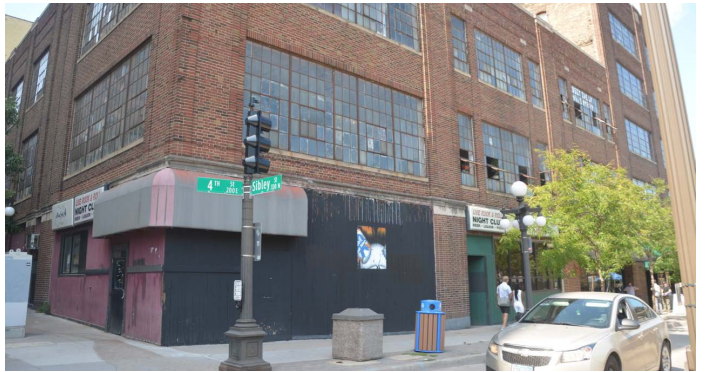
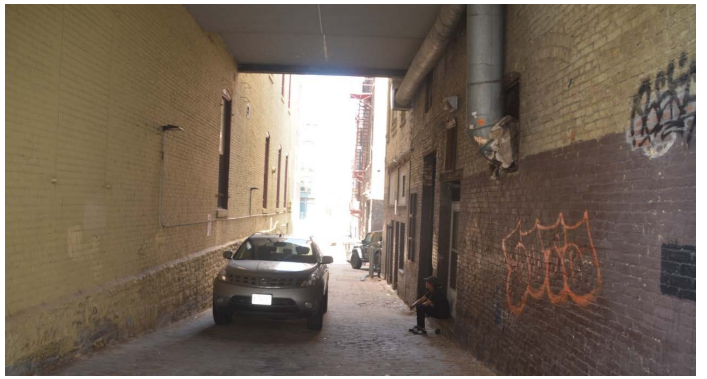
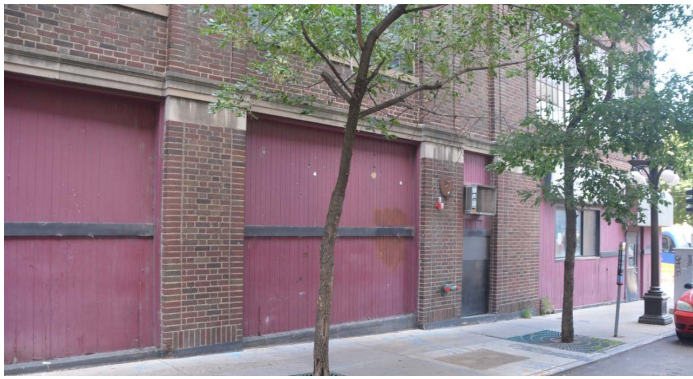
- 1888

## Special Features

- 1 Block from Mears Park
- In an "Opportunity Zone"
- Contributing to the "Historic District"











# PROPERTY USE

## Main Level – 9,000 SF

- Three, 3k SF Retail Bays

## Basement – 9,000 SF

- 9k SF, with 1500 SF Rented to Urban Wok
- LOI for a speakeasy in 4,500 SF

## Upper Two Floors – 18,000 SF

- 16 Office Studios (10k SF)
- 3 Apartments (8k SF)

<b>Type</b>	<b># Units Occupied</b>	<b>Occupancy %</b>	<b># Units Vacant</b>	<b>Vacancy %</b>	<b>Total Units</b>
Office	10	62%	5	38%	16
Residential	3	33%	2	67%	3
Retail	1	33%	2	67%	3
<b>Total</b>	<b>14</b>	<b>64%</b>	<b>9</b>	<b>36%</b>	<b>22</b>

## OCCUPANCY SUMMARY

Building neglected for a long time

No heating system

Leaking Roof

No passenger Elevator

Very poor curb appeal

**WHY SO MUCH  
VACANCY**

# HOW WILL WE SOLVE THE PROBLEM

Renovate the Building

Raise Funds from Cheerleaders of Art and Creativity

Prayer

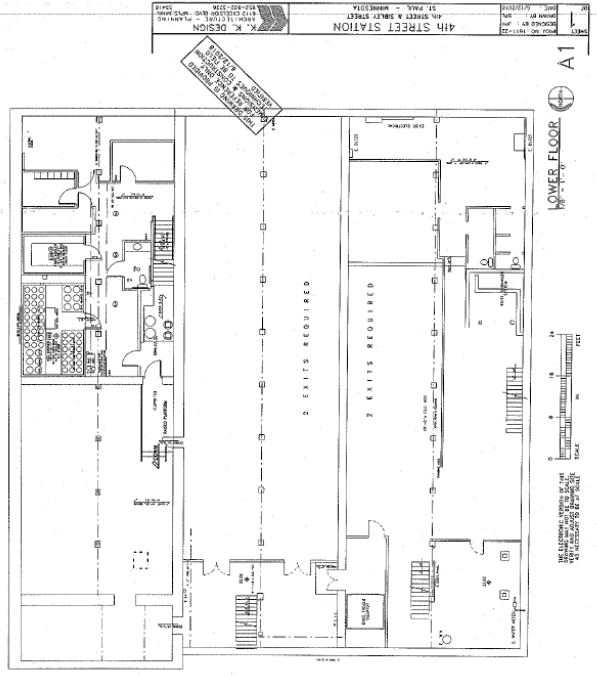
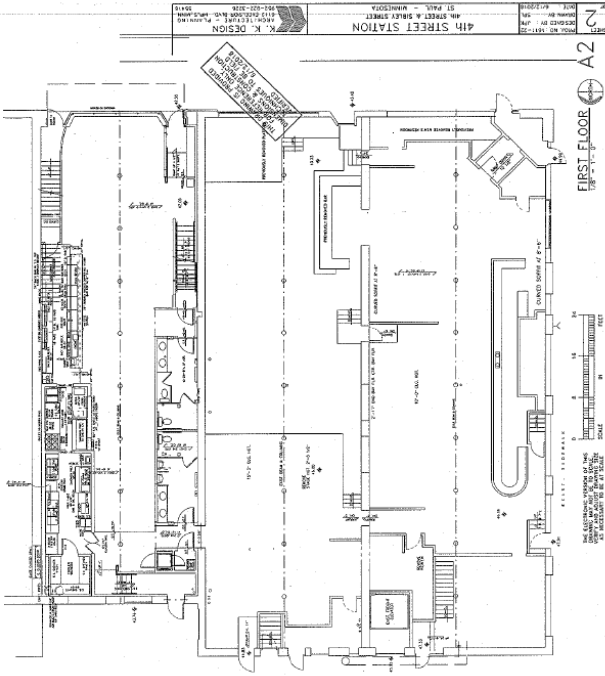
Goodwill

Experienced Project Team

# RENOVATIONS

## Renovation Budget

Item	Estimated QREs	Non-Qualified Expenditures	Estimated Cost
Building/land acquisition	n/a		\$0
<b>Sitework</b>			
Site grading & excavation	\$0		\$0
Landscaping, parking, walkways, etc.	n/a		\$0
Site utilities	n/a		\$0
<b>Non-eligible buildings</b>			
Demolition	n/a		\$0
New construction	n/a		\$0
<b>Work on or in Historic Property</b>			
Demolition	\$56,430		\$56,430
Addition: non-code required	\$0		\$0
Addition: code required	\$0		\$0
Concrete	\$8,500		\$8,500
Masonry	\$85,000		\$85,000
Metals	\$25,000		\$25,000
Wood	\$67,500		\$67,500
Thermal & moisture protection (roof, siding)	\$125,000		\$125,000
Doors and windows	\$92,200		\$92,200
Finishes (wall, ceiling, floor, etc)	\$75,633		\$75,633
Equipment		\$4,500	\$4,500
Furnishings		\$15,000	\$15,000
Conveying system (elevators)	\$225,000		\$225,000
Mechanical (plumbing, HVAC)	\$375,000		\$375,000
Electrical	\$50,000		\$50,000
Other construction (specify on detail page)	\$90,900	\$11,500	\$102,400
<b>Fees, Permits, and Soft Costs</b>			
Architect/Engineer/Design	\$37,240		\$37,240
Attorney/Accountant	\$20,200		\$20,200
Other Consultants (specify on detail page)	\$196,833	\$2,500	\$199,333
Historic Tax Credit Fees		\$5,000	\$5,000
Other Fees (specify on detail page)	\$1,600	\$6,500	\$8,100
Permits	\$47,000		\$47,000
Other soft costs (specify on detail page)	\$221,478		\$221,478
<b>Total Estimated Project Costs</b>	<b>\$1,800,514</b>	<b>\$45,000</b>	<b>\$1,845,514</b>



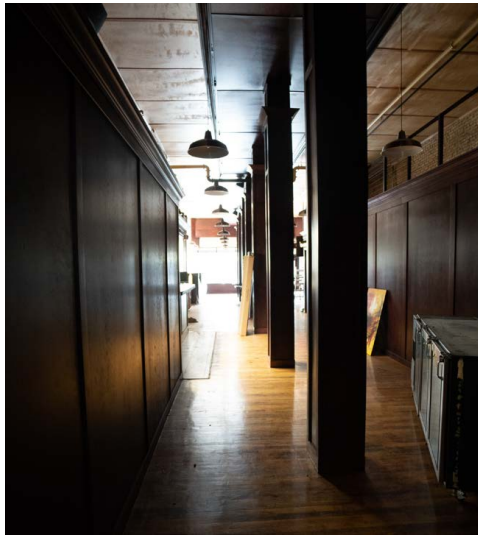


201 4TH STREET



205 4TH STREET E



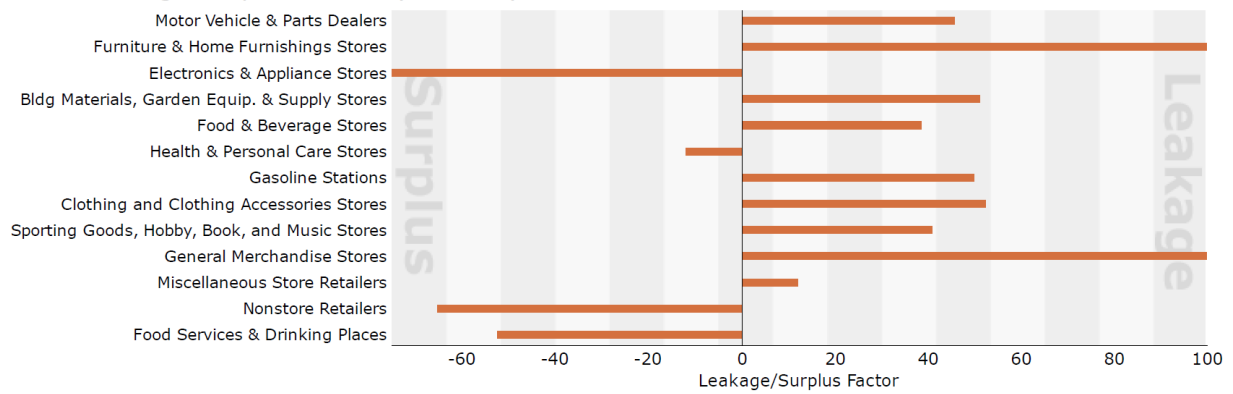


# 209 4<sup>TH</sup> STREET E URBAN WOK

# RETAIL GAP ANALYSIS

BIGGEST NEEDS: FOOD/BEVERAGE STORE, EVENT CENTER, HOME FURNISHINGS

## 2017 Leakage/Surplus Factor by Industry Subsector



**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (this "Agreement") is made as of July \_\_\_\_\_, 2018 (the "Effective Date"), by and between **Funkateer Properties** (together, "Funkateer"), **Commercial Investors Group III, LLC** ("Commercial Investors") and Jared Brownrigg, Ben Bockweg, and James Rutherford (together "Guarantors")

**RECITALS**

A. There exists a parcel of real property in Ramsey County Minnesota, commonly referred to as 201 4<sup>th</sup> Street East, St. Paul, MN 55101, and legally described as:

Lots 9, 10 and 11, except the Southeasterly 20 feet of said Lots, Block 1, Auditor's Subdivision No. 32, together with the right to use Lot 6, Block 1, in common with the owner thereof for a driveway or to enter upon said Lot 6 solely for the purpose of making necessary improvements of the common wall as contained in Document recorded in Book 5 of Misc., Page 546, Ramsey County, Minnesota.

(the "Property").

B. Commercial Investors owns the Property.

C. Commercial Investors desires to Lease Unit 201 to Funkateer and Funkateer desires to Lease Unit 201 from Commercial Investors.

NOW, THEREFORE, in consideration of the foregoing, Funkateer, Commercial Investors and Guarantors agree as follows:

1. **Timeline of Commitments:** Upon signing this LOI
  - a. LOI shall be signed by September 21, 2018
  - b. Upon signing this LOI Funkateer shall place a good faith deposit of \$2,500 down with Commercial Investors in consideration for Commercial Investors stopping its marketing efforts for this space and to secure this space for Tenant.
  - c. Upon signing Commercial Investors shall provide CAD Files for the building to Funkateer
  - d. Upon signing Funkateer shall hire an architectural firm at their own expense within 3 business days to start the process of completing full restaurant drawings at their own expense and shall pay Architect directly and provide a lien waiver to Commercial Investors.

AND

Mrs. Moslemi:

This term sheet outlines the basic terms and conditions of a proposed partnership under which Alan Peterson, Syndic Group I LLC (the "Building Owner") or its wholly owned affiliate will partner with Sarah Moslemi, (the "Restarateur Partner") for the buildout and operations of a Speak Easy Located at 201 E 4<sup>th</sup> St in St. Paul.

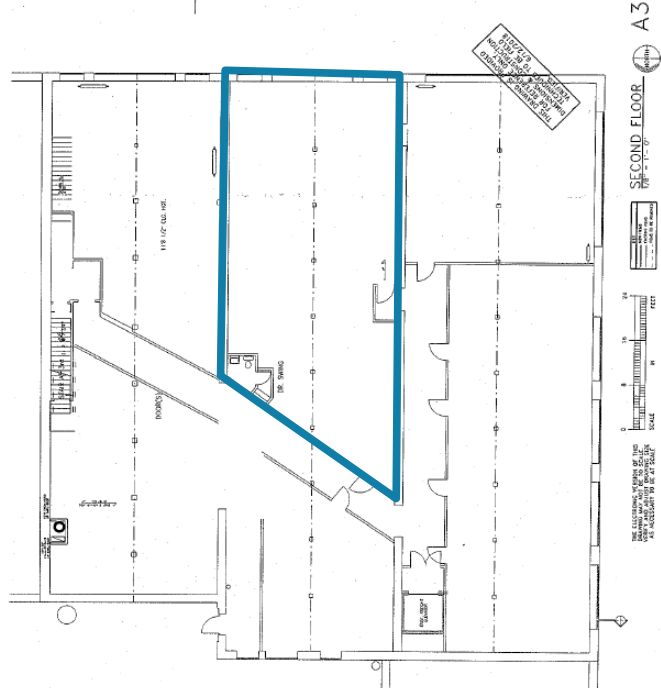
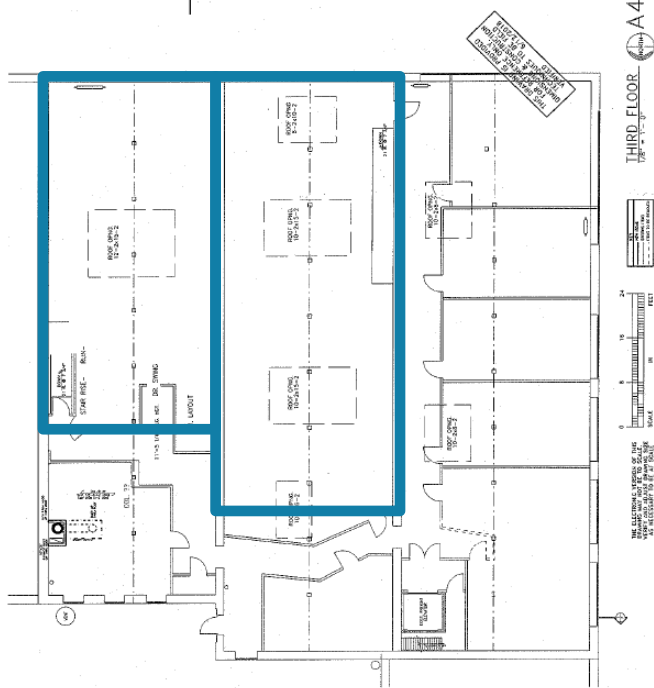
**Ownership Split:** 51% Sarah Moslemi (The Velveteen)  
The Velveteen Maintains Operational Control of the establishment, staff and accounting will be handled by their in house accountant.  
49% Alan Peterson (Syndic Group I LLC)

**Due Diligence:** 30 Days from mutual execution of this term sheet.

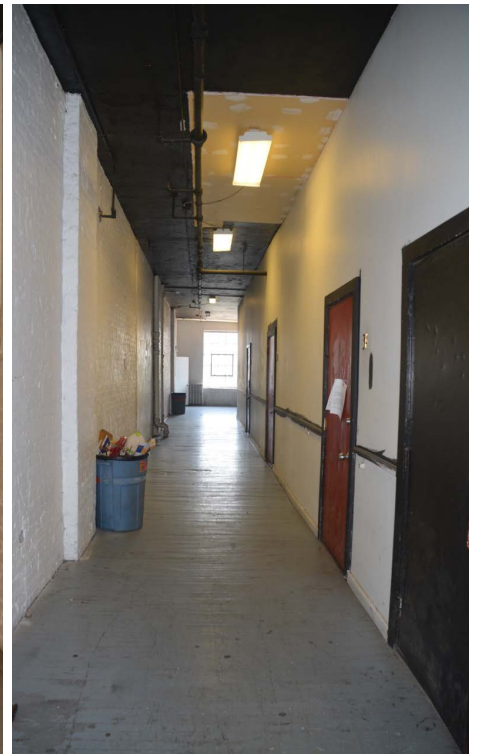
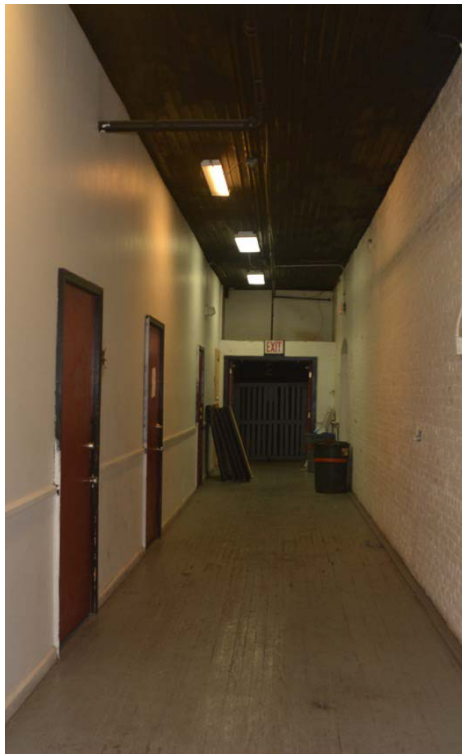
**Approximate Budget:** \$350,000.00 less kitchen that will be shared. Terms of use will be further outlined and defined in a separate agreement.

DATE: 10/11/2018

# LOI'S FROM POTENTIAL TENANTS IN MAIN LEVEL RETAIL

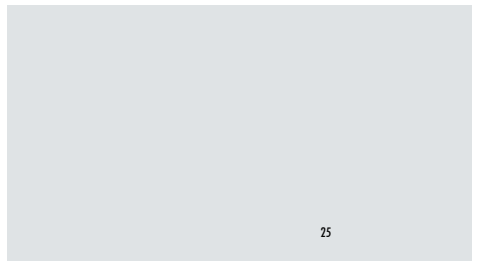


# Apartments











LifeMode Group: Uptown Individuals

## Metro Renters

3B

Households: 1,911,500

Average Household Size: 1.67

Median Age: 32.5

Median Household Income: \$67,000

# TAPESTRY STUDY

### WHO ARE WE?

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents income is above the US average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city.

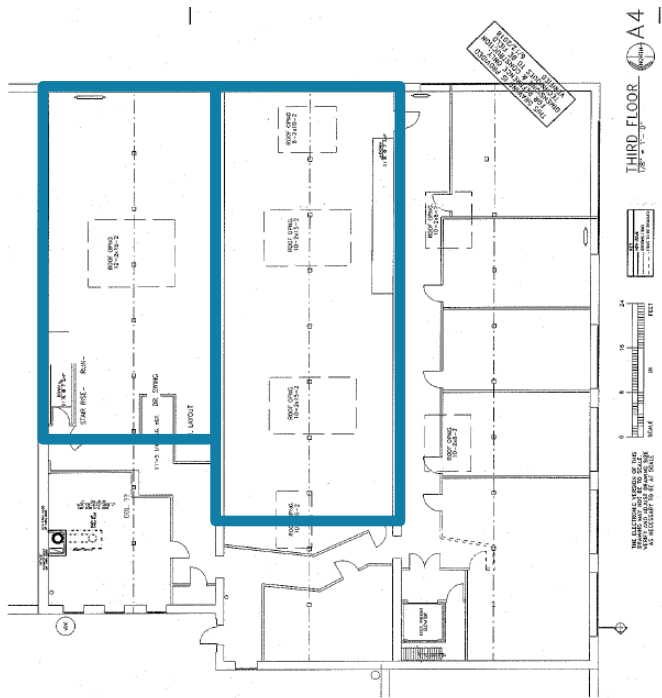
### OUR NEIGHBORHOOD

- Over half of all households are occupied by singles, resulting in the smallest average household size among the markets, 1.67.
- Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses.
- Renters occupy close to 80% of all households.
- Public transportation, taxis, walking, and biking are popular ways to navigate the city.

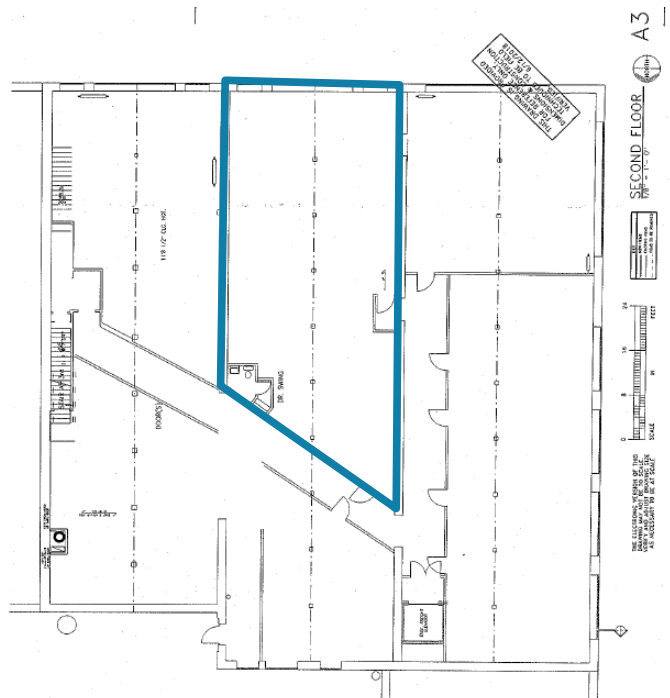
### SOCIOECONOMIC TRAITS

- Well-educated consumers, many currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their profession.
- Become well informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.





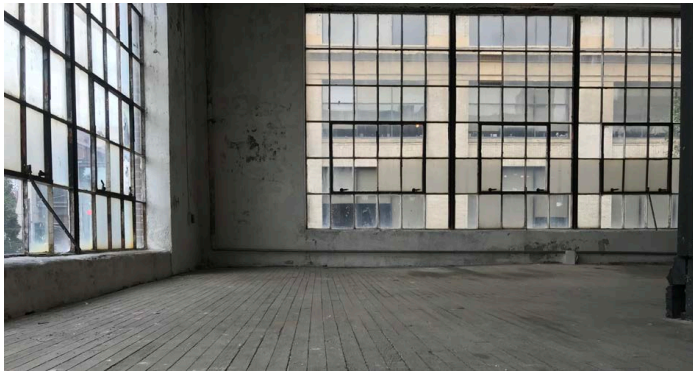
THIRD FLOOR A4



SECOND FLOOR A3

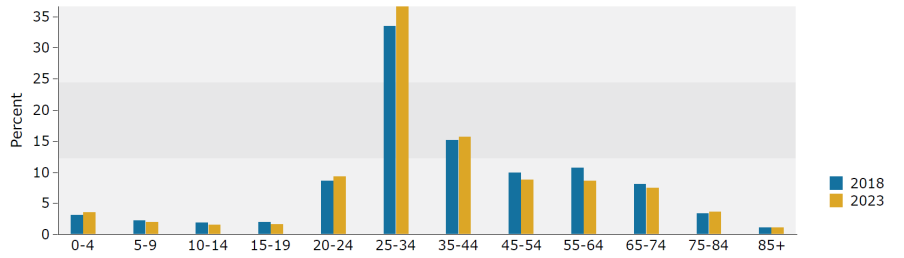
Other Spaces Are Office Studios



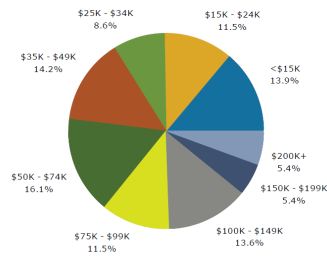


# DEMOGRAPHICS

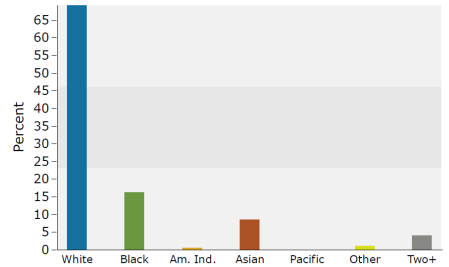
Population by Age



2018 Household Income



2018 Population by Race



# SUMMARY OF SOURCES OF CAPITAL



Total Estimated Project Costs  
\$3,150,000



Debt

60-75% Loan-to-Project Costs  
Estimated at \$2,000,000 - 2,350,000



Crowd Funding

10-20% of Project Costs  
Minimum \$350,000  
Goal \$620,00



Owner Equity

5-15% of Project Costs  
Mike has committed a  
minimum of \$165,000

**EXHIBIT B**  
**Summary of Terms**  
(See attached)

**201 Crowdfund, LLC**  
**CONFIDENTIAL TERM SHEET**

The following is a summary of the basic terms and conditions of a proposed \$650,000.00 SCOR Offering by 201 Crowdfund, LLC, a Minnesota Limited Liability Company (the “*Company*”), to certain qualified investors.

THIS TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND IS NOT BINDING ON THE COMPANY OR THE PROSPECTIVE INVESTORS. NEITHER THE COMPANY NOR ANY PROSPECTIVE INVESTORS SHALL BE OBLIGATED TO CONSUMMATE AN INVESTMENT UNTIL APPROPRIATE DOCUMENTATION HAS BEEN PROVIDED TO PROSPECTIVE INVESTORS.

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**Securities Offered:** Up to 650 of Series A Preferred Units of Membership Interest (the “Series A Preferred Units”) (an aggregate of \$650,000.00)

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**Offering Price:** \$1,000 per Series A Preferred Unit

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**Minimum Investment:** \$10,000 for 10 Series A Preferred Units

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**Minimum Offering:** \$350,000.00 for an aggregate of 350 Series A Preferred Units

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**Use of Proceeds:** The Company intends to use the proceeds: To make a loan to 201 Opportunity Fund, LLC, which intends to acquire and improve the property known as 4th Street Station at 201 4th St. E., St. Paul, MN 55101. The investment is a mixed-use building in the Lowertown area of St. Paul, MN. The purchase and operation of the building will provide retail, housing and office space to residents and promote commerce in a historic neighborhood. See also Exhibit A "business plan".

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**Capital Structure:** The Company will have two classes of Units: Series A Preferred Units and Series B Units. 1 Series B Units was previously issued to the Company’s Managing Member in consideration for their contributions to the Company.

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**Corporate Governance:** The Company will be managed by a Managing Member (the “*Managing Member*”), and the day-to-day operations of the Company will be performed by the Managing Member and any other officers appointed by the Managing Member. The Managing Member will have broad powers in managing the Company. You should not invest unless you trust the judgement of the Managing Member in managing the affairs of the Company

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**Managing Member:** 201 Opportunity Fund, LLC, a Minnesota Limited Liability Company. As disclosed, the Managing Member has received Series B Units equating to 1 percent of the Company's ownership in consideration for its efforts managing the Company.

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**Series A Preferred Units:**

*Capital Interest* Each Member will have an initial capital account balance equal to such Member's initial capital contribution. For example, if a Member makes a \$20,000 investment in the Company, the Member will have an initial capital account balance equal to \$20,000.

*Voting Interest* The Members shall have the right to vote on only those matters that must be submitted to the Members for their approval pursuant to the MN Revised Uniform Limited Liability Company Act (for example, a merger or conversion of the Company).

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**Preferred Return; Secured Note:**

The Company intends to pay an annual preferred return to its members on the amount of unreturned capital contributions in the amounts of 10% to investors that invest \$10,000-\$24,999, 12% to those members whom invest \$25,000-\$49,999, and 13% to those members whom invest \$50,000 or more. The interest will begin to accrue once the underlying loan is made between 201 Opportunity Fund, LLC and the Company. This loan is expected to be put in service upon the closing on the Property, which is estimated to be Nov. 24th, 2018. Interest payments will be made quarterly according to the calendar year, beginning on April 1, 2018.

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**Distribution Rights:**

After the Series A Preferred Unit Members have received their annual preferred return, all issued distributions of the Company shall be distributed as follows: 100.00%% to the Series A Preferred Unit Members. Each Series A Preferred Unit pro rata portion of these distributions will be calculated by dividing such Member capital contributions by the total capital contributions of all Members, and then multiplying the resulting percentage by 100.00%%.

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**Operating Agreement:**

Prior to the closing of any sale of any Series A Preferred Units, the Company will provide prospective investors with a copy of its Operating Agreement, which will incorporate the terms described herein in all material respects. In order to invest in the Company, you will be required to sign the Operating Agreement.



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**Restrictions on Transfer:**

We will be offering the Series A Preferred Units pursuant to certain exemptions from the registration requirements of the Securities Act and applicable state securities laws. Therefore, the Series A Preferred Units will not be registered with the SEC, and will be deemed “restricted securities” under the Securities Act. **You will not be able to re-sell or transfer your Series A Preferred Units except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom.**

In addition, any transfer of Series A Preferred Units will need to comply with the transfer restrictions that will be contained in the Company’s Operating Agreement. The Operating Agreement will include additional detail on these transfer restrictions.

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**Tax Considerations:**

The Company will be treated as a partnership for federal income tax purposes. To the extent the Company has net profits for any fiscal year, each member will be taxed on such Member’s allocative share of those profits, even though the amount of cash distributed to such member may be less than the resulting tax liability. Company profits and losses will be allocated to the Members as set forth in the Operating Agreement. The Company intends to make annual distributions to the Members to cover their estimated individual tax liability relating to their allocative taxable share of Company profits (“*Tax Distributions*”). However, the Company will not make Tax Distributions if (a) the majority of the Managing Member determines that doing so would not be commercially reasonable or would render the Company insolvent, (b) the Tax Distributions would otherwise be prohibited by the Company’s loan agreements with lenders, or (c) with respect to an individual Member, aggregate Company losses that were previously allocated to that Member exceed aggregate Company profits allocated to that Member. In short, there are several circumstances in which you will not receive a Tax Distribution that covers your individual tax liability; therefore, **you may be required to come “out of pocket” to pay taxes on your allocative share of Company profits.**

In addition, all Tax Distributions received by Members will count towards the repayment of their capital contributions.

To the extent that the Company has net losses for any fiscal year, a Member may be limited in his, her, or its ability to deduct those losses if the Member has insufficient basis, the Member is limited by the passive loss rules, or if any expenses are “syndication expenses.” Furthermore, it is possible that a Member may be subject to alternative minimum tax on the Member’s allocative share of Company profits. Distributions, including Tax Distributions, may be taxed as capital gains or ordinary income.

**Due to the complexity of an investment in Series A Preferred Units, prospective Members are advised to contact their tax advisors with regard to tax consequences arising from investing in the Company.**

**EXHIBIT C**  
**Risk Factors**  
(See attached)

## RISK FACTORS

*Investing in the Company involves a high degree of risk. You should carefully consider the risks described below and all of the other information set forth in the Memorandum and the Exhibits attached hereto, before deciding to invest in our Series A Preferred Units. If any of the events or developments described below occurs, our business, financial condition or results of operations could be negatively affected. In that case, the value of your Series A Preferred Units could decline and you could lose all of your investment.*

### A. Risks of Real Estate Investing

**General real estate risks.** The Company will be materially affected by conditions in the mortgage and residential real estate markets, the financial markets and the economy generally. In recent years, concerns about the mortgage market, significant declines in home prices, increases in home foreclosure, high unemployment, the availability and cost of credit have contributed to increase volatility and uncertainty for the economy and financial markets. The mortgage market continues to be adversely affected by the tightening of lending standards and general availability of credit. This has an impact on demand for residential and commercial real estate and may negatively impact the Company, causing a decline in the market value of the property (the “Property”), once purchased and, in turn, cash available for distribution to members.

**Neither the Company nor the Manager (“Managing Member”) own the Property.** The success of the Company is dependent upon the Manager’s ability to acquire the Property, and there are no assurances that the Managing Member will be able to do so. The Managing Member will not be able to close on the purchase of the Property until the proceeds of the Offering have been received and closed upon, in addition to closing on bank financing.

**Government Regulation.** The business of acquiring and managing residential and commercial real estate is subject to a significant degree of government regulation. The regulations include potentially costly matters, such as requiring improvements to meet building codes and standards, and environmental matters. Any new or increased levels of regulation could adversely impact the profitability of the Company and its ability to make distributions to Members.

**Lack of Diversification.** The Managing Member will acquire, own and operate the Property, and does not intend to engage in any other business, and will therefore not have the benefit of maximum diversity. As a result, any adverse change in the geographic area could have a significant adverse effect on the Property that will not be mitigated or offset by other lines of business or investments.

**Competition.** The real estate industry is highly competitive, and the Company faces competition from other individual and institutional buyers for investment opportunities. These competitors may be real estate developers, real estate financing entities, real estate investment trusts, mutual funds, hedge funds, investment banking firms, institutional investors and other entities or investors that acquire real estate and may have substantially greater financial resources than those available to the Managing Member. These entities or investors may be able to accept more risk than the Managing Member believes is in the Company’s best interest. This competition may limit the opportunity presented to the Company. In addition, the Company believes competition from entities organized for purposes similar to the Company may increase in the future. All of these factors may negatively impact the performance of the Company.

**The performance and value of the Company are subject to risks associated with its real estate and with the real estate industry.** The economic performance of the Company and the value of the Property are subject to the risk that the Property may not generate revenues sufficient to meet its operating expenses

and capital expenditures. Accordingly, the Company's cash flow and ability to pay distributions to its Members may be adversely affected, reducing the potential investment return to Members. The following factors, among others, may adversely affect the income generated by the Company's intended Property:

- (i) downturns in the national, regional and local economies;
- (ii) competition from newly-developed properties;
- (iii) localized real estate conditions, such as oversupply or reduced demand for space;
- (iv) changes in interest rates and/or other financial market volatility, including changes in the availability of capital;
- (v) changes in lending regulations and reserve requirements, as well as changes in tax laws and accounting principles;
- (vi) the potential effect of rent control or rent stabilization laws, or other laws regulating housing, that could prevent the Company from raising rents;
- (vii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space;
- (viii) the perceptions of prospective tenants and purchasers regarding the safety, convenience and attractiveness of the Property and the neighborhood in which it is located;
- (ix) increased operating costs, including insurance expense, utility expense, real estate taxes, state and local taxes, and fluctuating security costs;
- (x) significant fixed costs associated with the Property, such as real estate taxes, insurance and maintenance costs, which are generally not reduced when circumstances cause a reduction in revenues from the Property;
- (xi) declines in the financial condition of the Property's tenants and the ability to collect rent from tenants who are impacted by insolvency, inflation, recessions or other economic events;
- (xii) macro-economic events, including fluctuations in energy supplies and changes in the federal government's economic and fiscal policies, that impact the financial condition of current and prospective tenants;
- (xiii) trends in corporate downsizing, job sharing and telecommuting;
- (xiv) casualty and condemnation risks;
- (xv) natural disasters, civil disturbances, terrorism, or acts of war that may result in uninsured or underinsured losses; and
- (xvi) typical financial and operational burdens with respect to the ownership of real estate, which include the payment of expenses and taxes, the cost of property maintenance and improvements, and the transaction costs associated with the ultimate sale of the Property.

**B. Risks Related to the Property**

***The anticipated closing on the Property is contingent.*** If we are unsuccessful in raising the funds needed to close this Offering, we will not be able to purchase upon the Property. There is no guarantee we may be able to raise the capital necessary to close upon the Property. Additionally, even if we close upon the proceeds of this Offering, there is no guarantee that the Managing Member will ultimately purchase the Property from the present owner.

### **C. Risks Related to the Company as a Development-Stage Company**

***The Company was only recently formed, has not begun operations, and has no operating history.*** The Company was formed under the laws of the State of Minnesota on September 28, 2018. As such, the Company has no operating history and has no assets. Because of our limited history, you should be especially cautious before drawing conclusions about our future performance. We may not be able to successfully implement or operate our business plan. You should not rely on the past performance of the Managing Member, or the Managing Member's members, to predict our future performance.

***Limited Operating History.*** The Managing Member has limited prior operating histories in other facets of the real estate industry and has not previously formed an entity for the same purpose as the Company. To date, the principal activities of the Company has consisted of organizational matters, performing due diligence on the Property and the preparation of this Offering. Although the Managing Member and affiliates of the Manager have some experience in the ownership, development, leasing, construction and management of real estate, including other investment property, neither the Company, nor the Managing Member have any significant operating history.

***Limited Working Capital and Reserves.*** The Managing Member will budget a limited sum for operating reserves and for start-up expenses and carrying costs associated with the acquisition, development, construction, leasing and operation of the Property, including the costs of management personnel, advertising and marketing and other operational expenses. In the event of delays in acquisition, leasing and operation of the investment property or in achieving targeted occupancy levels or unforeseen contingencies that might arise in connection with the operation of the Property, the Company may require additional funds. There can be no assurance that such additional funds can be obtained by the Company, and failure to obtain such funds could adversely affect the Company's operations.

***Limited Net Worth of the Managing Member.*** The Managing Member has limited net worth, and has no obligation to make capital contributions or loans to the Company. The net worth of the Company will consist of the capital contributions of investors who become Members of the Company. Although the Managing Member will generally not be liable for obligations of the Company during the time that the Company maintains its registration as a limited liability company, lenders and other suppliers or creditors dealing with the Company may be influenced by the limited net worth of the Company and Managing Member in extending credit to the Managing Member, which may have an adverse effect on the Company.

***Personnel.*** If the Managing Member fails to retain key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer. Our future depends, in part, on the Managing Member's ability to attract and retain key personnel. The loss of the services of executive officers or key personnel and the process to replace any of our key personnel would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives.

***Our operating expenses and administrative costs may be higher than expected.*** We expect to incur various operating expenses and administrative costs in connection with this Offering and the initiation, servicing, and enforcement of the Property (including, but not limited to, legal and accounting fees).

If expenses are higher than projected, then the amounts available for distribution to the Members will decrease.

***We may need additional capital in the future.*** We believe the proceeds from the Offering will provide the Managing Member with sufficient capital to acquire the Property, with bank financing. However, we may require additional future capital to sustain growth and profitability or to fund losses. Changes in our planned operations may result in a change in the timing and amount of required additional capital. There can be no assurance that additional capital will be available to us when needed or on terms acceptable to us.

***Our operations and profitability may be affected by the local economy.*** Because we will focus our business efforts in the State of Minnesota, our success will depend to an extent upon the strength of the general economy in that area. While we believe that flat or declining market conditions will create positive opportunities for the Company, we may be vulnerable to downturns in the economy. Adverse economic conditions could have a negative effect upon the quality of our investment portfolio, our earnings, and our ability to pay distributions to you.

***Indefinite term of Company.*** The Company has a perpetual duration. Although it is currently anticipated that the investment of the Company will be divested within 5-7 years, if not sooner, there can be no assurances that our operations and activities will proceed as planned. It may be impossible for you to liquidate your investment. The Series A Preferred Units offered in this placement are highly speculative, must be purchased as a long-term investment, and should only be purchased by persons who can readily afford to lose their entire investment.

***Third-Party Litigation.*** The Company's investment activities subject it to the typical risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Company and would reduce its net assets. The Managing Member of the Company and others are indemnified by the Company in connection with such litigation, subject to certain conditions.

***Casualty Losses.*** Although the Managing Member expects to obtain and keep in force comprehensive liability and casualty insurances on the Property, there are certain types of losses that are either uninsurable or not economically insurable. Such losses, include, but may not be limited to earthquakes, tornadoes, high winds, war and floods. Should any of these or other disasters occur, the Company could suffer material adverse effects. In addition, in the event of significant damage to or destruction of the Property, the Managing Member may elect to accept insurance proceeds and not elect to rebuild the Project subjected to loss. If insurance proceeds are not used to replace the Property, the Managing Member may end up with a lot not easily saleable. As a result, the Company could suffer reduced revenues and may need to re-adjust its accounting. In addition, new developments in the insurance markets could make coverage for certain risks either unavailable or prohibitively expensive. As a result, the Company may be unable to obtain certain types of coverage, or coverage at acceptable levels of cost, and may be exposed to various risks, which, in the past, have been insurable in the ordinary course of business.

#### **D. Risks Related to the Company's Operations**

***Risk related to illiquid assets.*** Liquidity relates to the ability of the owner to dispose of assets readily and the price to be paid for them. The Company's assets are inherently illiquid. Such illiquidity could prevent the sale of the Property at a time when it otherwise might be desirable to do so. This lack of liquidity may have an adverse impact on the value of the Company. In addition, illiquid assets may be more difficult to value due to the unavailability of reliable market quotations. The sale of less marketable

assets may require more time and result in lower prices due to higher brokerage charges and other selling expenses than the sale of more marketable assets. Although the Managing Member presently anticipates that the Property will be liquidated after 5 to 7 years, the Managing Member may not be able to sell the Property by the end of the 7-year term.

**Cash Flow Risk.** Any projected cash flows included in this Memorandum should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur. Investors are advised to consult with their own tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. The Company and the Managing Member make no representation or warranty as to the future profitability of an investment in the Company. A decrease in rental revenues of the Property may materially and adversely affect the Company's cash flow. No assurance can be given that future cash flow will be sufficient to cover all operating expenses. If the Company's revenues are insufficient to pay operating costs, the Company may be required to use reserves or seek additional funds. There can be no assurance that additional funds will be available, if needed, or, if such funds are available, that they will be available on terms deemed acceptable to the Managing Member.

**Assessment of Investment Yields.** No assurances can be given that the Company can make an accurate assessment of the yield to be produced by the Property. Projected operating results will normally be based primarily on the judgment of the Managing Member. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. Many factors beyond the control of the Company are likely to influence the yield on the Property, including, but not limited to, competitive conditions in the local real estate market and local and general economic conditions.

## **E. Risks Related to Conflicts of Interests**

**Participation of Managing Member in the Organization of the Company.** The Managing Member participated in the structuring and organization of the Company. Thus, the selection of the Managing Member and other service providers and the setting of the Managing Member's and other service providers' economic interests were not the result of arms-length negotiation. Therefore, such terms may not be as favorable as the terms an investor might be able to procure in a similar investment offered by a person independent of the Managing Member or its affiliates.

**The Managing Member interests may conflict with yours.** Upon the completion of this Offering, the Managing Member will control day-to-day activities of the Company and certain decisions such as the sale of the Property. The Managing Member thereby will determine all matters of general policy of the Company. We cannot assure you that the interests of the Managing Member will always align precisely with your interests.

**Creation of future funds.** The Managing Member will be investing in other real estate and that may impact the duties of the Managing Member with respect to this Offering. The Managing Member cannot assure that it will adequately manage multiple properties with different investment strategies. Negative performance of a future property may indirectly impact the performance of this Property by drawing the Managing Member's attention towards the poorly performing property.

**Lack of Separate Legal Representation.** The Company, the Managing Member, and the Asset Manager are represented by the law firm of Messerli Kramer, P.A., Minneapolis, Minnesota. Potential investors



should seek separate legal counsel to review documents related to this offering and advocate for their individual legal needs.

#### **F. Risks Related to the Series A Preferred Units**

***The Series A Preferred Units are “Restricted Securities.”*** The Series A Preferred Units we are offering in this placement have not been registered under the Securities Act of 1933 (the “1933 Act”) or under the securities laws of the states in which they will be offered. You will not be able to resell the Series A Preferred Units unless they are subsequently registered or an exemption from registration is available. We have no obligation to register the Series A Preferred Units under the 1933 Act or any state securities law. We will refuse to transfer your Series A Preferred Units to a potential buyer if such a transfer would violate federal or state securities laws.

***No guarantee of any return of your investment.*** While the Company intends to make distributions to its members from rents collected from the Property, there is no assurance that we will be able to pay distributions at this or any level. Thus, it is possible you may not receive any distribution on your Series A Preferred Units. In addition, there is no guarantee that, in the event of liquidation, you will receive sufficient funds to provide you with a return on your investment. Furthermore, there is no guarantee that you will be repaid any or all of your investment. There can be no assurance as to whether or when you will get your invested capital returned. The potential will exist for a partial or total loss of your investment.

***Other limitations on voluntary and involuntary transfers; including one year requirement.*** In addition to restrictions of the transfer of the Series A Preferred Units that are imposed by law, the Series A Preferred Units are subject to numerous contractual limitations that will substantially limit your ability to transfer your Series A Preferred Units. Each purchaser of Series A Preferred Units offered hereby will, by signing the Subscription Agreement, agree to become a party to the Company’s Operating Agreement. *Please see the LLC Agreement for further information.*

***Limited redemption rights.*** The Company offers no guaranteed rights of redemption. You should be cognizant that you will not be able to demand redemption of your units under any circumstances. Your investment will be “locked up” for at least one year and should therefore be viewed as a long-term and illiquid investment. *Please see the LLC Agreement for further information.*

***No voting rights.*** The Series A Preferred Units we are offering in this placement provide no governance rights and voting rights. You will not have any right to participate in the management of the Company. The Managing Member will own all of the Company’s Class B Units, and thereby will control day to day activities of the Company and all decisions. You should not invest in the Series A Preferred Units unless you are willing to entrust all decisions to the Managing Member.

***Tax on income in excess of cash distributed.*** You will be taxed on your allocated share of the Company’s profits, whether or not the Company distributes cash to you. To the extent your personal tax liability exceeds the cash distributed to you in a particular year, you will be required to pay your tax obligation with personal funds.

***The placement price was arbitrarily determined.*** The price of the Series A Preferred Units in this placement was arbitrarily determined by the Company and should not be considered as an objective indication of the actual value of the Company or the securities being offered and it bears no relationship to the Company’s assets, earnings, book value or any other objective value. You must rely on your own business and investment background and your own investigation of the business and affairs of the Company in determining whether to invest in the Series A Preferred Units. We make no representation as

to the value of the Series A Preferred Units, and there can be no assurance that you will be able to sell your Series s A Units at any price.

***The value of your investment will be immediately diluted.*** If you purchase Series A Preferred Units in this placement, your investment per Series A Unit will be immediately diluted upon completion of this offering. This dilution is a result of application of certain organizational costs and other expenses incurred prior to completion of this placement.

***No registration rights.*** We do not intend to register the Series A Preferred Units or any of our securities with the Securities and Exchange Commission and you will have no right to require us to do so.

#### **G. Risks Related to Method and Terms of This Offering**

***The Managing Member will have discretion over the amount and the uses to which we may apply the placement proceeds, which could negatively affect our financial condition.*** We intend to use the proceeds of this placement to fund the formation and initial capitalization of the Company, pay organizational expenses and to assist the Managing Member in purchasing the Property. There is no guarantee that our business decisions regarding the use of the proceeds from this placement will prove to be effective or profitable, and the choices that we make may materially and adversely affect the business of the Company and the value of your investment.

#### **H. Risk Related to Federal and State Taxation**

***Federal Tax Laws Subject to Change.*** It is possible that the current federal income tax treatment accorded the Company and its members will be modified by legislative, administrative or judicial action in the future. The nature of additional changes in federal income tax law, if any, cannot be determined prior to the enactment of any new tax legislation, the announcement of any new administrative guidance or a final adjudication in court, as applicable. However, any such changes in current federal income tax law could significantly alter the tax consequences and decrease the after-tax rate of return of an investment in the Company. Potential investors therefore should seek, and must rely on, the advice of their own tax advisors with respect to the possible impact on their investments of recent legislation, as well as any future proposed tax legislation or administrative or judicial action.

***State, Local and Foreign Taxes.*** The Company, as well as the members, may be subject to various state, local and foreign taxes, all of which also are subject to change. Prospective investors are urged to consult their own tax advisors regarding the state, local and foreign tax consequences of investing in the Company.

**EXHIBIT D**  
**Articles of Organization**  
**Operating Agreement**  
(See attached)

## Office of the Minnesota Secretary of State Certificate of Organization

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name: 201 Crowdfund, LLC

File Number: 1034241800023

Minnesota Statutes, Chapter: 322C

This certificate has been issued on: 10/02/2018



A handwritten signature in black ink that reads "Steve Simon".

Steve Simon  
Secretary of State  
State of Minnesota

**Office of the Minnesota Secretary of State**  
**Minnesota Limited Liability Company/Articles of Organization**  
*Minnesota Statutes, Chapter 322C*



**The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Organization:**

**ARTICLE 1 - LIMITED LIABILITY COMPANY NAME:**

**201 Crowdfund, LLC**

**ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:**

Name

Address:

**13570 Grove Drive # 371 Maple Grove MN 55311 USA**

**ARTICLE 3 - DURATION: PERPETUAL**

**ARTICLE 4 - ORGANIZERS:**

Name:

Address:

**Mike Sowers**

**13570 Grove Maple Grove MINNESOTA (MN)  
55311 USA**

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

***By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.***

**SIGNED BY: Mike Sowers**

**MAILING ADDRESS: None Provided**

**EMAIL FOR OFFICIAL NOTICES: [mike@commercialinvestorsgroup.com](mailto:mike@commercialinvestorsgroup.com)**

Office of the Minnesota Secretary of State  
Minnesota Limited Liability Company | Articles of Organization  
Minnesota Statutes, Chapter 322C



d

Read the instructions before completing this form.

**Filing Fee: \$155 for expedited service in-person and online filings, \$135 if by mail**

Note: A professional organization governed under Chapter 319B must include an attachment with the following information: (This information is only required if this is a professional organization.)

1. Statement that the Minnesota firm elects to operate and acknowledges that it is subject to Minnesota Statutes, Chapter 319B.01 to 319B.12.
2. List the professional service the organization is authorized to provide under Minnesota Statutes, Chapter 319B, subd 19.

**The undersigned organizer(s), in order to form a Limited Liability Company under Minnesota Statutes, Chapter 322C adopt the following:**

**Article I – Name of Limited Liability Company (Required)**

201 Crowdfund, LLC

(The company name must include the words Limited Liability Company or the abbreviation LLC)

**Article II – Registered Office Address and Agent (A Registered Office Address is Required)**

13570 Grove Dr. #371      Maple Grove      MN      55311  
Street Address (A PO Box by itself is not acceptable)      City      State      Zip Code

Registered Agent at the above address is: Mike Sowers

**Article III – Duration**

The period of duration for this limited liability company shall be perpetual.

**Article IV – Organizers (Required)**

I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Mike Sowers      13570 Grove Dr. #371      Maple Grove      MN      55311  
Organizer's Name      Street Address      City      State      Zip Code

/s/ Mike Sowers  
Signature

October 1st, 2018  
Date

Jillian Wallin 100 South 5th Street, Minneapolis MN 55402  
Organizer's Name Street Address City State Organizer's Name

/s/ Jillian Wallin  
Signature

October 1st, 2018  
Date

**Email Address for Official Notices**

Enter an email address to which the Secretary of State can forward official notices required by law and other notices, including this submission:

mike@commercialinvestorsgroup.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

**List a name and daytime phone number of a person who can be contacted about this form:**

Mike Sowers  
Contact Name

612-598-0780  
Phone Numbers

**Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.**

**Minnesota Business Snapshot**

To better serve Minnesotans, the Secretary of State's Office has created the "Minnesota Business Snapshot," a short and simple survey produced with the input of business owners, business organizations, non-profits, and researchers from across the state. These five questions will take less than three minutes to complete, and you may answer any or all of them. There is no penalty if you choose not to provide this information. However, the answers you do provide will create a useful pool of information for potential customers and inform the analysis of our quarterly "Minnesota Economic and Business Condition Reports". We do not independently verify the answers applicants provide. **Again, this survey is voluntary and the answers are considered public data.** Thank you.

1. (Select up to one) – How many Minnesota – based full time employees (or FTE equivalents) does this entity currently have?
  - 0–5
  - 6–50
  - 51–200
  - 201–500
  - Over 500
2. (Select all that apply) – Does the owner or a member of the ownership group of this entity self-identify as a member of any of the following communities?
  - Woman
  - Member of a community of color
  - Veteran
  - Member of a disability community
  - Member of an immigrant community
3. (Select up to one) – Using NAICS codes below, please select the code that best describes this entity. If you believe this entity falls into more than one category, please select the category that generates the majority of the entity's revenue.



- Agriculture, Forestry, Fishing and Hunting (Code 11)
- Mining (Code 21)
- Utilities (Code 22)
- Construction (Code 23)
- Manufacturing (Codes 31-33)
- Wholesale Trade (Code 42)
- Retail Trade (Codes 44-45)
- Transportation and Warehousing (Codes 48-49)
- Information (Code 51)
- Finance and Insurance (Code 52)
- Real Estate Rental and Leasing (Code 53)
- Professional, Scientific, and Technical Services (Code 54)
- Management of Companies and Enterprises (Code 55)
- Administrative and Support and Waste Management and Remediation Services (Code 56)
- Educational Services (Code 61)
- Health Care and Social Assistance (Code 62)
- Arts, Entertainment, and Recreation (Code 71)
- Accommodation and Food Services (Code 72)
- Other Services (except Public Administration) (Code 81)
- Public Administration (Code 92)

4. (Select up to one) Is this entity a full time or part time endeavor for those primarily responsible for operating this entity?

- Full time
- Part time

5. (Select up to one) – If applicable, what were this entity’s gross revenues for the past year?

- \$0 – \$10,000
- \$10,001 – \$50,000
- \$50,001 – \$250,000
- \$250,001 – \$1M
- Over \$1M

## INSTRUCTIONS

**File your business document online by visiting our website at .** This form is intended merely as a guide for filing and is not intended to cover all situations. Retain the original signed copy of this document for your records and submit a legible photocopy for filing with the Office of the Secretary of State.

**Only Professional Organizations governed under Chapter 319B** must include a statement that the MN firm elects to operate and acknowledges that it is subject to Minnesota Statutes, Chapter 319B.01 to 319B.12, and list the professional service under Minnesota Statutes, Chapter 319B.02, subdivision 19, the organization is authorized to provide.

### **Article I – Name of Limited Liability Company (Required)**

List the exact company name. The company name **MUST** include the words Limited Liability Company or abbreviation LLC, and may not include the words corporation” or “incorporated” or their abbreviations. A preliminary name availability check may be done by accessing our website at .

### **Article II – Registered Office Address and Agent (A Registered Office Address is Required)**

A registered office address in Minnesota is required. List the complete street address or rural route and rural route box number for the registered office address. A post office box by itself is not acceptable. If you have a registered agent, list the full name of the agent located at the registered office address. An Agent is not required.

### **Article III – Duration**

The limited liability company governed under 322C has a perpetual duration.

### **Article IV – Organizers (Required)**

Only one “Person” is required. A “Person” means as an individual 18 years of age or older, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or government subdivision, agency, or any other legal or commercial entity. List the name and company address for each organizer. A signature is required for each organizer or by an Authorized Agent (The signing party must indicate on the document that they are acting as the agent of the person(s) whose signature would be required and that they have been authorized to sign on behalf of that person(s). List the organizers on an additional sheet if there are more than two organizers.

**Email Address for Official Notices.** This email address may be used to send annual renewal reminders and other important notices that may require action or response. Check the box if you wish to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

**List a name and daytime telephone number of a person who can be contacted about this form.**

**Minnesota Business Snapshot.** This information is a snapshot of data at the point of time this filing was made. This information is voluntary and may be shared with other agencies or the public for data analysis.

**Filing Fee: \$155 for expedited service in-person and online filings, \$135 if submitted by mail Payable to the MN Secretary of State**

Please submit all items together and mail to the address below:

**FILE IN-PERSON OR MAIL TO:**

Minnesota Secretary of State – Business Services  
Retirement Systems of Minnesota Building  
60 Empire Drive, Suite 100  
St Paul, MN 55103

(Staffed 8 a.m. – 4 p.m., Monday – Friday, excluding holidays)

Phone Lines: (9 a.m. – 4 p.m., M-F) Metro Area 651-296-2803; Greater MN 1-877-551-6767

All of the information on this form is public. Minnesota law requires certain information to be provided for this type of filing. If that information is not included, your document may be returned unfiled. This document can be made available in alternative formats, such as large print, Braille or audio tape, by calling (651)296-2803/voice. For a TTY/TTD (deaf and hard of hearing) communication, contact the Minnesota Relay Service at 1-800-627-3529 and ask them to place a call to (651)296-2803. The Secretary of State's Office does not discriminate on the basis of race, creed, color, sex, sexual orientation, national origin, age, marital status, disability, religion, reliance on public assistance or political opinions or affiliations in employment or the provision of service.



**Work Item 1034241800023**  
**Original File Number 1034241800023**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**10/02/2018 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State

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**OPERATING AGREEMENT**  
**201 Crowdfund, LLC**  
**October 2nd, 2018**

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THE MEMBERSHIP INTEREST UNITS REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE UNITS HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, ASSIGNED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS THE HOLDER SHALL HAVE OBTAINED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THE UNITS ARE SUBJECT TO FURTHER RESTRICTION AS TO THEIR SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR ASSIGNMENT AS SET FORTH IN THIS AGREEMENT.

# OPERATING AGREEMENT

## 201 Crowdfund, LLC

This Operating Agreement (this “*Agreement*”) is dated October 2nd, 2018, and is between 201 Crowdfund, LLC, a Minnesota Limited Liability Company (the “*Company*”), and the Persons who are identified on attached Exhibit A (as such Exhibit may be amended or supplemented from time to time as provided herein) as the members of the Company (collectively, the “*Members*”).

### Background:

- A. The Members constitute all of the current members of the Company.
- B. The MN Revised Uniform Limited Liability Company Act authorizes the adoption of a written agreement among members concerning the business and affairs of a limited liability company.
- C. The Members and the Company desire to enter into such an agreement.

NOW, THEREFORE, the Members and the Company hereby agree as follows:

## ARTICLE 1

### DEFINED TERMS

For purposes of this Agreement and all Exhibits and Schedules attached hereto, the capitalized terms shall have the meanings set forth on attached Exhibit B.

## ARTICLE 2

### FORMATION AND ORGANIZATION

#### 2.1. Name

The Company shall have the name set forth above in the Preamble or such other name or names as the Managing Member may from time to time designate. The Company’s activities shall be conducted under the name of the Company.

## **2.2. Purpose and Powers**

The purpose of the Company is to purchase, own and lease the Property and to engage in any lawful business permitted by the MN Revised Uniform Limited Liability Company Act.

## **2.3. No State Law Partnership**

No provisions of this Agreement shall be deemed or construed to constitute the Company being a partnership (including, without limitation, a limited partnership or a joint venture) for any purpose other than for federal, state, and local income tax purposes.

# **ARTICLE 3**

## **MANAGEMENT**

### **3.1. General Management**

Except as otherwise provided in Section 3.2, the business and affairs of the Company shall be managed under the direction of the Managing Member in accordance with Section 322C.0407, Subdivision 3 of the Act. The Managing Member, to the extent of its powers set forth in this Agreement and the Act, is an agent of the Company for the purpose of the Company's business, and the actions of the Managing Member taken in accordance with this Agreement shall bind the Company. Except for the obligations contained in this Agreement or as otherwise imposed by law, the Managing Member shall not owe any fiduciary duties to the Company or the other Members.

### **3.2. Managing Member**

**3.2.1. Authority** Subject to any provisions of this Agreement requiring the prior consent or approval of the Members for certain actions, the Company, the Managing Member, and/or the officers, if any, of the Company, on behalf of the Company, shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental, or convenient, for the furtherance of the purposes of the Company, including, but not limited to, the power and authority to:

- (a) perform all actions associated with the day-to-day operations of the Company, including the acquisition of the Property (as defined herein);
- (b) enter into, and perform under contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions thereunder;
- (c) open and maintain bank and interest-bearing accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;
- (d) maintain the assets of the Company and collect sums due the Company;
- (e) to the extent that funds of the Company are available therefor, pay debts and obligations of the Company;



- (f) conduct the Company's business in accordance with the terms of this Agreement and (i) all applicable laws, statutes, ordinances, decrees, codes, rules, regulations, resolutions and other act of any governmental authority, including federal and state labor and tax laws, with respect to the Company's business, and (ii) any other agreement relating to the Company's business;
- (g) obtain all licenses or permits required by it or the Company in connection with the conduct of the Company's business;
- (h) authorized, in its discretion, to cause the Company to acquire policies of liability insurance insuring the Company against liabilities in connection with the business of the Company; and
- (i) take such other actions and carry out such other activities as may be necessary, advisable, or incidental to the carrying out the business of the Company.

### 3.3. Officers

**3.3.1. Responsibilities** The day-to-day operations of the Company shall be the responsibility of those officers appointed by the Managing Member. The Managing Member may appoint managers as officers.

### 3.3.2. Officer Compensation

- (a) **Initial Compensation.** The Officers of the Company, shall receive no initial base compensation ("*Officer Compensation*").

## ARTICLE 4

### MEMBERSHIP INTERESTS; UNITS; ADMINISTRATIVE MATTERS<sup>2</sup>

#### 4.1. General

A Member's membership interest ("*Membership Interest*") in the Company constitutes a Member's financial and governance rights in the Company, as such terms are defined by the MN Revised Uniform Limited Liability Company Act, in each case subject to the provisions of this Agreement and the MN Revised Uniform Limited Liability Company Act. Membership Interests shall be represented by "*Units*." The Membership Interests of the Company are divided into three (3) series: (i) Series A Preferred Units, (ii) Series B Founder Units, and (iii) Series C Performance Units. The Company has issued to each Member the number and series of Units set forth opposite the Member's name on attached Exhibit A.

#### 4.2. Terms of Units

The Units shall have the rights and preferences set forth below.

##### 4.2.1. Series A Preferred Units

- (a) **Governance Rights.** The holder of each Series A Preferred Unit shall have no voting or governance rights whatsoever, except as required by the MN Revised Uniform Limited Liability Company Act.

- (b) **Financial Rights; Cumulative Preferred Return.** The holder of each Series A Preferred Unit shall be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof. In addition, each Series A Member will be entitled to receive, out of funds legally available therefor, a cumulative Preferred Return, on the amount, from time to time, of the Member's Unreturned Capital Contributions. The preferred return shall terminate and expire once the Series A Members have received their Unreturned Capital Contributions and Unpaid Preferred Returns.

#### 4.2.2. Series B Founder Units

- (a) **Governance Rights.** Except for the voting rights with respect to the election of Series B Managers pursuant to Section 3.2.1, the holder of each Series B Founder Unit shall have no voting or governance rights whatsoever, except as required by the MN Revised Uniform Limited Liability Company Act.
- (b) **Financial Rights.** The holder of each Series B Founder Unit shall not be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof.

#### 4.2.3. Series C Performance Units

- (a) **Governance Rights.** The Series C Performance Units shall have no voting or governance rights whatsoever, except as required by the MN Revised Uniform Limited Liability Company Act.
- (b) **Financial Rights.** The holder of each Series C Performance Unit shall be entitled to allocations and distributions as provided in Articles 6, 7 and 10 hereof.
- (c) **Profits Interest Only.** The Series C Members are not making Capital Contributions to the Company. The Series C Performance Units issued on or after the date of this Agreement are intended to be treated as "profits interests" under Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001 2 C.B. 191 and the provisions of this Agreement will be interpreted and applied consistently therewith. The issuance of Series C Performance Units to the Series C Members is intended to be treated as a non-taxable transaction for income tax purposes under Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001 2 C.B. 191.

#### 4.3. Limited Preemptive Rights

The following provisions shall only apply after the purchase of the Property:

**4.3.1. General** Prior to the issuance of any new Series A Preferred Units (the "***New Units***"), each Series A Member shall have the right to purchase its Preemptive Rights Percentage of the New Units being issued or sold, subject to the procedures outlined below.

**4.3.2. Procedure** The Company shall provide written notice (the "***New Unit Notice***") to each Series A Member before offering to sell any New Units, which notice shall set forth in reasonable detail the proposed terms and conditions of such issuance, and shall offer to each Series A Member the opportunity to purchase his, her, or its Preemptive Rights Percentage of the New Units on the terms specified in the notice. If any Series A Member wishes to exercise his, her, or its preemptive right, the Series A Member may do so by delivering written notice to the Company within thirty (30) days after receiving the New Unit Notice (such 30-day period is referred to as the "***Election Period***"). The Series A Member's notice shall state the dollar amount of New Units that the Series A Member would like to purchase, which may be equal to or less than its Preemptive Rights Percentage of the New Units. The Company will have the ability to reject any such

purchase by a Series A Member if (a) the Company abandons the proposed offering in its entirety, and (b) the Company does not initiate another Units offering within ninety (90) days of the date the first notice was given.

**4.3.3. Issuance of New Units to Existing Series A Members or Third Parties** The Company shall have the right to issue and sell all or any of the New Units not subscribed for pursuant to the procedures described in Section 4.3.2 to any Person approved by the Managing Member, so long as (a) such sale is consummated within ninety (90) days following the conclusion of the Election Period, and (b) the terms and conditions of such offering and sale are the same as those provided to the Series A Members under Section 4.3.2.

**4.3.4. Accelerated Offerings** The Series A Members acknowledge that under certain circumstances, the Company may require capital on an accelerated basis such that the full preemptive right process described above cannot be completed in a timely manner. In such case, notwithstanding anything to the contrary in this Section 4.3, the Company may work with some, rather than all, of the Series A Members to raise the required funds in the required timeframe, so long as the Company makes the same investment opportunity available to all other Series A Members who were not offered the opportunity in connection with the closing of the initial offering. The Company may elect to make such same investment opportunity available to such other Series A Members either by requiring the initial subscribers to sell down a portion of their investment, by issuing additional Units, or a combination of the foregoing. If the Company elects to fulfill its obligation under the preceding sentence by issuing additional Units to those Series A Members that were not given the opportunity to participate in the original offering, the Units issued by the Company will not trigger preemptive rights with respect to the issuance thereof so long as the issuance is in satisfaction of the obligations under this Section.

**4.3.5. Limitation on Preemptive Rights** Notwithstanding anything in this Section 4.3 to the contrary, the Company may issue additional equity interests in the Company (including additional Series B Founder Units and/or Series C Performance Units) without triggering preemptive rights with respect to the issuance thereof so long as such equity interests do not dilute the economic rights of the Series A Members.

#### **4.4. Schedule of Members**

The Secretary shall maintain a Schedule of Members, which shall include the names of the Members, their mailing addresses and e-mail addresses and the number and series of Units held by each of them, and their respective Series A Percentage Interests and Series B/C Percentage Interests. A copy of the Schedule of Members as of the date hereof is attached as Exhibit A. Upon any Transfer, issuance, or redemption of any Units made in accordance with this Agreement, the Secretary shall amend Exhibit A to reflect such Transfer, issuance, or redemption of Units and the adjusted Units and Series A Percentage Interests and Series B/C Percentage Interests of the Members.

#### **4.5. Administrative Matters**

**4.5.1. Availability of Books and Records** The Company shall keep or cause to be kept accurate accounts of the transactions of the Company in proper books and records of account which shall set forth all information required by the MN Revised Uniform Limited Liability Company Act. Each Member shall be entitled to inspect or copy the books and records of the Company at any time during normal business hours at the principal place of business of the Company.

**4.5.2. Tax Characterization and Tax Returns** The Members acknowledge that the Company will be treated as a “partnership” for federal and state income tax purposes. Within ninety (90) days after the end of each Fiscal Year, the Company will deliver to each person who was a Member at any time during such Fiscal Year a Schedule K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of such Member’s federal or state income tax (or information) returns, including a statement showing each Member’s share of income, gain or loss and credits for such Fiscal Year for federal or state income tax purposes.

**4.5.3. Tax Matters Member** 201 Opportunity Fund, LLC, a Minnesota Limited Liability Company, is hereby designated as the Tax Matters Member for the Company (the “*Tax Matters Member*”) in accordance with the definition of “tax matters partner” set forth in Section 6231 of the Code. The Tax Matters Member shall not be liable to the Company or any Member for any act or omission of the Tax Matters Member that was in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company. The Tax Matters Member shall be indemnified by the Company in respect of any claim based upon such act or omission, provided that such act or omission is not in violation of this Agreement and does not constitute gross negligence, fraud, or a willful violation of law. The Tax Matters Member shall inform all other Members of all material tax matters that may come to the attention of the Tax Matters Member by giving the Members notice thereof within thirty (30) days after becoming so informed. All expenses and costs of the Tax Matters Member shall be borne by the Company.

**4.5.4. Financial Statements** Within ninety (90) days after the end of each Fiscal Year, or such other times as determined by the Managing Member, the Managing Member shall cause to be delivered to all Members internally prepared financial statements (including a balance sheet and income statement) as of the end of such Fiscal Year or other period.

## ARTICLE 5

### CAPITAL

#### 5.1. Initial Capital Contributions; Issuance of Units

Each Member’s initial Capital Contribution is set forth on attached Exhibit A.

#### 5.2. Capital Accounts

A separate Capital Account shall be maintained for each Member in accordance with the Code and the Regulations, including, without limitation, Regulations Section 1.704-1(b)(2)(iv).

#### 5.3. Capital Account Revaluations

Following the acquisition of an additional Membership Interest by any new or existing Member either in exchange for more than a de minimis Capital Contribution or in connection with the grant of more than a de minimis Membership Interest as consideration for the provision of services to or for the benefit of the Company, the Capital Accounts of all the Members shall be restated in accordance with Regulations Section 1.704-1(b)(2)(iv)(f). In addition to the foregoing, the Capital Accounts of all the Members may also

be restated following any of the events described in paragraph (ii) of the definition of Gross Asset Value.

#### **5.4. No Obligation to Restore Capital Account Deficit**

After all the allocations and distributions pursuant to Articles 6 and 7 have been made upon liquidation of the Company or liquidation of the Member's Membership Interest, a Member with a deficit balance in such Member's Capital Account shall not be obligated to contribute property or cash to the Company in order to restore such deficit Capital Account balance.

#### **5.5. No Additional Required Capital Contributions**

The Members shall not be required to make any additional Capital Contributions.

#### **5.6. Loans**

Members may make loans to the Company from time to time, as authorized by the Managing Member. Any payment or transfer accepted by the Company from a Member which is not a Capital Contribution shall be deemed a loan and shall neither be treated as a Capital Contribution, nor entitle such Member to any additional Units. Any such loan shall be repaid at such times and with such interest (at rates not to exceed the maximum permitted by law) as the Managing Member and the lending Member shall reasonably agree.

#### **5.7. Limited Liability**

No Member shall be personally liable for any of the debts of the Company unless unanimously agreed upon by all Members or required by law.

#### **5.8. Creditors**

A creditor who makes a loan to the Company shall not have or acquire, at any time as a result of making the loan, any direct or indirect interest in the Profits, Losses, capital, or Property of the Company other than as a creditor.

## **ARTICLE 6**

### **ALLOCATIONS**

#### **6.1. Profits and Losses**

Except as otherwise provided in Section 6.2 and Section 6.5, any Profits or Losses of the Company for each Fiscal Year shall be allocated to the Members in accordance with the following:

##### **6.1.1. Profits:**

- (a) *First*, Profits shall be allocated to each Member, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Losses allocated to such Member pursuant to Section 6.1.2 for all prior Fiscal Years, over (y) the cumulative Profits allocated pursuant to this Section 6.1.1 for all prior Fiscal Years; and
- (b) *Second*, any remaining Profits shall be allocated as follows:
  - (1) Series A Adjusted Percentage Interest to the Series A Members as a class, and in turn to be allocated among them, pro rata, in proportion to their respective Series A Percentage Interests.
  - (2) Series B/C Adjusted Percentage Interest to the Series B Members and the Series C Members together as a class, and in turn to be allocated among them, pro rata, in proportion to their respective Series B/C Percentage Interests.

### **6.1.2. Losses:**

- (a) *First*, Losses shall be allocated to each Member, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Profits allocated to such Member pursuant to Section 6.1.1 for all prior Fiscal Years, over (y) the cumulative Losses allocated pursuant to this Section 6.1.2 for all prior Fiscal Years; and
- (b) *Second*, any remaining Losses shall be allocated as follows:
  - (1) Series A Adjusted Percentage Interest to the Series A Members as a class, and in turn to be allocated among them, pro rata, in proportion to their respective Series A Percentage Interests.
  - (2) Series B/C Adjusted Percentage Interest to the Series B Members and the Series C Members together as a class, and in turn to be allocated among them, pro rata, in proportion to their respective Series B/C Percentage Interests.

### **6.2. Regulatory Allocations**

Prior to making any allocations of Profits and Losses under Section 6.1 for a Fiscal Year, the Company shall make the regulatory allocations (if any) that are required for the Fiscal Year under either Regulations Section 1.704-1(b) or Regulations Section 1.704-2 (the “*Regulatory Allocations*”), and, by this reference, such Regulations Sections are incorporated fully into this Agreement as if set forth fully in this Agreement, and it shall be understood that this Agreement “provides” or “contains” the provision to which a provision of either such Regulation Section refers. Without limiting the generality of the preceding sentence, “nonrecourse deductions” (as defined in Regulations Section 1.704-2(b)(1)) shall be included in determining Profits or Losses for a Fiscal Year. Notwithstanding any other provisions of this Article 6, the Regulatory Allocations shall be taken into account in allocating Profits, Losses, and the items of Company income, gain, loss, and deduction to the Members so that, to the extent possible, the net amount of such allocations of Profits, Losses, and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

### **6.3. Allocations of Individual Items**

All items of Company income, gain, loss, deduction for federal and state income tax purposes, and any other allocations not otherwise provided for, shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the Fiscal Year. The Managing Member’s determination of allocations shall be binding upon all parties.

#### **6.4. Section 704(c) and Capital Account Revaluation Allocations**

To the fullest extent possible with respect to the allocation of depreciation and gain for federal income tax purposes, Section 704(c) of the Code and Regulations Section 1.704-3(b) shall apply with respect to any non-cash Capital Contribution by a Member. For purposes hereof, any allocation of any item of Company income, gain, or loss to a Member pursuant to Section 704(c) of the Code shall affect only the Member's tax basis in such Member's Membership Interest and shall not affect the Member's Capital Account. In addition to the foregoing, if Company Property is reflected in the Capital Accounts of the Members at a book value that differs from the adjusted tax basis of such Property (e.g., pursuant to paragraph (ii) of the definition of Gross Asset Value), then allocations of depreciation, amortization, income, gain, or loss with respect to such Property shall be made among the Members in a manner consistent with the principles of Section 704(c) of the Code (subject to Section 6.6.2) and Regulations Section 1.704-3(b).

#### **6.5. Limitation Upon Member's Loss Allocations**

Losses allocated pursuant to Section 6.1 shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 6.1, the limitation set forth in this Section shall be applied on a Member-by-Member basis (and may be applied more than once if required to allocate Losses fully for a Fiscal Year), and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members (to whom Losses may continue to be allocated) in accordance with their relative ownership of Units, so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations. For purposes of the preceding sentence, the Series C Performance Units of a Series B Member shall not be taken into account. If Losses have been specially allocated to one or more Members pursuant to this Section in a prior Fiscal Year, then Profits for current Fiscal Year shall be specially allocated to each such Member to the extent of the difference between the cumulative Losses allocated to such Member pursuant to this Section for all prior Fiscal Years and the cumulative amount of Profits allocated to such Member pursuant to this Section for all prior Fiscal Years and in proportion to such differences of all such Members.

#### **6.6. Power of the Managing Member Regarding Tax Matters**

**6.6.1.** It is the intent of the Members that each Member's allocable share of Profits and Losses shall be determined and allocated in accordance with the provisions of this Article 6 to the fullest extent permitted by Section 704(b) of the Code and the Regulations promulgated thereunder. The Managing Member may modify the definition of Capital Account contained in Exhibit B to the extent the Managing Member reasonably determines that such modification is necessary to comply with the Regulations, provided that such modification is not likely to have a material adverse effect on the amounts distributable to a Member under Section 10.3 following the dissolution and liquidation of the Company or the liquidation of the Member's Membership Interest.

**6.6.2.** The Managing Member shall have the power to (a) make or revoke such elections as may be allowed pursuant to the Code with respect to the Company, including the election referred to in Section 754 of the Code to adjust the basis of the Company's property; (b) determine the method (or methods) adopted by the Company for making any income tax allocations required by Section 704(c) of the Code or the Regulations thereunder, and (c) determine all other tax matters relating to the Company, including accounting procedures, not expressly provided for this Agreement.



## 6.7. Allocations Following Transfers of Units

If any Units are Transferred during any Fiscal Year of the Company, the Company income or loss attributable to such Units for such Fiscal Year shall be allocated between the transferor and the transferee in any manner permitted by law as they shall agree; provided, however, that if the Company does not receive, within thirty (30) days of the Transfer, written notice stating the manner in which the parties have agreed to allocate such Company income or loss, then the Company may allocate income or loss between the parties based on the percentage of the Fiscal Year each party was, according to the books and records of the Company, the owner of record of the Units transferred.

# ARTICLE 7

## DISTRIBUTIONS

### 7.1. Net Cash Flow

In the discretion of the Managing Member, Net Cash Flow shall be distributed annually (or at such other times as determined by the Managing Member) to the Members in accordance with the following:

**7.1.1.** *First*, until such time as all Unpaid Preferred Returns of all Series A Members have been reduced to zero, to the Members in accordance with the following:

- (a) 100% to the Series A Members as a class, and in turn to be distributed among them, pro rata, in proportion to their respective Series A Percentage Interests.

### 7.2. Tax Distributions

In addition the distributions described under Section 7.1, to the extent that cumulative, allocated Profits exceed cumulative, allocated Losses for the Fiscal Year with respect to which distributions are being made pursuant to this Section 7.2 and all prior Fiscal Years, the Company shall make distributions out of the Net Cash Flow to the Members on a pro rata basis in accordance with each Member's share of the Company's taxable income, at such times and in such amounts as are reasonably estimated by the Managing Member to be at least sufficient to enable each Member to make timely payments of federal, state, and local income and franchise taxes (including estimated taxes) attributable to such cumulative, allocated net Profits of the Company properly allocated to the Members ("*Tax Distributions*"). Notwithstanding the foregoing, the Company shall not be required to make Tax Distributions to the extent that (a) the Managing Member determines that doing so would not be commercially reasonable or would render the Company insolvent or (b) the Tax Distributions are prohibited by the Company's loan agreements with third party lenders.

### 7.3. Distribution Among Members

If any Units are Transferred during any Fiscal Year, all distributions on or before the date of such Transfer will be made to the transferor, and all distributions after such date will be made to the transferee.

#### 7.4. Limitation on Distributions

No distribution shall be made to Members if prohibited by the MN Revised Uniform Limited Liability Company Act.

## ARTICLE 8

### TRANSFERS OF UNITS

#### 8.1. General Restrictions on Transfers

A Member may only Transfer Units in compliance with this Article 8. Any Transfer or attempted Transfer of all or any portion of a Member's Units that is not in compliance with this Article 8 shall be null and void and of no force or effect, and the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that the Company and any of such indemnified Members may incur (including, without limitation, incremental tax liabilities, attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

#### 8.2. Permitted Transfers

**8.2.1. Generally** The following Transfers (in each case, a "*Permitted Transfer*") shall be permitted and shall not trigger any of the Purchase Options described in Section 8.3:

- (a) Transfers of Units by any Member to one or more of such Member's Permitted Transferees;
- (b) Transfers of Units by a Member to another Member; or
- (c) Transfers of Units by a Member to the Company.

**8.2.2. Restrictions on Future Transfers** Following any Permitted Transfer, the rights, restrictions, and obligations contained in this Article 8 shall continue to be applicable to the Units as such restrictions, rights, and obligations were applicable prior to such Permitted Transfer.

**8.2.3. Admission of Permitted Transferee** Notwithstanding anything to the contrary in this Section 8.2, a Permitted Transferee may only be admitted to the Company as a Substituted Member upon satisfaction of all of the conditions set forth in Section 9.1. A Permitted Transferee who is not admitted to the Company as a Substituted Member shall only have the rights of an Unadmitted Assignee as described in Section 9.2.

#### 8.3. Voluntary Transfers

No Member may make any voluntary Transfer of his, her, or its Units to a third party (other than a Permitted Transfer as set forth in Section 8.2) prior to the fifth (5th) anniversary of this Agreement (the "*Restricted Period*"). Following the Restricted Period, a Member must comply with the provisions of this Section 8.3

in order to make any voluntary Transfer of his, her, or its Units (other than a Permitted Transfer as set forth in Section 8.2).

### 8.3.1. First Look Period

- (a) **Right of First Offer in Favor of Series B Members.** Any Member who desires to exit the Company or sell a portion of his, her, or its Units (a “*Transferring Member*”) must first offer such Member’s Units to the Series B Members. Promptly following the Transferring Member’s notification to the Series B Members that the Transferring Member desires to make a voluntary Transfer, the parties shall negotiate the purchase price and payment terms for the Offered Units for up to thirty (30) days. Mike Sowers shall negotiate the purchase price on behalf of the Series B Members. The Series B Members shall have the option, but not the obligation, during such 30-day period, to purchase all, but not less than all of the Offered Units for the mutually agreed upon purchase price and payments terms. Each Series B Member may purchase up to the amount of Offered Units equal to the product of the number of Offered Units multiplied by such Series B Member’s Series B Percentage Interest. To exercise his, her, or its purchase option, a Series B Member shall deliver written notice to the Transferring Member and the Company. If any Series B Member does not purchase the full amount of the Offered Units that such Series B Member is entitled to purchase, then the other Series B Members may purchase the excess; provided, however, that in no event shall the process extend beyond 45 total days from the first offer. For purposes of clarification, if the Transferring Member is a Series B Member, then he, she, or it shall not have any purchase option rights under this Section and the Series B Percentage Interest(s) of the other Series B Members shall be calculated exclusive of the Percentage Interest of the Transferring Member. Upon expiration of the option period described above (or if the parties have not agreed upon the purchase price during the 30-day negotiation period), if enough Series B Members have not exercised their options to purchase all of the Offered Units, then any partial acceptance shall be void and of no effect, and the Transferring Member may then, for a period of ninety (90) days, offer the Offered Units to an independent, third-party purchaser, subject to the conditions of Section 8.3.2.

**8.3.2. Third Party Transfer** If, during the 90-day period following the conclusion of the procedures set forth in Section 8.3.1(a), the Transferring Member has accepted a bona fide offer to sell some or all of his, her, or its Units to an independent, third-party purchaser (the “*Purchaser*”), the Transferring Member shall provide written notice to the Series B Members as provided below. The written notice (the “*Third-Party Transfer Notice*”) shall (a) identify the Units proposed to be Transferred; (b) list the name and address of the Purchaser; (c) describe the price and payment terms, and any other terms of the proposed Transfer; and (d) include a representation, covenant and warranty that the Purchaser’s offer to purchase the Offered Units is genuine.

- (a) **First Purchase Option in Favor of the Series B Members.** The Series B Members shall have the option, but not the obligation, for a period of thirty (30) days after delivery of the Third-Party Transfer Notice, to purchase all or any portion of the Offered Units at the per Unit purchase price and on the terms stated in the Third-Party Transfer Notice. Each Series B Member may purchase up to the amount of Offered Units equal to the product of the number Offered Units multiplied by such Series B Member’s Series B Percentage Interest. If any Series B Member does not purchase the full amount of the Offered Units that such Series B Member is entitled to purchase, then the other Series B Members may purchase the excess; provided, however, that in no event shall the process extend beyond 45 total days from the first offer. To exercise his, her, or its purchase option, a Series B Member shall deliver written notice to the Transferring Member and the Company.
- (b) **Second Purchase Option in Favor of the Company.** Upon the expiration (or earlier waiver) of the option period provided to the Series B Members under paragraph (a) above, the Company shall

have the option, for a period of thirty (30) days thereafter, to purchase all, but not less than all, of the Offered Units not purchased by the Series B Members, for the per Unit purchase price and on the terms stated in the Third-Party Transfer Notice. The Company may exercise the purchase option by delivering written notice to the Transferring Member.

- (c) **Failure to Exercise Purchase Options.** Upon expiration of the option period provided above to the Company, if the Series B Members and/or the Company have not exercised their respective options to purchase all of the Offered Units, then any partial acceptance shall be void and of no effect, and the Transferring Member may Transfer all of the Offered Units to the Purchaser, provided that (i) such Transfer does not occur on terms more favorable to the Purchaser than the terms upon which the Offered Units were offered to the Series B Members and the Company, (ii) the Transfer is completed within thirty (30) days following the expiration (or earlier waiver) of the option period provided to the Company, and (iii) the Purchaser is admitted to the Company as a Substituted Member.

#### 8.4. Default Events

**8.4.1. Default Event Notice** Upon the occurrence of an Involuntary Transfer or Change in Control of a Member (each, a “*Default Event*”), the Member whose Units are subject to such Default Event (the “*Defaulting Member*”) shall send written notice to the Company describing in reasonable detail such Default Event, including, in the case of an Involuntary Transfer, the identity of the proposed transferee and the circumstances giving rise to the Default Event (the “*Default Event Notice*”). If the Defaulting Member does not give the Default Event Notice as required in the foregoing the sentence, the Company shall nevertheless be deemed to have received the Default Event Notice if it acquires actual notice of the occurrence of the Default Event. The Company shall then promptly notify the Series B Members of the Default Event, and the Series B Members and the Company shall have the option to purchase all or any portion of the Units of the Defaulting Member that are subject to the Default Event, as described below.

**8.4.2. Purchase Price** The purchase price for the Offered Units shall be equal to the Book Value of the Capital Account associated with the Offered Units, as determined by the accountants regularly servicing the books of the Company through application of generally accepted accounting principles, consistently applied, which determination shall be conclusive, final and binding on all parties, absent fraud or manifest error.

**8.4.3. Payment Terms** The payment terms for the Offered Units shall be as follows: (i) not less than twenty percent (20%) of the purchase price shall be paid in cash or certified funds at closing, and (ii) the balance of the purchase price will be represented by a five (5) year promissory note bearing an annual rate of interest equal to the Prime Rate, payable in equal annual installments sufficient to amortize all principal and interest thereunder over five (5) years.

**8.4.4. First Option in Favor of the Series B Members** For a period of thirty (30) days following the determination of the purchase price under Section 8.4.2, the Series B Members shall have the same purchase options described in Section 8.3.2(a); provided, however, that there is no requirement that the Series B Members and the Company must collectively purchase all of the Offered Units.

**8.4.5. Second Option in Favor of the Company** For a period of thirty (30) days following the expiration (or earlier waiver) of the option period provided to the Series B Members, the Company shall have the same purchase option described in Section 8.3.2(b); provided, however, that there is no requirement that the Series B Members and the Company must purchase all of the Offered Units.

**8.4.6. Failure to Exercise Options** Upon the expiration (or earlier waiver) of the option period provided to the Company, if the Series B Members and/or the Company have not exercised their option(s) to collectively purchase all of the Offered Units, then, in the case of an Involuntary Transfer, a Transfer of the Offered Units not purchased by the Series B Members or the Company may occur (or, in the case of a Change in Control, the Member shall retain any Offered Units not purchased by the Series B Members or the Company); provided, however, that in the case of an Involuntary Transfer, the Involuntary Transferee shall automatically become an Unadmitted Assignee of the Offered Units (as described in Section 9.2).

## **8.5. Death of a Member**

Upon the death of a Member, such Member's Successor(s) shall succeed to the financial rights of the Deceased Member. The Successor(s) of all or any portion of the Deceased Member's Units will be admitted to the Company as Substituted Member(s) only if the conditions set forth in Section 9.1 have been satisfied. Successor(s) who are not admitted to the Company as Substituted Member(s) shall only have the rights of Unadmitted Assignees as described in Section 9.2.

## **8.6. Closing Procedures**

The closing of a purchase or sale of Units pursuant to this Agreement shall take place within thirty (30) days following the expiration of the applicable option period. The closing shall take place at any location as is mutually agreed upon by the parties. At the closing, the selling party shall deliver to the purchasing party, in exchange for payment of the purchase price, a full and complete assignment of the Units to be purchased and sold, together with any other documents as may be reasonably required to transfer full and complete title to the Units to the purchasing party, in form reasonably satisfactory to the purchasing party. The selling party shall warrant that the selling party has good title to, the right to possession of and the right to sell the Units and that the Units are transferred to the purchasing party free and clear of all pledges, liens, encumbrances, charges, proxies, restrictions, options, transfers and other adverse claims, except those as have been imposed by this Agreement. Each selling party shall further warrant that the selling party will indemnify and hold harmless the purchasing party for all costs, expenses and fees incurred in defending the title to and/or the right to possession of such Units.

## **8.7. Additional Transfer Restrictions on Series C Performance Units**

The Company plans to adopt an "Equity Incentive Plan" that governs the Series C Performance Units. In addition, all Series C Performance Units will be issued pursuant to individual award agreements, which will contain additional restrictions on transferability of the Series C Performance Units. To the extent that the "Equity Incentive Plan" or any of the individual award agreements conflict with this Agreement, then the "Equity Incentive Plan" and individual award agreements will control.

## **8.8. Expulsion of a Member**

Notwithstanding any other provision in this Section to the contrary, a Member will be immediately expelled from the Company, and will forfeit his, her, or its Units back to the Company for no consideration whatsoever following the occurrence of any Expulsion Event.

## ARTICLE 9

### ADMISSION OF SUBSTITUTED MEMBERS

#### 9.1. Admission of Substituted Members

A transferee of Units (including a Permitted Transferee) may only be admitted to the Company as a substituted Member (a “*Substituted Member*”) upon satisfaction of all of the conditions set forth below:

**9.1.1.** The Units with respect to which the transferee is being admitted were acquired by means of a Transfer permitted by Article 8.

**9.1.2.** The transferee shall, by written instrument in form and substance reasonably satisfactory to the Managing Member:

- (a) accept and adopt the terms of this Agreement, and
- (b) assume the obligations of the transferor Member under this Agreement with respect to the transferred Units, except for (i) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, and (ii) those obligations or liabilities of the transferor Member based on events occurring, arising, or maturing prior to the date of Transfer.

**9.1.3.** If requested by the Managing Member, a transferee shall provide the Company with an opinion of counsel, satisfactory in form and substance to the Managing Member, that:

- (a) the Transfer will not impair the Company’s ability to be taxed as a partnership; and/or
- (b) the Transfer is exempt from registration under applicable securities laws.

**9.1.4.** The transferee shall pay or reimburse the Company for all reasonable legal, filing, administrative and other costs that the Company incurs in connection with registering the Transfer on the books of the Company and the admission of the transferee as a Substituted Member.

#### 9.2. Unadmitted Assignees

A Person who acquires Units (including a Permitted Transferee), but is not admitted to the Company as a Substituted Member (an “*Unadmitted Assignee*”), shall only be entitled to allocations and distributions with respect to such Units in accordance with this Agreement, and shall not have any rights of a Member under the MN Revised Uniform Limited Liability Company Act or this Agreement. In addition, the Units held by an Unadmitted Assignee shall continue to be subject to the restrictions on Transfer provided for in Article 8.

## ARTICLE 10

### DISSOLUTION AND LIQUIDATION

#### 10.1. Events Triggering Dissolution

The Company shall commence dissolution proceedings upon the earliest to occur of the following events:

**10.1.1.** The Managing Member unanimously agrees that the Company shall be dissolved or votes, at a duly called and held meeting of the Members, in favor of the dissolution of the Company;

**10.1.2.** The Company sells all or substantially all of its assets, except that the Company shall continue in existence following a deferred payment sale of such assets until the last day of the Fiscal Year in which it shall have received the full amount of principal and interest which it is entitled to receive with respect to such deferred payment sale; or

**10.1.3.** Any event occurs which, under the laws of the State of Minnesota and in spite of the terms of this Agreement, shall cause the dissolution of the Company.

#### 10.2. Winding Up Procedures

The officers of the Company will wind up the Company's affairs in accordance with the MN Revised Uniform Limited Liability Company Act, and will be authorized to take any and all actions contemplated by the MN Revised Uniform Limited Liability Company Act as permissible.

#### 10.3. Liquidating Distribution

Following the completion of the winding up procedures described in Section 10.2, the Company shall make a final liquidating distribution to all Members with positive Capital Account balances (after such balances have been adjusted to reflect the allocation of Company Profits or Losses arising from such event), in proportion to and to the extent of such positive balances.

## ARTICLE 11

### MISCELLANEOUS

#### 11.1. Equitable Remedies

Each Member acknowledges that because breach by the Member of any of such Member's obligations under this Agreement could cause irreparable harm for which damages would be an inadequate remedy, if any such breach occurs or is threatened, the Company and/or the other Members will be entitled to an injunction, a restraining order, or any other equitable remedy, in each case without posting a bond or other security and without proof of actual damages.

## **11.2. Recovery of Expenses**

In any adversarial proceedings between the Company and a Member arising out of this Agreement where the Company is the prevailing party, the Company will be entitled to recover from the Member, in addition to any other relief awarded, all expenses that the Company incurs in those proceedings, including legal fees and expenses.

## **11.3. Entire Agreement**

This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all other agreements, whether written or oral, between the parties.

## **11.4. Severability**

If any provision of this Agreement is held to be unenforceable, then that provision is to be construed by modifying it to the minimum extent necessary to make it enforceable, unless such modification is not permitted by law, in which case that provision is to be disregarded. If an unenforceable provision is modified or disregarded in accordance with this Section, the rest of this Agreement is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

## **11.5. Amendments**

Except as set forth in Section 2.4, no amendment to or termination of this Agreement will be effective unless it is in writing and signed by (a) Members holding at least two-thirds percent (2/3) of the Series A Preferred Units and (b) Members holding at least two-thirds percent (2/3) of the Series B/C Units.

## **11.6. Successors and Assigns**

Except as otherwise specifically provided herein, this Agreement shall be binding upon and inure to the benefit of the Members and their legal representatives, successors, heirs, and assigns.

## **11.7. Governing Law**

The laws of the state of Minnesota, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this Agreement.

## **11.8. Venue**

If either party brings against the other party any proceeding arising out of this Agreement or arising out of disclosure or use of Confidential Information, that party may bring that proceeding only in the United States District Court for the District of Minnesota or in any state court of Minnesota sitting in Ramsey County, Minnesota, and each party hereby submits to the exclusive jurisdiction of those courts for purposes of any such proceeding. Each party hereby waives any claim that any proceeding brought in accordance with this Section has been brought in an inconvenient forum or that the venue of that proceeding is improper.



### **11.9. Waiver of Jury Trial**

**EACH PARTY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY PROCEEDINGS ARISING OUT OF THIS AGREEMENT.**

### **11.10. Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be considered an original and together shall constitute a single agreement. Delivery of an executed counterpart of this Agreement by facsimile or email with scan attachment shall be as effective as delivery of a manually executed counterpart of this Agreement.

### **11.11. Notices**

Any notice or other communication required or permitted hereunder shall be in writing and may be delivered by hand, overnight courier service, or United States mail. Notices delivered by hand or overnight courier shall be deemed to have been duly given on the date of delivery. Notices delivered by United States mail shall be deemed to have been duly given four (4) days after the date of mailing, if mailed postage paid by certified first class mail, return receipt requested. All notices to be given under this Agreement shall be addressed to the parties at the following addresses and/or to such other addresses as any party may specify in a notice given in accordance with this section (in such event, the Company shall amend this Agreement (including attached Exhibit A) to reflect the then current addresses of the Members):

**11.11.1.** If to the Company or to the Managing Member, to the attention of the Chief Executive Officer at the address specified on attached Exhibit A.

**11.11.2.** If to any Member, to the attention of such Member at the address specified on attached Exhibit A.

### **11.12. Interpretation**

In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

*[Signatures appear on the following page(s).]*

The parties are signing this Operating Agreement on the date stated in the Preamble.

**COMPANY:**  
201 Crowdfund, LLC

**SERIES B MEMBERS:**  
201 Opportunity Fund, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

*[Signatures of Series A Members and Series C Members appear on the following pages.]*

MESSERLI & KRAMER, P.A. HAS DRAFTED THIS AGREEMENT AT THE REQUEST OF THE COMPANY. BY SIGNING THIS AGREEMENT, THE MEMBERS ACKNOWLEDGE THAT MESSERLI & KRAMER, P.A. IS NOT REPRESENTING THEM INDIVIDUALLY WITH RESPECT TO THIS AGREEMENT AND THAT THEIR INTERESTS UNDER THIS AGREEMENT MAY NOW OR HEREAFTER BE ADVERSE TO OR IN CONFLICT WITH THE INTERESTS OF THE COMPANY AND/OR WITH EACH OTHER. THE MEMBERS FURTHER ACKNOWLEDGE THAT MESSERLI & KRAMER, P.A. HAS ENCOURAGED THEM TO SEEK SEPARATE COUNSEL BECAUSE OF POTENTIAL CONFLICTS OF INTEREST WHICH EXIST, OR WHICH MAY ARISE IN THE FUTURE, AND THAT THE MEMBERS HAVE IN FACT RECEIVED OR HAVE HAD THE OPPORTUNITY TO RECEIVE SEPARATE COUNSEL.

<b>Member Name and Address</b>	<b>Initial Capital Contribution</b>	<b>Series A Preferred Units</b>	<b>Series B Founder Units</b>	<b>Series C Performance Units</b>	<b>Series A Percentage Interest</b>	<b>Series B/C Percentage Interest</b>
201 Opportunity Fund, LLC	\$0	0	1	0	0%	100.00%
<b>TOTAL</b>	0	0	1	0	0%	100.00%

## EXHIBIT B DEFINED TERMS

“**Adjusted Capital Account Deficit**” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (a) Such Capital Account shall be increased to reflect the amounts, if any, which such Member is obligated to restore to the Company or is treated as or deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and
- (b) Such Capital Account shall be reduced to reflect any items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“**Agreement**” means this Operating Agreement, as from time to time amended, supplemented, or restated.

“**Capital Account**” means with respect to any Member, the capital account maintained for such Member in accordance with following provisions:

- (i) A Member’s Capital Account shall be increased by such Member’s Capital Contributions, such Member’s distributive share of Profits, any items in the nature of income or gain that are allocated to such Member pursuant to Article 6 hereof, and the amount of any Company liabilities assumed by such Member that are secured by any Property distributed to such Member.
- (ii) A Member’s Capital Account shall be decreased by the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, such Member’s distributive share of Losses any items in the nature of expense or losses that are allocated to the Member pursuant to Article 6 hereof, and the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.
- (iii) In determining the amount of any liability for purposes of clauses (i) and (ii) of this definition, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Regulations.
- (iv) Subject to the provisions of this Agreement, if any Units are Transferred in accordance with Article 8 hereof, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Units being Transferred.

“**Capital Contribution**” means, with respect to any Member, the amount of money, the forgiveness of any debt, the fair market value of any services, and/or the Gross Asset Value of any property (other than money) contributed to the Company in consideration of the Units held by such Member.

“**Change In Control**” means that the current ownership group of a Member shall cease to Control the Member.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision of any succeeding law.

“**Company**” has the meaning given in the Preamble to this Agreement.

“**Control**” means, with respect to any Person, the power to control, directly or indirectly, the direction of the management and policies of a Person, whether such power is effected through ownership of shares, units or other securities, by contract, by proxy or otherwise; for the avoidance of doubt, the ownership of more than fifty percent (50%) of such Person by another Person, or the ability of another Person to appoint or elect more than fifty percent (50%) of the Board of directors or other equivalent governing body of such Person shall constitute an example of Control of such Person.

“**Deceased Member**” means a Member who is deceased.

“**Default Event**” means an Involuntary Transfer or Change In Control.

“**Default Event Notice**” has the meaning set forth in Section 8.4.

“**Defaulting Member**” means a Member whose Units become subject to a Default Event and are therefore offered for sale to the Company and Remaining Members.

“**Depreciation**” shall mean, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, then Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; provided; however; that if the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

“**Disbursements**” means, with respect to the Company for any period, all costs and expenses paid or incurred during such period by the Company (including Officer Compensation).

“**Expulsion Event**” means, with respect to any Member, the Member commits an act that brings the Company into substantial public disgrace or disrepute.

“**Fiscal Year**” means: (i) the year commencing on the date of this Agreement and ending on December 31, 2018; (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31; or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to this Agreement.

“**Gross Asset Value**” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the fair market value of such asset, as determined by the contributing Member and the Company;
- (ii) The Gross Asset Value of each item of Property shall be adjusted to equal its gross fair market value, as determined by the Managing Member, as of the following times: (A) the issuance of additional Units to a new or existing Member, as described in Section 5.3, (B) the distribution by the Company to a Member of more than a de minimis amount of Property, and (C) the liquidation of the Company within the meanings of Regulations Section 1.704-1(b)(ii)(g); provided, however, that if Gross Asset Values are adjusted as provided herein, then the Members’ Capital Accounts shall be restated in accordance with Regulations Section 1.704-1(b)(2)(iv)(f) and that adjustments pursuant to clause (B) above shall be made only if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Property distributed to any Member shall be its fair market value, as determined by the Member and the Company, on the date of distribution; and

(iv) The Gross Asset Value of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such Property pursuant to Section 734(b) of the Code or Section 743(b) of the Code, but only to extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the Managing Member determines that an adjustment pursuant to clause (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to clauses (i), (ii), or (iv) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“**Gross Receipts**” means, with respect to the Company, for any period, all revenues, income, earnings, or cash flow of any kind or description received during such period by or on behalf of the Company.

“**Involuntary Transfer**” means any of the following: the filing by or against a Member (where not dismissed within sixty (60) days of the date of filing), of a petition in bankruptcy, a petition in insolvency, or a creditor’s arrangement pursuant to the provisions of any state or federal insolvency or bankruptcy law;

- (i) the appointment of a receiver or trustee of the property of a Member by reason of said Member’s insolvency or inability to pay debts as required by law;
- (ii) the assignment for the benefit of creditors of any portion of a Member’s Units;
- (iii) the Transfer of all or any portion of a Member’s Units pursuant to a divorce decree, divorce settlement agreement, child support decree, child support settlement agreement, or any other marriage dissolution proceeding; or
- (iv) any taking of all or any portion of a Member’s Units pursuant to any judgment, order, writ, execution, levy, foreclosure, attachment, garnishment, or any other legal process.

“**Involuntary Transferee**” means a Person who acquires or who is poised to acquire Units from a Member as the result of an Involuntary Transfer.

“**Losses**” has the meaning set forth below.

“**Managing Member**” means 201 Opportunity Fund, LLC a Minnesota Limited Liability Company, or its successors selected pursuant to this Agreement, its assigns or any Person who, at the time of reference thereto, serves as the Managing Member of the Company.

“**Member**” means a Person holding Units as reflected on Exhibit A, as the same may be amended and supplemented from time to time, including any Substituted Member.

“**Membership Interest**” has the meaning set forth in Section 4.1.

“**MN Revised Uniform Limited Liability Company Act**” means MN Revised Uniform Limited Liability Company Act, and any successor to such statute.

“**Net Cash Flow**” means, for any period, Gross Receipts for such period minus Disbursements for such period, adjusted for additions to or reductions in Reserves.

“**Offered Units**” means (a) in the case of a Voluntary Transfer, the Units which are proposed to be Transferred by the Transferring Member to the Purchaser, as set forth in the Third Party Transfer Notice; (b) in

the case of a Default Event that is an Involuntary Transfer, the Units of the Defaulting Member which are subject to the Involuntary Transfer; or (c) in the case of a Default Event that is a Change In Control, all of the Units of the Defaulting Member.

“**Permitted Transfer**” has the meaning set forth in Section 8.2.1.

“**Permitted Transferee**” means, with respect to a Member:

- (i) his or her spouse;
- (ii) his or her parents, children, step children, grandchildren, step grandchildren, or siblings;
- (iii) any entity that is under the Control of the Member;
- (iv) if the Member is an entity, the shareholders, members, partners, or other equity owners of the Member;
- (v) if the Member is a joint tenancy with rights of survivorship, the other joint tenant (whether upon the death or prior to the death of the other joint tenant);
- (vi) a trust, if the primary beneficiary(ies) of the trust are any one or more of the Member and the Persons described in clauses (ii) and (iii) above and the trustee of such trust is the Member or a successor trustee upon the death of the Member; or
- (vii) if the Transferring Member is a trust described in clause (vi) above, any one or more “primary beneficiary(ies)” of such trust (determined as if the Person who transferred the Units to such trust was the Transferring Member). As used herein, the term “primary beneficiary(ies)” means the Person or Persons who are eligible at the time of the Transfer to receive distributions of income or principal from that trust on a current basis.

“**Person**” means any individual or entity, including a limited liability company, partnership, association, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, government or governmental agency or authority.

“**Preemptive Rights Percentage**” means, as to each Series A Member, a percentage equal to such Member’s Series A Preferred Units divided by all issued and outstanding Series A Preferred Units, not including any Series A Preferred Units held by Unadmitted Assignees.

“**Preferred Return**” means, with respect to each Series A Member, the amount, determined as of the date of any distribution of Preferred Return and when added to all prior distributions of Preferred Return to the Series A Member, that is necessary to give the Series A Member a cumulative, non-compounding, annual return on the amount of the Series A Member’s Unreturned Capital Contribution, equal to: The Company intends to pay a 10% preferred return to its members whom invest \$10,000-\$24,999, 12% to those members whom invest \$25,000-\$49,999, and 13% to those members whom invest at least \$50,000. The interest will begin to accrue once the underlying loan is made between 201 Opportunity Fund, LLC and the Company.

“**Prime Rate**” means the prime rate of interest as published in the “Money Rates” section of the Wall Street Journal, as such rate of interest may change from time to time.

“**Profits**” or “**Losses**” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year or period, as applicable, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

- (i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph shall be added to such taxable income or loss;

- (ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph shall be subtracted from such taxable income or loss;
- (iii) If the Gross Asset Value of any Company asset is adjusted pursuant to clauses (ii) or (iii) of that definition, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;
- (iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of the Property differs from such value;
- (v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation herein; and
- (vi) Notwithstanding any other provision of this definition, any items that are allocated pursuant to the Regulatory Allocations or any other provision of this Agreement shall not be taken into account in computing Profits and Losses.

“**Property**” means all assets owned by the Company, including the real property located at 201 4th St. E., St. Paul, MN 55101.

“**Purchaser**” has the meaning set forth in Section 8.3.1(b).

“**Regulatory Allocations**” has the meaning set forth in Section 6.2.

“**Regulations**” means the income tax regulations (including temporary regulations) promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“**Remaining Member**” means a Member who is not (i) a Transferring Member (in the case of a voluntary Transfer), or (ii) an Defaulting Member (in the case of a Default Event).

“**Reserves**” means, with respect to any period, the amount deemed necessary or appropriate by the Managing Member for (i) funding reserves for contingent liabilities, working capital, repairs, replacements, and renewals; (ii) paying taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company; and (iii) any other purposes deemed necessary or appropriate by the Managing Member to meet the current or anticipated future needs of the Company.

“**Series A Member**” means a Member who owns Series A Preferred Units.

“**Series A Preferred Unit**” has the meaning set forth in Section 4.2.1.

“**Series A Percentage Interest**” means, with respect to each Series A Member, such Series A Member’s percentage holding of the total outstanding Series A Preferred Units as set forth on Exhibit A as of the date of determination.

“**Series B Member**” means a Member who owns Series B Founder Units.

“**Series B Founder Unit**” has the meaning set forth in Section 4.2.2.

“**Series B Percentage Interest**” means, with respect to each Series B Member, such Series B Member’s percentage holding of the total outstanding Series B Units as set forth on Exhibit B as of the date of determination.



“**Series B/C Percentage Interest**” means, with respect to each Series B/C Member, such Series B/C Member’s, as the case may be, percentage holding of the total aggregate outstanding Series B Founder Units and Series C Performance Units as set forth on Exhibit A as of the date of determination. For purposes of determining the Series B/C Percentage with respect to the allocation of purchase options, Units held by Unadmitted Assignees and the Units held by the Transferring Member or Defaulting Member shall be excluded.

“**Series C Member**” means a Member who owns Series C Performance Units.

“**Series C Performance Unit**” has the meaning set forth in Section 4.2.3.

“**Substituted Member**” has the meaning set forth in Section 9.1.

“**Successors**” means the successors, heirs, legatees, legal representatives, or assigns, as the case may be, of a Deceased Member.

“**Third Party Transfer Notice**” has the meaning set forth in Section 8.3.1.

“**Transfer**” means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition, whether directly or indirectly and whether through one or a series of transactions, and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or hypothecation or otherwise dispose of, whether directly or indirectly and whether through one or a series of transactions.

“**Transferring Member**” has the meaning set forth in Section 8.3.1.

“**Unadmitted Assignee**” has the meaning set forth in Section 9.2.

“**Units**” has the meaning set forth in Section 4.1.

“**Unreturned Capital Contribution**” means, with respect to each Series A Member, as of any date, an amount equal to the excess, if any, of (a) such Series A Member’s Capital Contributions, *less* (b) the aggregate amount of all prior distributions made to such Series A Member pursuant to Section 7.1. and Section 7.2 for all previous Fiscal Years.

“**Unpaid Preferred Returns**” means, with respect to each Series A Member, all accrued but unpaid Preferred Returns due to such Series A Member for the current Fiscal Year and all previous Fiscal Years.

**EXHIBIT E**  
**Subscription Agreement**  
(See attached)

**201 CROWDFUND, LLC  
SUBSCRIPTION AGREEMENT  
(Including investment representations)**

**IMPORTANT: This document contains significant representations.  
Please read carefully before signing.**

201 Crowdfund, LLC  
Attn: Mike Sowers  
13570 Grove Dr. #371  
Maple Grove, MN 55311

Ladies and Gentlemen:

I desire to purchase the principal amount in “Series A Preferred Unitss” set forth below in 201 CROWDFUND, LLC, a Minnesota Limited Liability Company (the “Company”).

I understand that this Subscription Agreement is conditioned upon Company’s acceptance of subscriptions. If this Subscription Agreement has been accepted, the Series A Preferred Unitss subscribed to hereby shall be issued to me in the form of Series A Preferred Unitss.

With respect to such purchase, I hereby represent and warrant to you that:

**1 Residence.**

I am a bona fide resident of (or, if an entity, the entity is domiciled in) the state set forth on my signature page.

**2 Subscription.**

- a. I hereby subscribe to purchase the number of Series A Preferred Unitss set forth below, and to make capital contributions to the Company in the amounts set forth below, representing the purchase price for the Series A Preferred Unitss subscribed.

Principal Amount of Series A Preferred Unitss..... (1)

(1) A minimum purchase of \$10,000, is required for individual investors. Amounts may be subscribed for in \$ increments.

- b. I have funded my purchase via ACH, wire transfer or I am enclosing a check made payable to “**201 CROWDFUND, LLC**” in an amount equal to 100% of my total subscription amount.

Portal Transaction ID (TXID) .....

- c. I acknowledge that this subscription is contingent upon acceptance by the Company, and that the Company has the right to accept or reject subscriptions in whole or in part.

### 3 Representations of Investor.

In connection with the sale of the Series A Preferred Unitss to me, I hereby acknowledge and represent to the Company as follows: I hereby acknowledge receipt of a copy of the Confidential Private Placement Memorandum of the Company, dated on or about October 2nd, 2018, (the “Memorandum”), relating to the offering of the Series A Preferred Units.

- a. I have carefully read the Memorandum, including the section entitled “Risks Factors”, and have relied solely upon the Memorandum and investigations made by me or my representatives in making the decision to invest in the Company. I have not relied on any other statement or printed material given or made by any person associated with the offering of the Series A Preferred Unitss.
- b. I have been given access to full and complete information regarding the Company (including the opportunity to meet with the Chief Executive Officer of the Company and review all the documents described in the Memorandum and such other documents as I may have requested in writing) and have utilized such access to my satisfaction for the purpose of obtaining information in addition to, or verifying information included in, the Memorandum.
- c. I am experienced and knowledgeable in financial and business matters, capable of evaluating the merits and risks of investing in the Series A Preferred Unitss, and do not need or desire the assistance of a knowledgeable representative to aid in the evaluation of such risks (or, in the alternative, I have used a knowledgeable representative in connection with my decision to purchase the Series A Preferred Unitss).
- d. I understand that an investment in the Series A Preferred Unitss is highly speculative and involves a high degree of risk. I believe the investment is suitable for me based on my investment objectives and financial needs. I have adequate means for providing for my current financial needs and personal contingencies and have no need for liquidity of investment with respect to the Series A Preferred Unitss. I can bear the economic risk of an investment in the Series A Preferred Unitss for an indefinite period of time and can afford a complete loss of such investment.
- e. I understand that there may be no market for the Series A Preferred Unitss, that there are significant restrictions on the transferability of the Series A Preferred Unitss and that for these and other reasons, I may not be able to liquidate an investment in the Series A Preferred Unitss for an indefinite period of time.
- f. I have been advised that the Series A Preferred Unitss have not been registered under the Securities Act of 1933, as amended (“Securities Act”), or under applicable state securities laws (“State Laws”), and are offered pursuant to exemptions from registration under the Securities Act and the State Laws. I understand that the Company’s reliance on such exemptions is predicated in part on my representations to the Company contained herein.
- g. I understand that I am not entitled to cancel, terminate or revoke this subscription, my capital commitment or any agreements hereunder and that the subscription and agreements shall survive my death, incapacity, bankruptcy, dissolution or termination.
- h. I understand that capital contributions to the Company will not be returned after they are paid.

## 4 Investment Intent; Restrictions on Transfer of Securities.

- a. I understand that (i) there may be no market for the Series A Preferred Unitss, (ii) the purchase of the Series A Preferred Unitss is a long-term investment, (iii) the transferability of the Series A Preferred Unitss is restricted, (iv) the Series A Preferred Unitss may be sold by me only pursuant to registration under the Securities Act and State Laws, or an opinion of counsel that such registration is not required, and (v) the Company does not have any obligation to register the Series A Preferred Unitss.
- b. I represent and warrant that I am purchasing the Series A Preferred Unitss for my own account, for long term investment, and without the intention of reselling or redistributing the Series A Preferred Unitss. The Series A Preferred Unitss are being purchased by me in my name solely for my own beneficial interest and not as nominee for, on behalf of, for the beneficial interest of, or with the intention to transfer to, any other person, trust, or organization, and I have made no agreement with others regarding any of the Series A Preferred Unitss. My financial condition is such that it is not likely that it will be necessary for me to dispose of any of the Series A Preferred Unitss in the foreseeable future.
- c. I am aware that, in the view of the Securities and Exchange Commission, a purchase of securities with an intent to resell by reason of any foreseeable specific contingency or anticipated change in market values, or any change in the condition of the Company or its business, or in connection with a contemplated liquidation or settlement of any loan obtained for the acquisition of any of the Series A Preferred Unitss and for which the Series A Preferred Unitss were or may be pledged as security would represent an intent inconsistent with the investment representations set forth above.
- d. I understand that any sale, transfer, pledge or other disposition of the Series A Preferred Unitss by me (i) may require the consent of the Chief Executive Officer of the Company, (ii) will require conformity with the restrictions contained in this Section 4, and (iii) may be further restricted by a legend placed on the instruments or certificate(s) representing the securities containing substantially the following language:

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be sold, offered for sale, or transferred except pursuant to either an effective registration statement under the Securities Act of 1933, as amended, and under the applicable state securities laws, or an opinion of counsel for the Company that such transaction is exempt from registration under the Securities Act of 1933, as amended, and under the applicable state securities laws. The transfer or encumbrance of the securities represented by this certificate is subject to substantial restrictions.”

## 5 Investor Qualifications.

I represent and warrant as follows (Answer Part a, b or c, as applicable. Please check all applicable items):

- a. **Accredited Investor – Individuals.** I am an INDIVIDUAL and:
- i. I have a net worth, or a joint net worth together with my spouse, in excess of \$1,000,000, excluding the value of my primary residence.
  - ii. I had an individual income in excess of \$200,000 in each of the prior two years and reasonably expect an income in excess of \$200,000 in the current year.
  - iii. I had joint income with my spouse in excess of \$300,000 in each of the prior two years and reasonably expect joint income in excess of \$300,000 in the current year.
  - iv. I am a director or executive officer of 201 CROWDFUND, LLC
- b. **Accredited Investor – Entities.** The undersigned is an ENTITY and:
- i. The undersigned hereby certifies that all of the beneficial equity owners of the undersigned qualify as accredited individual investors by meeting one of the tests under items (a)(i) through (a)(iv) above. Please indicate the name of each equity owner and the applicable test:
  - ii. The undersigned is a bank or savings and loan association as defined in Sections 3(a)(2) and 3(a)(5)(A), respectively, of the Securities Act either in its individual or fiduciary capacity.
  - iii. The undersigned is an insurance company as defined in Section 2(13) of the Securities Act.
  - iv. The undersigned is an investment company registered under the Investment Company Act of 1940 or a business development company as defined therein, in Section 2(a)(48).
  - v. The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
  - vi. The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 and one or more of the following is true (check one or more, as applicable):
    - (1) the investment decision is made by a plan fiduciary, as defined therein, in Section 3(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser;
    - (2) the employee benefit plan has total assets in excess of \$5,000,000;  
or
    - (3) the plan is a self-directed plan with investment decisions made solely by persons who are “accredited investors” as defined under therein.
  - vii. The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
  - viii. The undersigned has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring Series A Preferred Unitss and one or more of the following is true (check one or more, as applicable):
    - (1) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

- (2) a corporation;
  - (3) a Massachusetts or similar business trust;
  - (4) a partnership; or
  - (4) a limited liability company.
- ix. The undersigned is a trust with total assets exceeding \$5,000,000, which is not formed for the specific purpose of acquiring Series A Preferred Units and whose purpose is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the Series A Preferred Units.
- c. **Non-Accredited Investors.**
- The undersigned cannot make any of the foregoing representations and is therefore not an accredited investor.

## 6 Miscellaneous.

- a. I agree to furnish any additional information that the Company or its counsel deem necessary in order to verify the responses set forth above.
- b. I understand the meaning and legal consequences of the agreements, representations and warranties contained herein. I agree that such agreements, representations and warranties shall survive and remain in full force and effect after the execution hereof and payment for the Series A Preferred Units. I further agree to indemnify and hold harmless the Company, and each current and future member of the Company from and against any and all loss, damage or liability due to, or arising out of, a breach of any of my agreements, representations or warranties contained herein.
- c. This Subscription Agreement shall be construed and interpreted in accordance with Minnesota law without regard to the principles regarding conflicts of law.

**SIGNATURE PAGE FOR INDIVIDUALS**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Second Individual, if applicable

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Residence Street Address

\_\_\_\_\_  
Residence Street Address

\_\_\_\_\_  
City, State & Zip Code  
(Must be same state as in Section 1)

\_\_\_\_\_  
City, State & Zip Code  
(Must be same state as in Section 1)

\_\_\_\_\_  
Mailing Address  
(Only if different from residence address)

\_\_\_\_\_  
Mailing Address  
(Only if different from residence address)

\_\_\_\_\_  
City, State & Zip Code

\_\_\_\_\_  
City, State & Zip Code

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Email address

**Individual Subscriber Type of Ownership:**

The Series A Preferred Units subscribed for are to be registered in the following form of ownership:

- Individual Ownership
- Joint Tenants with Right of Survivorship (both parties must sign). Briefly describe the relationship between the parties (e.g., married).
- Tenants in Common (both parties must sign). Briefly describe the relationship between the parties (e.g., married).



**SIGNATURE PAGE FOR TRUSTS AND ENTITIES**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of Entity (Typed or Printed)

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Entity's Tax Identification Number

\_\_\_\_\_  
Name & Title (Typed or Printed) of Signatory

\_\_\_\_\_  
Contact Person (if different from Signatory)

\_\_\_\_\_  
Principal Executive Office Address

\_\_\_\_\_  
Mailing Address  
(If different from principal executive office)

\_\_\_\_\_  
City, State & Zip Code  
(Must be same state as in Section 1)

\_\_\_\_\_  
City, State & Zip Code

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Email address

**Entity Subscriber Type of Ownership:**

The Series A Preferred Units subscribed for are to be registered in the following form of ownership (check one):

- Partnership
- Limited Liability Company
- Corporation
- Trust or Estate (Describe, and enclose evidence of authority)
  
- IRA Trust Account
- Other (Describe)

**ACCEPTANCE**

This Subscription Agreement is accepted by 201 CROWDFUND, LLC on

As to: the principal amount in Series A Preferred Unitss set forth in Item 2.a.; or Series A Preferred Unitss.

**201 CROWDFUND, LLC**

By:.....  
Name: Mike Sowers  
Its: Chief Executive Officer

**Counterpart Signature Page to Operating Agreement of 201 Crowdfund, LLC**

IN WITNESS WHEREOF, the undersigned hereby executes this counterpart signature page to the Operating Agreement of 201 Crowdfund, LLC, as the same may be amended from time to time, and hereby authorizes 201 Crowdfund, LLC to attach this counterpart signature page to the Operating Agreement as executed by the other parties thereto.

**201 CROWDFUND, LLC**

Investor Signature .....

Investor Name .....

Investor Signature .....

Investor Name .....

**EXHIBIT F**  
**Interim Financial Statements**  
(actual and projected)  
(See attached)

# Profit and Loss Statement

For the Month ending September 2018

Company Name: 201 Crowdfund, LLC

Stated in 000s

Current Gross margin [L/J] -

Current Return on sales [T/J] -

Summary	Total Prior Period	Total Budget	Total Current Period	Total Current Period as % of Sales	Total % Change from Prior Period	Total % Change from Budget
Total Sales Revenue [J]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Cost of Sales [K]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Sales and Marketing Expenses [M]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Research and Development Expenses [N]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total General and Administrative Expenses [O]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Other Operating Expenses [P]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Other Income [S]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Taxes [T]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%

Gross Profit [L=J-K]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Total Operating Expenses [Q=M+N+O+P]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Income from Operations [R=L-Q]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
Net Profit [U=R+S-T]	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%

# Balance Sheet

Asset Type	YTD-2018
	Current Year
Current Assets	0
Fixed Assets	0
Other Assets	0
Current Liabilities	0
Long-term Liabilities	0
Owner Equity	0
<b>Total Assets</b>	<b>0</b>
<b>Total Liabilities &amp; Stockholder Equity</b>	<b>0</b>
<b>Balance</b>	<b>0</b>

# Assets

Asset Type	Description	YTD-2018
		Current Year
Current Assets	Cash	0
Current Assets	Investments	0
Current Assets	Inventories	0
Current Assets	Accounts receivable	0
Current Assets	Pre-paid expenses	0
Fixed Assets	Property and equipment	0
Fixed Assets	Leasehold improvements	0
Fixed Assets	Equity and other investments	0
Fixed Assets	Less accumulated depreciation (Negative Value)	0
Other Assets	Charity	0
<b>Total Assets</b>		<b>0</b>

# Liabilities

Liability Type	Description	YTD-2018
		Current Year
Current Liabilities	Accounts payable	0
Current Liabilities	Accrued wages	0
Current Liabilities	Accrued compensation	0
Current Liabilities	Income taxes payable	0
Current Liabilities	Unearned revenue	0
Long-term Liabilities	Mortgage payable	0
Owner Equity	Investment capital	0
Owner Equity	Accumulated retained earnings	0
<b>Total Liabilities &amp; Stockholder Equity</b>		<b>0</b>



**EXHIBIT G**  
**Opinion of Counsel**  
(See attached)

October 2nd, 2018

Mike Sowers  
201 Crowdfund, LLC  
13570 Grove Dr. #371  
Maple Grove, MN 55311

RE: Opinion of Counsel Regarding Legality of Series A Preferred Units

Dear Mike Sowers:

In connection with the offer and sale of up to 650 Series A Preferred Units (the "Units") of 201 Crowdfund, LLC, a Minnesota Limited Liability Company (the "Company"), we have made such legal examination and inquiries as we have deemed advisable or necessary for the purpose of rendering this opinion and have examined originals or copies of the following documents and corporate records:

1. The Company's Articles of Organization, dated October 2nd, 2018;
2. The Company's Operating Agreement, dated October 2nd, 2018;
3. The written actions of the Company, dated October 2nd, 2018, authorizing the issuance of the Series A Preferred Units;
4. The Company's "Confidential Investor Package," dated October 2nd, 2018 (the "Investor Package"), including:
  - (a) the Form U-7 Disclosure Document attached thereto, which will be filed by the Company with the Minnesota Department of Commerce; and
  - (b) the form of Subscription Agreement attached thereto, which will be completed and signed by purchasers of the Series A Preferred Units (the "Subscription Agreement").

We understand that the Company intends to register the Series A Preferred Units for offer and sale in accordance with Minn. Stat. §80A.50(b) (the "Registration").

Based on our examination and inquiry of the documents described above, we are of the opinion that, upon effectiveness of the Registration, the Series A Preferred Units of the Company will be duly authorized, fully paid, and nonassessable.

This opinion speaks only as of the date hereof. Without limiting the generality of the immediately foregoing sentence, and notwithstanding anything to the contrary contained herein, we render no opinion as to what other facts and circumstances might subsequently arise or what other actions or omissions might hereafter be taken by the Company, any purchasers of the Series A Preferred Units, or any other third party which, if so arising or so taken, would affect any of the opinions rendered hereby. Furthermore, this opinion is being rendered subject to customary qualifications and limitations.

This opinion is being rendered only to you, and you are the only party entitled to rely on this opinion. This opinion may not be used or relied upon by any other persons or entities or for any other purpose without our prior express written permission. Notwithstanding the foregoing, we consent to the filing of this opinion as an exhibit to the application for registration filed with the Minnesota Department of Commerce.

Very truly yours,  
/s/Messerli and Kramer, P.A.  
Messerli & Kramer, PA

**EXHIBIT H**  
**Note and Guaranty**  
(See attached)

**THIS SECURED PROMISSORY NOTE (THIS “NOTE”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAW, AND MAY NOT BE OFFERED FOR SALE OR SOLD UNLESS A REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS SHALL BE EFFECTIVE WITH RESPECT THERETO, OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE IN CONNECTION WITH SUCH OFFER OR SALE.**

**THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.**

**201 OPPORTUNITY FUND, LLC**

**SECURED PROMISSORY NOTE**

**Issue Date:** \_\_\_\_\_, 20\_\_\_\_ \$ \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned, 201 OPPORTUNITY FUND, LLC, a Minnesota limited liability company (the “Company”), hereby promises to pay to the order of 201 CROWDFUND, LLC (the “Payee”), the sum of \_\_\_\_\_ and 00/100 Dollars (\$\_\_\_\_\_) payable in lawful money of the United States, plus interest as provided in this secured promissory note (the “Note”).

1. Maturity Date. The principal balance and all accrued interest thereon shall be paid in full in immediately available funds on or before the five (5) year anniversary of the Issue Date (the “Maturity Date”). The Company may, by notice sent to Payee not less than ninety (90) and not more than one hundred twenty (120) days prior to the Maturity Date, request that Payee extend the Maturity Date. If Payee agrees in writing to such an extension, the Maturity Date will be extended to the date so agreed to by Payee. If the Company fails to give proper notice or Payee declines to so extend, the Maturity Date shall be the original date specified in this Note.

2. Payment Of Principal And Interest. This Note shall bear interest on the unpaid principal amount at an annual rate equal to \_\_\_\_ Percent (\_\_\_\_%), computed on the basis of a 365-day year and calculated using the actual number of days elapsed since the Issue Date. The Company shall pay in arrears accrued but unpaid interest on a quarterly basis, unless waived by Payee. All payments under this Note shall be first applied to any costs of collection, next to accrued interest and lastly to principal. The Company may, at any time after the Issue Date, prepay any or all of the outstanding principal amount of this Note plus accrued and unpaid interest thereon in cash or immediately available funds without premium or penalty.

3. Events Of Default; Remedies. The Company’s failure to make when due, whether by acceleration or otherwise, any payment of principal or interest on this Note shall constitute an Event of Default. Upon the occurrence of an Event of Default, Payee may pursue the following remedies: (i) declare the principal amount hereof and all accrued but unpaid interest thereon to be immediately due and payable in cash or immediately available funds; and (ii) exercise any and all rights Payee may have available under law, which such rights and remedies of Payee shall be cumulative and may be exercised singularly or concurrently, at Payee’s

option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to the exercise or enforcement of any other such rights and remedies granted to Payee under law.

4. Secured and Guaranteed. This Note is the obligation of the Company and is guaranteed by Mike Sowers, a Minnesota resident and the sole member of the Company.

5. Series of Notes. This Note has been issued in connection with the sale of up to \$650,000 of secured promissory notes by the Company. Other notes sold by the Company may have different terms. There is no indenture covering this Note or the other notes sold by the Company.

6. Miscellaneous. Company hereby waives presentment, demand for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, and all other notices in connection with this Note, and filing of suit and diligence in collecting this Note. Company agrees to pay all collection costs, court costs and reasonable attorneys' fees and disbursements (whether or not litigation is commenced) which may be incurred by Payee in collection or enforcement of this Note. No failure or delay on the part of Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof. Any notice, demand or request required or permitted to be given by the Company or Payee pursuant to the terms of this Note shall be in writing and shall be deemed delivered: (i) when delivered personally, (ii) on the next business day after timely delivery to an overnight courier or (iii) on the business day actually received if deposited in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid), to Payee, to such address for Payee as appears in the caption of this Note. No amendment, modification or other change to, or waiver of any provision of, this Note or any other Note may be made unless such amendment, modification or change, or request for waiver, is set forth in writing and is signed by the Company and Payee. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors (whether by merger or otherwise) and permitted assigns of the Company and Payee. The Company may not assign its rights or obligations under this Note except as specifically required or permitted pursuant to the terms hereof.

**201 OPPORTUNITY FUND, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

## GUARANTY

THIS GUARANTY (“Guaranty”) is given as effective as of \_\_\_\_\_, 2018 (the “Effective Date”), by Mike Sowers, a Minnesota resident (“Guarantor”).

WHEREAS, 201 Opportunity Fund LLC, a Minnesota limited liability company (“OPP FUND”), has executed that certain secured Promissory Note dated as of even date hereof in favor of 201 Crowdfund, LLC (the “Investor”) in the original principal amount of \$\_\_\_\_\_ (the “Note”);

WHEREAS, the Note requires Guarantor’s execution and delivery of this Guaranty as a condition to the closing of the transactions contemplated under the Note (the “Closing”);

WHEREAS, Guarantor is the sole member of OPP FUND; and

WHEREAS, Guarantor is willing to guarantee the Obligations (as defined in this Guaranty) under the terms set forth below.

NOW THEREFORE, in consideration of the above premises and the mutual promises and covenants contained below, Guarantor, intending to be legally bound, agree as follows:

1. **Guaranteed Obligations.** The guaranteed obligations mean the obligations of OPP FUND as payor pursuant to the Note (collectively, the “Obligations”).

2. **Obligations of Guarantor.** Guarantor unconditionally guarantees to the Investor the prompt and complete payment of the Obligations. If all or any part of the Obligations are not paid by OPP FUND when due, Guarantor shall, within thirty (30) business days after receipt of written demand from the Investor, pay the unpaid amount of the Obligations to the Investor.

3. **Duration.** This Guaranty shall survive until all Obligations under the Note are paid in full and shall automatically terminate upon cancellation of the Note.

4. **Representations and Warranties.** Guarantor represents and warrants that Guarantor has all necessary corporate powers and authority to execute, deliver and perform this Guaranty and to consummate the transactions contemplated by this Guaranty and that this Guaranty constitutes a valid and binding obligation of Guarantor and is enforceable against Guarantor in accordance with its terms.

5. **Separability.** If any provision of this Guaranty is found by a court of competent jurisdiction to be prohibited or unenforceable, this Guaranty shall be ineffective only to the extent of such prohibition or unenforceability and such shall not invalidate the balance of the Guaranty.

6. **Governing Law.** This Guaranty shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Minnesota, excluding choice-of-law principles of such State that would require the application of laws of a jurisdiction other than such State.

7. **Venue; Jurisdiction.** Guarantor, for itself and its successors and assigns, hereby irrevocably (a) agrees that any legal or equitable action, suit or proceeding against Guarantor arising out of or relating to this Guaranty or any transaction contemplated hereby or the subject matter of any of the foregoing shall be instituted in any federal or state court in Minnesota, (b) waives any objection which it may now or hereafter have to the venue of any such action, suit or proceeding, or any claim that such proceeding brought in such court has been brought in an inconvenient forum, and (c) irrevocably submits itself to the exclusive jurisdiction of any federal or state court in Minnesota for purposes of any such action, suit or proceeding. Guarantor agrees that a judgment in any such action, suit or proceeding shall be conclusive and binding upon Guarantor, and may be enforced in any other jurisdiction by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment.

8. **Successors; Assignment.** This Guaranty shall be binding upon and inured to the benefit of the heirs, executors, administrators, legal representatives and successors of the parties hereto. Neither party may assign this Guaranty without the prior written consent of the other parties.

9. **Notices.** All notices and other communications provided for hereunder shall be given to the party at the address set forth in the Note, or at such other address as such party shall specify in a notice given to the other party.

10. **Headings; Interpretation.** The headings used in this Guaranty are for convenience of reference only and shall not affect the construction or interpretation of this Guaranty.

11. **Modification.** This Guaranty may not be amended or modified except pursuant to a writing signed by Guarantor and the Investor.

12. **Counterparts.** This Guaranty may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the Effective Date.

MIKE SOWERS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I**  
**Form U-7**  
(See attached)



FORM U-7

DISCLOSURE DOCUMENT

*Cover Page–Page 1*

201 Crowdfund, LLC

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(Exact name of Company as set forth in Articles of Incorporation or Organizational Documents)

Street address of principal office: 13570 Grove Dr. #371 / Maple Grove, 55311

Company Telephone Number: 612-598-0780

Person(s) to contact at Company with respect to offering: Mike Sowers

Telephone Number (if different from above):

Type of securities offered: Series A Preferred Units of Membership Interest

Price per security: \$1,000

Sales commission: N/A

Minimum number of securities offered: 350

Maximum number of securities offered: 650

Total proceeds: If minimum sold: \$350,000.00

If maximum sold: \$650,000.00

**Investment in a small business is often risky. You should not invest any funds in this offering unless you can afford to lose your entire investment. See Item 1 for a discussion of the risk factors that management believes present the most substantial risks to you.**

The date of this Disclosure Document is October 5th, 2018.

# Executive Summary

## The Company

Describe the business of the Company: To make a loan to 201 Opportunity Fund, LLC, which intends to acquire and improve the property known as 4th Street Station at 201 4th St. E., St. Paul, MN 55101. The investment is a mixed-use building in the Lowertown area of St. Paul, MN. The purchase and operation of the building will provide retail, housing and office space to residents and promote commerce in a historic neighborhood. See also Exhibit A "business plan".

Describe how the Company plans to carry out its activities: Purchase and renovate a mixed use building located at 201 4th St. E., St. Paul, MN 55101, to provide investor returns. See Exhibit A ("business plan")

This Company: is in the Development Stage.

Jurisdiction: Minnesota

Date of formation: October 2nd, 2018

Fiscal year end: December 31

## How the Company Will Use Your Money

Describe how the Company intends to use the proceeds of this offering. The funds shall be used in addition to bank financing in the amount of \$2,350,000 to purchase and renovate the property.

For more information about how the Company will use your money, see Item 30.

## The Principal Officers of the Company

The Principal Officers of the Company and their titles are:

Chief Executive Officer: Mike Sowers

Chief Operating Officer: Mike Sowers

Chief Financial Officer: N/A

For more information about these Officers, see Item 77.

## The Offering

Name of Sales Person(s): Mike Sowers

Address: 13570 Grove Dr. #371 / Maple Grove, 55311

Telephone Number: 612-598-0780

Is there an impound of proceeds until the minimum is obtained?  Yes  No (See Items 73-76)

Is this offering limited to certain purchasers?  Yes  No (See Item 72)

Is transfer of the securities restricted?  Yes  No (See Item 53)

This offering is available for sale in the following states: Minnesota and any other states where registered or exempt.

**You should consider the terms and risks of this offering before you invest. No government regulator is recommending these securities. No government regulator has verified that this document is accurate or determined that it is adequate. It is a crime for anyone to tell you differently.**

The Company has included in this Disclosure Document all of its representations about this offering. If anyone gives you more or different information, you should ignore it. You should rely only on the information in this Disclosure Document.

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# 1 RISK FACTORS

THERE IS NO GUARANTEED RETURN ON INVESTMENT. Any investment made in this offering may result in a loss of that entire investment. There is no guarantee that the Company will succeed and the investor shall bear the risk that his, her, or its entire investment will be lost.

## 2 BUSINESS AND PROPERTIES

### 2.1 GENERAL DESCRIPTION OF THE BUSINESS

2. Describe the business of the Company, including its products or services. To make a loan to 201 Opportunity Fund, LLC, which intends to acquire and improve the property known as 4th Street Station at 201 4th St. E., St. Paul, MN 55101. The investment is a mixed-use building in the Lowertown area of St. Paul, MN. The purchase and operation of the building will provide retail, housing and office space to residents and promote commerce in a historic neighborhood. See also Exhibit A "business plan".
  
3. Describe how the Company produces or provides these products or services and how and when the Company intends to carry out its activities. The property will be acquired and held for a mid term. The property will undergo renovations to create safer, more modern, yet historic building. See also Exhibit A "business plan".

### 2.2 SUPPLIERS

4. Does the Company have any major supply contracts?  Yes  No  
If yes, describe.
  
5. (a) Is the Company dependent upon a limited number of suppliers?  Yes  No  
If yes, describe.

5. (b) Does the Company expect to be dependent upon a limited number of suppliers?  Yes  No  
If yes, describe.

### 2.3 CUSTOMER SALES AND ORDERS

6. Does the Company have any major sales contracts?  Yes  No  
If yes, describe.
7. State the total amount of the Company's sales of products or services for the most recent 12 month financial reporting period. N/A
8. State the dollar amount of a typical sale. N/A
9. Are the Company's sales seasonal or cyclical?  Yes  No  
If yes, explain.
10. State the amount of foreign sales as a percent of total sales for last fiscal year. 0%  
Explain the nature of these sales, including any anticipated changes.
11. Name any customers that account for, or based upon existing orders will account for, a major portion (20% or more) of the Company's sales. N/A



12. State the dollar amount of firm orders. N/A

## 2.4 COMPETITION

13. (a) Describe the market area in which the business competes or will compete. mixed use buildings in Lowertown St. Paul.

13. (b) Name the Company's principal competitors and indicate their relative size and financial and market strengths. Other property investment and management companies specializing in mixed-use properties.

14. (a) Does the Company compete, or expect to compete, by price?  Yes  No  
If yes, describe its competitive strategy.

14. (b) Does the Company compete, or expect to compete, by service?  Yes  No  
If yes, describe its competitive strategy. Provide an updated, yet historic renovation to make residents, tenants and the community proud.

14. (c) Does the Company compete, or expect to compete, on some other basis?  Yes  No  
If yes, state the basis and describe the Company's competitive strategy.

## 2.5 MARKETING

15. (a) Describe how the Company plans to market its products or services during the next 12 months, including who will perform these marketing activities.  
Traditional mixed use real estate marketing.

15. (b) State how the Company will fund these marketing activities. Cash flow

## 2.6 EMPLOYEES

16. (a) State the number of the Company's present employees by type of employee (i.e., clerical, operations, administrative, etc.). 0

16. (b) State the number of employees the Company anticipates it will have within the next 12 months by type of employee (i.e., clerical, operations, administrative, etc.). Zero employees. All management will be outsourced.

17. Describe the Company's labor relations. The company has not experienced any problems finding suitable employees nor is it subject to any collective bargaining agreements, nor have the Company's employees been on strike in the last 3 years.

18. Indicate any benefits or incentive arrangements the Company provides or will provide to its employees.  
N/A

## 2.7 PROPERTIES

19. (a) Describe generally the principal properties that the Company owns or leases. N/A

19. (b) Indicate what properties the Company intends to acquire or lease. mixed-use building located at

## 2.8 RESEARCH AND DEVELOPMENT

20. Indicate the amounts that the Company spent for research and development during its last fiscal year.  
N/A

21. (a) Will the Company expend funds on research and development during the current fiscal year?  Yes  
 No

21. (b) If yes, how much does the Company plan to spend on research and development during the current fiscal year?

21. (c) How does the Company intend to fund these research and development costs? N/A

## 2.9 GOVERNMENTAL REGULATION

22. (a) Is the Company's business subject to material regulation by any governmental agency?  Yes  No
22. (b) Are the Company's products or services subject to material regulation by any governmental agency?  Yes  No
22. (c) Are the Company's properties subject to material regulation by any governmental agency?  Yes  No
22. (d) Explain in detail any "yes" answer to Item 22(a), 22(b), or 22(c), including the nature and extent of the regulation and its effect or potential effect upon the Company.
23. (a) Is the Company required to have a license or permit to conduct business?  Yes  No
23. (b) If yes, does the Company have the required license or permit?  Yes  No
23. (c) If the answer to Item 23(b) is "yes," describe the effect on the Company and its business if it were to lose the license or permit.
23. (d) If the Company has not yet acquired a required license or permit, describe the steps the Company needs to take to obtain the license or permit. Estimate the time it will take to complete each step. N/A

## 2.10 COMPANY HISTORY AND ORGANIZATION

24. Summarize the material events in the development of the Company. The property was identified and negotiated for purchase in Q3 2018.
25. Describe any recent stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization. N/A
26. Discuss any pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization. N/A

27. State the names of any parent, subsidiary, or affiliate of the Company. For each, indicate its business purpose, its method of operation, its ownership, and whether it is included in the Financial Statements attached to this Disclosure Document. See organizational chart below. The financial statements attached herein are solely for the issuer.

**201 Opportunity Fund, LLC**

Mike Sowers

201 Crowdfund, LLC

# **201 Crowdfund, LLC**

## **1. 201 Opportunity Fund, LLC**

### 1.1. Mike Sowers





### 3 MILESTONES

28. Describe in chronological order the steps management intends to take to achieve, maintain, or improve profitability during the 12 months following receipt of the offering proceeds.

If management does not expect the Company to achieve profitability during that time period, describe the business objectives for that period and the steps management intends to take to achieve those objectives.

Indicate the probable timing of each step and the approximate cost to complete it. There will be little to no cash flow in the beginning of year one. Step one is to establish new market rents by renovating the building. Total renovation and stabilization will take 9-14 months. The renovation phase should be completed in under 12 months. The remaining months should be used to lease up. We will operate the property and maximize the value in the first 5-7 years, after which we will look for an exit.

29. (a) State the anticipated consequences to the Company if any step is not completed as scheduled. The consequences of missing milestones are a possible loss of profit and a delayed return on investment for investors.

29. (b) Describe how the Company will deal with these consequences. The Company may decide to address the consequences of lost revenue due to the delay by raising more funds up to the maximum amount.

**NOTE: After reviewing management's discussion of the steps it intends to take, potential investors should consider whether achievement of each step within the estimated time frame is realistic. Potential investors should also assess the consequences to the Company of any delays in taking these steps and whether the Company will need additional financing to accomplish them.**

## 4 USE OF PROCEEDS

30. Show how the Company intends to use the proceeds of this offering:

<u>Source</u>	<u>Amount</u>	<u>Use</u>
Investors	\$350,000-\$650,000	Down Payment for Bank Loan

31. (a) Is there a minimum amount of proceeds that must be raised before the Company uses any of the proceeds of this offering?  Yes  No
31. (b) If yes, describe how the Company will use the minimum Net Proceeds of this offering. The funds shall be used in addition to bank financing in the amount of \$2,350,000 to purchase and renovate the property.
31. (c) If the answer to Item 31(a) is “yes,” describe how the Company will use the Net Proceeds of this offering that exceed the amount of the minimum offering proceeds. Reserve and renovation.
31. (d) If the answer to Item 31(a) is “no,” describe how the Company will use the Net Proceeds of this offering. N/A
32. (a) Will the Company use other funds, together with the offering proceeds, to fund any project or activity identified in Item 31?  Yes  No
32. (b) If yes, state the amounts and sources of the other funds. Bank financing in the amount of \$2,350,000.
32. (c) Indicate whether the availability of the funds is firm or contingent.  
If contingent, explain. Yes, the bank financing is contingent on raising the minimum amount pursuant to this offering.

**NOTE: See the answer to Item 70 for information about proceeds used to compensate sales agents. See the answer to Items 108 and 109 for information about proceeds used to purchase**

assets from Officers, Directors, key persons, or principal stockholders or their associates or to reimburse them for services previously provided or moneys borrowed.

## 5 SELECTED FINANCIAL INFORMATION

**NOTE:** The Company has adjusted all numbers in this section to reflect any stock splits or recapitalizations.

### 5.1 GENERAL

33. What were net, after-tax earnings for the last fiscal year? (If losses, show in parenthesis.)

Total \$0

Per share \$

34. If the Company had profits, show offering price as a multiple of earnings.

0

### 5.2 CAPITALIZATION

35. Indicate the capitalization of the Company as of the most recent balance sheet date, and as adjusted to reflect the sale of the minimum and maximum amount of securities in this offering and the use of the net proceeds from this offering.

**Proposed Capitalization Table for 201 Crowdfund, LLC**

<b><u>Unitholder</u></b>	<b><u>Unit Type</u></b>
201 Opportunity Fund, LLC	Series B Units
Investors	Series A Preferred Units

Present			Pro Forma		
<u>Units</u>		<u>%</u>	<u>Units</u>		<u>%</u>
1.00		100.00%	1.00		0.15%
		0.00%	650.00		99.85%
		0.00%			0.00%
-		0.00%			0.00%
-		0.00%			0.00%
-		0.00%			0.00%
-		0.00%	-		0.00%
-		0.00%	-		0.00%
1.00		100.00%	651.00		100.00%

**Note**  
 Assuming all Units are sold in the offering

### 5.3 DILUTION

36. (a) The price of the securities in this offering has been arbitrarily determined.  Yes  No

36. (b) If no, explain the basis on which the price of the securities was determined.

37. (a) The net tangible book value per share before offering is: \$0

37. (b) For the minimum offering:

The net tangible book value per share after the minimum offering will be: \$0

The amount of increase in net tangible book value per share as a result of receipt of cash from purchasers in this offering will be: \$

The dilution per share to purchasers will be: \$0

37. (c) For the maximum offering:

The net tangible book value per share after the maximum offering will be: \$1

The amount of increase in net tangible book value per share as a result of receipt of cash from purchasers in this offering will be: \$1

The dilution per share to purchasers will be: \$0

38. For each share purchased in this offering a purchaser will pay \$1 but will receive a share representing only \$1 in net tangible book value, if the minimum offering is achieved, or \$1, if the maximum offering is achieved.

The difference between the amount a purchaser pays for a share and the amount of net tangible book value that share represents is the dilution to the purchaser.

39. In a table, compare the existing stockholders' percentage ownership in the Company and the consideration paid for that ownership with that of purchasers in this offering.

	UNITS		TOTAL CONSIDERATION	
	#	%	#	%
Existing holders				
Minimum offering	1	0.3%	0	0%
Maximum offering	1	0.2%	0	0%
New Purchasers				
Minimum offering	350	99.7%	\$ 350,000.00	100%
Maximum offering	650	99.8%	\$ 650,000.00	100%



40. Using the offering price of these securities, what value is the Company's management attributing to the entire Company before the offering? \$650,000

**NOTE: You should consider carefully whether the Company has this value at the present time. Some issues you should think about include: (1) the risks to which the Company is subject before it achieves success (see Item 1, Risk Factors); (2) the exercise prices of outstanding options (see Item 101); and (3) the prices that the Company's Officers, Directors, and principal stockholders paid for their shares (see Items 104 and 105).**

## **6 MANAGEMENT'S DISCUSSION AND ANALYSIS OF CERTAIN RELEVANT FACTORS**

41. Is the Company having or does the Company anticipate having within the next 12 months any cash flow or liquidity problems?  
If yes, explain. There will be very little to no cash flow in the beginning of year one. Short term vacancies while we establish new rents and renovate vacant units will cause a break in cash flow. Once renovations are complete, occupancy and gross revenue are expected to increase rapidly.
42. (a) Is the Company in default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the Company to make payments?  Yes  No
42. (b) If yes, explain. Identify the creditor, state the amount in default or the term that the Company has not complied with, and describe any consequences to the Company resulting from each default.
43. Are a significant amount of the Company's trade payables more than 90 days old?  Yes  No
44. Is the Company subject to any unsatisfied judgments, liens, or settlement obligations?  Yes  No  
If yes, state the amounts. N/A
45. Describe how the Company will resolve the problems identified in Items 41-44. Based upon our pro forma Profit and Loss projections, the Company intends to raise enough capital to offset any losses during initial twelve month period of operations.

46. (a) Do the Company's financial statements show losses from operations?  Yes  No
46. (b) If yes, explain the causes underlying these losses and what steps the Company has taken or is taking to address these causes. The Company has not effectively begun operations.
47. (a) Describe any trends in the Company's historical operating results. N/A
47. (b) Indicate any changes now occurring in the underlying economics of the Company's business which, in the opinion of Management, will have a significant impact upon the Company's results of operations within the next 12 months. Changes in interest rates, demographics and the housing market will all effect the Company.
47. (c) Describe the probable impact on the Company. Decrease in revenues.
47. (d) Describe how the Company will deal with this impact. The Company has already reacted to these potential changes by conducting extensive market research.
48. (a) Will the proceeds from this offering and any available funds identified in Item 32 satisfy the Company's cash requirements for the 12 month period after it receives the offering proceeds?  Yes  No
48. (b) If no, explain how the Company will satisfy its cash requirements. State whether it will be necessary to raise additional funds. State the source of the additional funds, if known.

## 7 DESCRIPTION OF SECURITIES OFFERED

### 7.1 GENERAL

49. The securities being offered are:

- Common Stock  Yes  No
- Preferred or Preference Stock  Yes  No
- Notes, Debentures, or Bonds  Yes  No
- Limited Liability Company Membership Interests  Yes  No
- Units of two or more types of securities, composed of:
  - Other (specify):  Yes  No

50. These securities have:

- | Yes                      | No                       |   | Yes                                 | No                                  |
|--------------------------|--------------------------|---|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Cumulative voting rights                              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | Other special voting rights                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | Preemptive rights to purchase any new issue of shares | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | Preference as to dividends or interest                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <input type="checkbox"/> | <input type="checkbox"/> | Preference upon liquidation                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | Anti-dilution rights                                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | Other special rights or preferences (specify):        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

Explain any yes answer. The Company intends to pay a 10% preferred return to its members whom invest \$10,000-\$24,999, 12% to those members whom invest \$25,000-\$49,999, and 13% to those members whom invest at least \$50,000. The interest will begin to accrue once the underlying loan is made between 201 Opportunity Fund, LLC and the Company.

51. Are there any restrictions on dividends or other distributions?  Yes  No

If yes, describe. Resale or transfer of units is restricted unless the units are registered or unless the units qualify under an exemption under Federal and State law. Additionally, the Company requires notification of intention to sell or transfer units and reserves a first right of repurchase.

52. Are the securities convertible?  Yes  No  
If yes, state conversion price or formula. N/A

Date when conversion becomes effective: N/A

Date when conversion expires: N/A<br>

53. Describe any resale restrictions on the securities and when the restrictions will terminate. N/A

## 7.2 PREFERRED STOCK

If the securities being offered are Preference or Preferred stock:

54. Are unpaid dividends cumulative?  Yes  No

55. (a) Are the securities callable?  Yes  No  
If yes, describe.

55. (b) Are the securities redeemable?  Yes  No  
If yes, describe, including redemption prices.

## 7.3 DEBT SECURITIES

If the securities being offered are notes or other types of debt securities:

56. What is the interest rate on the debt securities? N/A% If the interest rate is variable or there are multiple interest rates, describe.

57. What is the maturity date?  
If the securities will have serial maturity dates, describe.N/A

58. Is there a sinking fund?  Yes  No  
If yes, describe.

59. Is there a trust indenture?  Yes  No  
If yes, state the name, address, and telephone number of Trustee.

60. (a) Are the securities callable?  Yes  No  
If yes, describe.

60. (b) Are the securities redeemable?  Yes  No  
If yes, describe, including redemption prices.

61. Are the securities secured by real or personal property?  Yes  No  
If yes, describe.N/A

62. (a) Are the securities subordinate in right of payment of principal or interest?  Yes  No  
If yes, explain the terms of the subordination.

- 62. (b) How much currently outstanding indebtedness of the Company is senior to the securities in right of payment of interest or principal? \$0
- 63. How much currently outstanding indebtedness ranks equally with the securities in right of payment? \$0
- 64. How much currently outstanding indebtedness is junior (subordinated) to the securities? \$0

#### **7.4 RATIO OF EARNINGS TO FIXED CHARGES**

- 65. (a) If the Company had earnings during its last fiscal year, show the ratio of earnings to fixed charges on an actual and pro forma basis for that fiscal year.

		<u>Actual</u>		<u>ProForma</u>	
	Last Fiscal	Interim		<u>Minimum</u>	<u>Maximum</u>
<u>Earnings</u>		<u>0</u>	<u>0</u>	<u>350,000</u>	<u>650,000</u>
Fixed Charges		0	0	350,000	650,000
		0:0	0:0	1:1	1:1

65. (b) If no earnings, show "Fixed Charges" only:

**NOTE: See the Financial Statements and especially the Statement of Cash Flows. Exercise care in interpreting the significance of the ratio of earnings to fixed charges as a measure of the "coverage" of debt service. The existence of earnings does not necessarily mean that the Company will have cash available at any given time to pay its obligations. See Items 41-48. Prospective purchasers should not rely on this ratio as a guarantee that they will receive the stated return or the repayment of their principal.**

## **8 HOW THESE SECURITIES WILL BE OFFERED AND SOLD**

### **8.1 Company SalesPersons**

66. Provide the following information for each Officer, Director, or Company employee who intends to offer or sell the securities:

66. (a) Name: Mike Sowers  
Title: CEO  
Address: 13570 Grove Dr., #371, Maple Grove, MN 55311  
Telephone Number: 612-598-0780

67. Describe any compensation that the Company will pay each person in addition to his or her customary salary and compensation. N/A

### **8.2 OTHER SALESPERSONS AND FINDERS**

68. Provide the following information for each salesperson who is not an Officer, Director, or employee of the Company:

68. (a) Name: N/A  
Company: N/A  
Address: N/A  
Telephone Number: N/A

69. Provide the following information for each person who is a finder:

69. (a) Name: N/A  
Company: N/A  
Address: N/A  
Telephone Number: N/A



70. Describe all compensation that the Company will pay to each person identified in Items 68 and 69. N/A  
N/A

71. Describe any material relationships between these sales persons or finders and the Company or its management. N/A

### 8.3 PURCHASER LIMITATIONS

72. (a) Is the offering limited to certain purchasers?  Yes  No

72. (b) Is the offering subject to any other purchaser limitations?  Yes  No

72. (c) If the answer to either 72(a) or 72(b) is yes, describe the limitation. Only residents of Minnesota may purchase securities, unless the Company registers the securities or meets an exemption for sale in other states.

### 8.4 IMPOUND OF OFFERING PROCEEDS

73. (a) Will the Company impound the proceeds of the offering until it raises the minimum offering proceeds?  Yes  No

73. (b) If yes, what is the minimum amount of proceeds that the Company must raise and place in an impound account before the Company can receive and use the proceeds? \$1,000,000

73. (c) If the answer to Item 73(a) is "yes," state the date on which the offering will end if the Company has not raised the minimum offering proceeds November 24, 2018

74. (a) Does the Company reserve the right to extend the impound period?  Yes  No

74. (b) If yes, describe the circumstances under which the Company might extend the impound period. N/A
75. State the name, address, and telephone number of the bank or other similar depository institution acting as impound agent. Sunrise Banks, , , ,
76. If the offering proceeds are returned to investors at the end of the impound period, will the Company pay any interest earned during the impound period to investors?  Yes  No

## 9 MANAGEMENT

### 9.1 OFFICERS AND KEY PERSONS OF THE COMPANY

77. Provide the following information for each Officer and key person. The term “key person” means a person, other than the chief executive officer, chief operating officer, and chief financial officer, who makes a significant contribution to the business of the Company. Identify who performs the functions of Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer.
77. (a) Name:  
Age: 34  
Title: Chief Executive Officer, Chief Operating Officer  
Office Address: 13570 Grove Dr. #371, Maple Grove, MN  
Telephone Number: 612-598-0780  
Names of employers, titles, and dates of positions held during past five years, with an indication of job responsibilities. Owner/Operator Commercial Investors Group

Education (degrees, schools, and dates): Bachelor's degree in Entrepreneurship and Finance from the University of Minnesota

Also a Director of the Company  Yes  No

Indicate amount of time to be spent on Company matters if less than full time: 25%

## 9.2 DIRECTORS OF THE COMPANY

78. (a) Number of Directors: 1

78. (b) Are Directors elected annually?  Yes  No  
If no, explain.

78. (c) Are Directors elected under a voting trust or other arrangement?  Yes  No  
If yes, explain.

79. Provide the following information for each Director not described in Item 77:

79. (a) Name: N/A

Age: N/A

Office Street Address:

Telephone Number: N/A

Names of employers, titles, and dates of positions held during past five years, with an indication of job responsibilities. N/A

Education (degrees, schools, and dates): N/A

## 9.3 CONSULTANTS

80. (a) Are all key persons employees of the Company?  Yes  No

80. (b) If no, state the details of each contract or engagement.

#### 9.4 ARRANGEMENTS WITH OFFICERS, DIRECTORS, AND KEY PERSONS

81. Describe any arrangements to ensure that Officers, Directors, and key persons will remain with the Company and not compete with the Company if they leave. N/A
82. (a) Describe the impact on the Company if it loses the services of any Officer, Director, or key person due to death or disability. The Company outsources management to third parties and is expected to be minimally impacted due to any loss of officer services.
82. (b) Has the Company purchased key person life insurance on any Officer, Director, or key person?  Yes  
 No
82. (c) Has the Company made any arrangements to replace any Officer, Director, or key person it loses due to death or disability?  Yes  No
82. (d) If the answer to either Item 82(b) or 82(c) is “yes,” describe.

#### 9.5 COMPENSATION

83. List all compensation that the Company paid to its Officers, Directors, and key persons for the last fiscal year:

	Cash	Other
Chief Executive Officer	\$0.00	\$0.00
Chief Operating Officer	\$0.00	\$0.00
Chief Financial Officer	\$0.00	\$0.00
Key Persons:	\$0.00	\$0.00
Total:	\$0.00	\$0.00
Officers as a group	\$0.00	\$0.00
Governors as a group	\$0.00	\$0.00
Key Persons as a group	\$0.00	\$0.00

84. (a) Has compensation been unpaid in prior years?  Yes  No

84. (b) Does the Company owe any Officer, Director, or employee any compensation for prior years?  Yes  
 No

84. (c) Explain any “yes” answer to Item 84(a) or 84(b). N/A N/A

85. Is compensation expected to change within the next year?  Yes  No  
If yes, explain.

86. (a) Does the Company have any employment agreements with Officers, Directors, or key persons?  Yes  
 No  
If yes, describe.

86. (b) Does the Company plan to enter into any employment agreements with Officers, Directors, or key persons?  Yes  No  
If yes, describe.

## 9.6 PRIOR EXPERIENCE

87. Has any Officer or Director worked for or managed a company (including a separate subsidiary or division of a larger enterprise) in the same type of business as the Company?  Yes  No  
If yes, explain in detail, including relevant dates. CEO Mike Sowers operates Commercial Investors Group, a real estate leasing and investment company.

88. (a) If the Company has never conducted operations or is otherwise in the development stage, has any Officer or Director managed another company in the start-up or development stage?  Yes  No

88. (b) If yes, explain in detail, including relevant dates. CEO founded Commercial Investors Group.

## 9.7 CERTAIN LEGAL PROCEEDINGS

### 9.7.1 Insolvency

89. Has a petition for bankruptcy, receivership, or a similar insolvency proceeding been filed by or against any Officer, Director, or key person within the past five years, or any longer period if material?  Yes  No
90. Was any Officer, Director, or key person an executive officer, a director, or in a similar management position for any business entity that was the subject of a petition for bankruptcy, receivership, or similar insolvency proceeding within the past five years, or any longer period if material?  Yes  No
91. Explain in detail any “yes” answer to Item 89 or 90. ;

### 9.7.2 Criminal Proceedings

92. (a) Has any Officer, Director, or key person been convicted in a criminal proceeding, excluding traffic violations or other minor offenses?  Yes  No
92. (b) Is any Officer, Director, or key person named as the subject of a pending criminal proceeding, excluding traffic violations or other minor offenses?  Yes  No
92. (c) Explain in detail any “yes” answer to Item 92(a) or 92(b). ;

### 9.7.3 Civil Proceedings

93. (a) Has any Officer, Director, or key person been the subject of a court order, judgment or decree in the last five years related to his or her involvement in any type of business, securities, or banking activity?  Yes  No
93. (b) Is any Officer, Director, or key person the subject of a pending civil or action related to his or her involvement in any type of business, securities, or banking activity?  Yes  No
93. (c) Has any civil action been threatened against any Officer, Director, or key person related to his or her involvement in any type of business, securities, or banking activity?  Yes  No
93. (d) Explain in detail any “yes” answer to Item 93(a), 93(b), or 93(c).; ;

### 9.7.4 Administrative Proceedings

94. (a) Has any government agency, administrative agency, or administrative court imposed an administrative finding, order, decree, or sanction against any Officer, Director, or key person in the last five years as a result of his or her involvement in any type of business, securities, or banking activity?  Yes  No
94. (b) Is any Officer, Director, or key person the subject of a pending administrative proceeding related to his or her involvement in any type of business, securities, or banking activity?  Yes  No
94. (c) Has any administrative proceeding been threatened against any Officer, Director, or key person related to his or her involvement in any type of business, securities, or banking activity?  Yes  No
94. (d) Explain in detail any “yes” answer to Item 94(a), 94(b), or 94(c). ; ;

### 9.7.5 Self-Regulatory Proceedings

95. (a) Has a self-regulatory agency imposed a sanction against any Officer, Director, or key person in the last five years as a result of his or her involvement in any type of business, securities, or banking activity?  Yes  No



95. (b) Is any Officer, Director, or key person the subject of a pending self-regulatory organization proceeding related to his or her involvement in any type of business, securities, or banking activity?  Yes  
 No
95. (c) Has any self-regulatory organization proceeding been threatened against any Officer, Director, or key person related to his or her involvement in any type of business, securities, or banking activity?  Yes  
 No
95. (d) Explain in detail any “yes” answer to Item 95(a), 95(b), or 95(c).; ;

**NOTE: After reviewing the background of the Company’s Officers, Directors and key persons, potential investors should consider whether or not these persons have adequate background and experience to develop and operate this Company and to make it successful. In this regard, the experience and ability of management are often considered the most significant factors in the success of a business.**

## 10 OUTSTANDING SECURITIES

### 10.1 GENERAL

96. Describe all outstanding securities. Series B Units owned by the Managing Member.
97. Describe any resale restrictions on outstanding securities and when those restrictions will terminate, if this can be determined. No Company imposed restrictions.
98. Describe any anti-dilution rights of outstanding securities. None

## 10.2 DIVIDENDS, DISTRIBUTIONS, AND REDEMPTIONS

99. (a) Has the Company paid any dividends on its stock, made any distributions of its stock, or redeemed any securities within the last five years?  Yes  No  
If yes, describe each transaction.

99. (b) Does the Company have any plans or commitments to pay dividends on its stock, make distributions of its stock, or redeem its outstanding securities in the future?  Yes  No  
If yes, explain. The Company intends to pay an annual preferred return to its members on the amount of unreturned capital contributions in the amounts of 10% to investors that invest \$10,000-\$24,999, 12% to those members whom invest \$25,000-\$49,999, and 13% to those members whom invest \$50,000 or more. The interest will begin to accrue once the underlying loan is made between 201 Opportunity Fund, LLC and the Company. This loan is expected to be put in service upon the closing on the Property, which is estimated to be Nov. 24th, 2018. Interest payments will be made quarterly according to the calendar year, beginning on April 1, 2018.

## 10.3 OPTIONS AND WARRANTS

100. (a) State the number of shares subject to issuance under outstanding stock purchase agreements, stock options, warrants or rights. N/A
100. (b) The shares identified in Item 100(a) are N/A% of the total shares to be outstanding after the minimum offering.
100. (c) The shares identified in Item 100(a) are N/A% of the total shares to be outstanding after the maximum offering.
101. In a table, describe these stock purchase agreements, stock options, warrants, and rights. State the basic terms of these securities, including the expiration dates, the exercise prices, who holds them, whether they are qualified or non qualified for tax purposes, and whether they have been approved by stockholders.
102. State the number of shares reserved for issuance under existing stock purchase or option plans but not yet subject to outstanding purchase agreements, options, or warrants.

103. Does the Company have any plans or commitments to issue or offer options in the future?  Yes  No  
If yes, explain. N/A

#### **10.4 SALES OF SECURITIES**

104. (a) Has the Company sold or issued securities during the last 12 months?  Yes  No

104. (b) If yes, in a table, provide the following information for each transaction: the date of the transaction; the amount and type of securities sold or issued; the number of purchasers to whom the securities were sold or issued; any relationship of the purchasers to the Company at the time of sale or issuance; the price at which the securities were sold or issued; and a concise description of any non-cash consideration.

	A	B	C	D	E	F	G
1	Date	Amount	Type	Purchaser	Relationship	Price	Consideration
2	10/1/2018	1	Series B Unit	201 Opportunity Fund, LLC	Managing Member	\$0.00	Managing Member has expended significant time and energy.

## 11 PRINCIPAL STOCKHOLDERS

105. In the following table, provide the name and office street address of each person who beneficially owns at least 10% of the common or preferred stock of the Company.

INVESTOR	ADDRESS	UNITS
<i>Mike Sowers</i>	<i>13570 Grove Dr., #371 Maple Grove MN 55311</i>	<i>Series B Units</i>

106. Number of shares beneficially owned by all Officers and Directors as a group: 1

106. (a) Before offering: 1 shares  
100% of total outstanding

106. (b) After offering: Assuming minimum securities sold:  
1 shares  
1% of total outstanding

106. (c) After offering: Assuming maximum securities sold:  
1 shares  
1% of total outstanding

**NOTE: These calculations assume that all outstanding options have been exercised and all convertible securities have been converted.**

## 12 MANAGEMENT RELATIONSHIPS AND TRANSACTIONS

### 12.1 FAMILY RELATIONSHIPS

107. Is there a family relationship between any Officer, Director, key person, or principal stockholder?  Yes  No  
If yes, describe.

### 12.2 MANAGEMENT TRANSACTIONS

108. (a) Will the Company use any offering proceeds to acquire assets from any Officer, Director, key person, or principal stockholder?  Yes  No

108. (b) Will the Company use any offering proceeds to acquire assets from an associate of any Officer, Director, key person, or principal stockholder?  Yes  No

108. (c) If the answer to Item 108(a) or (b) is “yes,” provide detailed information about each transaction. Include the name of the person, the cost to the Company, the method used to determine the cost, and any profit to the seller. ;

109. (a) Will the Company use any offering proceeds to reimburse any Officer, Director, key person, or principal stockholder for services already rendered, assets previously transferred, or moneys loaned or advanced, or otherwise?  Yes  No
109. (b) If yes, provide detailed information about each transaction. Include the name of the person, the cost to the Company, the method used to determine the cost, and any profit to the person.
110. (a) Has the Company made loans to any Officer, Director, key person, or principal stockholder within the last two years?  Yes  No
110. (b) Does the Company plan to make loans to its Officers, Directors, key persons, or principal stockholders in the future?  Yes  No  
If yes, describe any policies the Company has adopted to deal with the conflicts of interest in these transactions:
111. (a) Has the Company done business with any Officer, Director, key person, or principal stockholder within the last two years?  Yes  No
111. (b) Is the Company currently doing business with any Officer, Director, key person, or principal stockholder?  Yes  No
111. (c) Does the Company plan to do business with its Officers, Directors, key persons, or principal stockholders in the future?  Yes  No  
If yes, describe any policies the Company has adopted to deal with the conflicts of interest in these transactions:
112. Explain any “yes” answers to Items 110(a), 111(a), or 111(b). State the principal terms of any significant loans, agreements, leases, financing, or other arrangements. ; ;
113. (a) Has any Officer, Director, key person, or principal stockholder guaranteed or co-signed the Company’s bank debt or other obligations?  Yes  No
113. (b) If yes, explain the terms of each transaction and describe the Company’s plans for repayment.



## **13 LITIGATION**

114. Describe any recent or pending litigation or administrative action which has had or may have a material effect upon the Company's business, financial condition, or operations. State the names of the principal parties, the nature and current status of the matters, and the amounts involved. None
115. Describe any threatened litigation or administrative action that may have a material effect upon the Company's business, financial condition, or operations. State the names of the principal parties, and the nature and current status of the matters. None

## **14 TAX ASPECTS**

116. Describe any material tax consequences to investors in this offering. The Company will be treated as a partnership for federal income tax purposes.

## **15 OTHER MATERIAL FACTORS**

117. Describe any other material factors, either adverse or favorable, that will or could affect the Company or its business or which are necessary to make any other information in this Disclosure Document not misleading or incomplete. N/A

## 16 ADDITIONAL INFORMATION

118. (a) Describe the types of information that the Company will provide to security holders in the future.  
Quarterly reports investment income

118. (b) Describe the schedule for providing this information. Quarterly

118. (c) Attach the Company's financial statements to the Disclosure Document. See attached financials

## 17 SIGNATURES:

The Company's Chief Executive Officer, Chief Financial Officer, and its Directors must sign this Disclosure Document. When they sign this Disclosure Document, they represent that they have diligently attempted to confirm the accuracy and completeness of the information in the Document.

When the Chief Financial Officer signs this Disclosure Document, he or she represents that the financial statements in the Document have been prepared in accordance with generally accepted accounting principles which have been consistently applied, except where explained in the notes to the financial statements. He or she represents that the financial statements fairly state the Company's financial position and results of operations, or receipts and disbursements, as of the dates and periods indicated. He or she also represents that year-end figures include all adjustments necessary for a fair presentation under the circumstances.

Chief Executive Officer:  
/s/Mike Sowers \_\_\_\_\_

Title: \_\_\_\_\_

Chief Financial Officer:  
/s/Mike Sowers \_\_\_\_\_

Title: \_\_\_\_\_

Directors:  
\_\_\_\_\_

/s/Mike Sowers \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_


\_\_\_\_\_

\_\_\_\_\_


## 17 SIGNATURES:

The Company's Chief Executive Officer, Chief Financial Officer, and its Directors must sign this Disclosure Document. When they sign this Disclosure Document, they represent that they have diligently attempted to confirm the accuracy and completeness of the information in the Document.

When the Chief Financial Officer signs this Disclosure Document, he or she represents that the financial statements in the Document have been prepared in accordance with generally accepted accounting principles which have been consistently applied, except where explained in the notes to the financial statements. He or she represents that the financial statements fairly state the Company's financial position and results of operations, or receipts and disbursements, as of the dates and periods indicated. He or she also represents that year-end figures include all adjustments necessary for a fair presentation under the circumstances.


Chief Executive Officer:  
/s/Mike Sowers 

Title: CEO

Chief Financial Officer:  
/s/Mike Sowers 

Title: CEO

Directors:  
\_\_\_\_\_

/s/Mike Sowers 

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## 18 LIST OF EXHIBITS

See Page One of this filing for a list of all Exhibits, many of which are referenced herein.

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**EXHIBIT J**  
**Form U-2**  
(See attached)

**Form U-2**

**I. Form U-2 Uniform Consent to Service of Process**

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned 201 CROWDFUND, LLC, A LIMITED LIABILITY COMPANY organized under the laws of Minnesota for purposes of complying with the laws of the States indicated hereunder relating to either the registration or sale of securities, hereby irrevocably appoints the officers of the States so designated hereunder and their successors in such offices, its attorney in those States so designated upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of, or in connection with, the sale of securities or out of violation of the aforesaid laws of the States so designated; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the States so designated hereunder by service of process upon the officers so designated with the same effect as if the undersigned was organized or created under the laws of that State and have been served lawfully with process in that State.

It is requested that a copy of any notice, process or pleading served hereunder be mailed to:

Mike Sowers (Name)  
201 Crowdfund, LLC  
13570 Grove Dr., #371  
Maple Grove, MN 55369  
(Address)

Place an "X" before the names of all the States for which the person executing this form is appointing the designated Officer of each State as its attorney in that State for receipt of service of process:

- |                             |  |                               |                                      |
|-----------------------------|--|-------------------------------|--------------------------------------|
| <input type="checkbox"/> AL | Secretary of State   | <input type="checkbox"/> FL   | Dept. of Banking and Finance         |
| <input type="checkbox"/> AK | Administrator of the Division of Banking and Corporations, Department of Commerce and Economic Development | <input type="checkbox"/> GA   | Commissioner of Securities           |
| <input type="checkbox"/> AZ | The Corporation Commission   | <input type="checkbox"/> GUAM | Administrator, Department of Finance |
| <input type="checkbox"/> AR | The Securities Commissioner  | <input type="checkbox"/> HI   | Commissioner of Securities           |
| <input type="checkbox"/> CA | Commissioner of Corporations   | <input type="checkbox"/> ID   | Director, Department of Finance      |
| <input type="checkbox"/> CO | Securities Commissioner  | <input type="checkbox"/> IL   | Secretary of State                   |
| <input type="checkbox"/> CT | Banking Commissioner   | <input type="checkbox"/> IN   | Secretary of State                   |
| <input type="checkbox"/> DE | Securities Commissioner  | <input type="checkbox"/> IA   | Commissioner of Insurance            |
| <input type="checkbox"/> DC | Dept. of Insurance, Securities and Banking   | <input type="checkbox"/> KS   | Secretary of State                   |
| <input type="checkbox"/> KY | Director, Division of Securities   | <input type="checkbox"/> OH   | Secretary of State                   |
| <input type="checkbox"/> LA | Commissioner of Securities   | <input type="checkbox"/> OR   | Director, Department of              |

			Insurance and Finance
<input type="checkbox"/> _ME	Administrator, Securities Division	<input type="checkbox"/> _OK	Securities Administrator
<input type="checkbox"/> _MD	Commissioner of the Division of Securities	<input type="checkbox"/> _PA	Pennsylvania does not require filing of a Consent to Service of Process
<input type="checkbox"/> _MA	Secretary of State	<input type="checkbox"/> _PR	Commissioner of Financial Institutions
<input type="checkbox"/> _MI	Commissioner, Office of Financial and Insurance Services	<input type="checkbox"/> _RI	Director of Business Regulation
<input checked="" type="checkbox"/> _X_MN	Commissioner of Commerce	<input type="checkbox"/> _SC	Securities Commissioner
<input type="checkbox"/> _MS	Secretary of State	<input type="checkbox"/> _SD	Director of the Division of Securities
<input type="checkbox"/> _MO	Securities Commissioner	<input type="checkbox"/> _TN	Commissioner of Commerce and Insurance
<input type="checkbox"/> _MT	State Auditor and Commissioner of Insurance	<input type="checkbox"/> _TX	Securities Commissioner
<input type="checkbox"/> _NE	Director of Banking and Finance	<input type="checkbox"/> _UT	Director, Division of Securities
<input type="checkbox"/> _NV	Secretary of State	<input type="checkbox"/> _VT	Commissioner of Banking, Insurance, Securities & Health Administration
<input type="checkbox"/> _NH	Secretary of State	<input type="checkbox"/> _VA	Clerk, State Corporation Commission
<input type="checkbox"/> _NJ	Chief, Securities Bureau	<input type="checkbox"/> _WA	Director of the Department of Licensing
<input type="checkbox"/> _NM	Director, Securities Division	<input type="checkbox"/> _WV	Commissioner of Securities
<input type="checkbox"/> _NY	Secretary of State	<input type="checkbox"/> _WI	Department of Financial Institutions, Division of Securities
<input type="checkbox"/> _NC	Secretary of State	<input type="checkbox"/> _WY	Secretary of State
<input type="checkbox"/> _ND	Securities Commissioner		

Dated this 1st day of October, 2018  
(SEAL)

By   
Mike Sowers, Chief Executive Officer

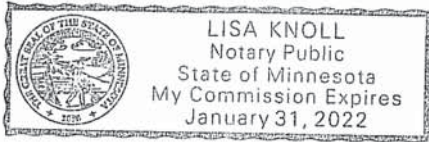


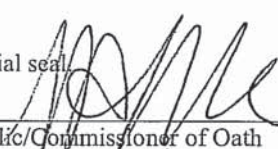
**CORPORATE ACKNOWLEDGMENT**

State or Province of MINNESOTA County  
of Hennepin ss.

On this 1st day of October, 2018, Mike Sowers, personally appeared BEFORE me to be the Chief Executive Officer of the above named Company and acknowledged that he, as an officer being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Company by himself as an officer.

IN WITNESS WHEREOF I have hereunto set my hand and official seal



  
\_\_\_\_\_  
Notary Public/Commissioner of Oath

My Commission Expires June 2022

**EXHIBIT K**  
**Portal Agreement**  
(See attached)

## PORTAL AGREEMENT

This Portal Agreement (the “Agreement”), is made and entered into on October 2nd, 2018 (the “Effective Date”), by and between Silicon Prairie Portal & Exchange LLC (“SPPX” or “Vendor”) and 201 Crowdfund, LLC (“Customer”). Each party to this Agreement may be referred to individually as a “Party” and collectively as the “Parties.”

### RECITALS

WHEREAS, SPPX provides a crowdfunding investment software platform which Customer will access under authorization from Vendor; and

WHEREAS, the Parties desire that SPPX make such platform and related services available to Customer under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### AGREEMENT

## 1 Definitions

As used in this Agreement, the following terms shall have the following meaning:

- a. “**Content**” means the visual information, documents, software, products, and services contained or made available to Customer in the course of using the Service (as defined hereinafter).
- b. “**Customer User Account**” means the account maintained by Customer’s users which includes any related login credentials and certain Customer Data provided or submitted by Customer’s users in the course of using the Service.
- c. “**Customer Data**” means any data, information, or material provided or submitted by Customer or by third-party users in the course of using the Service.
- d. “**Intellectual Property Rights**” means any unpatented inventions, patent applications, patents, design rights, copyrights, trademarks, service marks, trade names, domain name rights, mask work rights, know-how and other trade secret rights, and all other intellectual property rights, derivatives thereof, and forms of protection of a similar nature anywhere in the world.
- e. “**SPPX Technology**” means all of SPPX’s proprietary technology (including software, hardware, products, processes, algorithms, user interfaces, know-how, techniques, designs, and other tangible or intangible technical material or information) made available to Customer by SPPX in providing the Service.
- f. “**Service(s)**” means SPPX’s crowdfunding investment platform (the “Software Platform”), developed, operated, hosted, and maintained by SPPX, or ancillary online or offline products and services provided to Customer by SPPX, to which Customer is being granted access under this Agreement, including the SPPX Technology and the Content. The Services are further described in the documentation set forth in Appendix B.

- g. “**User(s)**” means Customer employees, representatives, consultants, contractors, agents, or prospective investors who are authorized to use the Service and have been supplied user identifications and passwords by Customer (or by SPPX at Customer’s request).

## **2 Provision of Services**

- a. Subject to the terms and conditions set forth in this Agreement (including any appendices), during the term of this Agreement, SPPX agrees to provide the Services and provide authorization to Customer and its Users with access and rights to use the Services subject to the fees set forth on Appendix A, attached hereto.
- b. Appendix A may be modified by the mutual written consent of the parties, in a form expressly amending such Appendices, to expand, limit or otherwise modify the scope the Services provided hereunder.
- c. SPPX will not provide any front-end web hosting services on the Customer’s website, but shall provide installation, maintenance, support, and other related hosting services to Customer as part of the Services and to be hosted on a subdomain of the Customer’s website.
- d. Neither the execution of this Agreement nor anything in it shall obligate SPPX to furnish any services beyond those described within this Agreement.

## **3 Access to Software Platform and Restrictions**

- a. SPPX hereby authorizes Customer to access and use the Service, solely for Customer’s own business purposes, subject to the terms and conditions of this Agreement. All rights not expressly granted to Customer are reserved by SPPX.
- b. Customer may not access the Service for purposes of obtaining competitive advantages, including, but not limited to, monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes.

## **4 Customer Responsibilities**

- a. Customer is responsible for all activity occurring under Customer’s User Accounts and shall abide by all applicable local, state, national, and foreign, laws, treaties and regulations in connection with Customer’s use of the Service, including those related to data security and privacy, international communications, and the transmission of technical or personal data.
- b. Customer shall: (i) notify SPPX immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to SPPX immediately and use reasonable efforts to stop immediately any copying or distribution of Content that is known or suspected by Customer or Customer Users; and (iii) not impersonate another SPPX user or provide false identity information to gain access to or use the Service.
- c. Customer shall not (i) license, sublicense, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any third party the Service or the Content in any way; (ii) modify or make derivative works based upon the Service or the Content; (iii) “frame” or “mirror” any Content on any other server or wireless or Internet-based device; or (iv) reverse engineer or access the Service

in order to (a) build a competitive product or service, (b) build a product using similar ideas, features, functions or graphics of the Service, or (c) copy any ideas, features, functions or graphics of the Service.

- d. Customer shall not: (i) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (ii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortuous material, including material harmful to children or violative of third party privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses, or other harmful computer code, files, scripts, agents, or programs; (iv) interfere with or disrupt the integrity or performance of the Service or the data contained therein; or (v) attempt to gain unauthorized access to the Service or its related systems or networks.
- e. In connection with Customer's use of the Services on Customer's own front-end website, Customer's front-end materials, web pages, media, and graphics used in connection with the Services shall prominently indicate that Vendor is providing the back-end Services by using the phrasing "POWERED BY SILICON PRAIRIE ONLINE" alongside the SPPX logo, in a manner to be approved by Vendor prior to Customer's use of the Services with any third parties.

## 5 Account Information and Customer Data

- a. Customer, not SPPX, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Customer Data, and SPPX shall not be responsible or liable for the deletion, correction, corruption, destruction, damage, loss or failure to store any Customer Data. In the event this Agreement is terminated (other than by reason of Customer's breach), SPPX will make available to Customer a file of the Customer Data within thirty (30) days of termination if Customer so requests at the time of termination.
- b. SPPX reserves the right to withhold, remove, and/or discard Customer Data without notice for any breach, including, without limitation, Customer's non-payment. Upon termination for cause, Customer's right to access or use Customer Data immediately ceases, and SPPX shall have no obligation to maintain or forward any Customer Data.

## 6 Intellectual Property Ownership

- a. SPPX (and its affiliated entities, where applicable) shall retain all right, title, and interest, including all related Intellectual Property Rights, in and to the SPPX Technology, the Content and the Service and any suggestions, ideas, enhancement requests, feedback, recommendations, or other information provided by Customer or any other party relating to the Service.
- b. This Agreement is not a sale or license and does not convey to Customer any rights of ownership in or related to the Service, the SPPX Technology or the Intellectual Property Rights owned by SPPX. SPPX's name, SPPX's logo, and the product names associated with the Service are trademarks of SPPX or third parties, and no right or license is granted to use them.

## 7 Third Party Goods and Services

- a. Customer may enter into correspondence with, and utilize the services from, third party service providers whose services are embedded into, or linked from, our Service offering. Any such activity, and any terms, conditions, warranties, or representations associated with such activity, is solely

between Customer and the applicable third party. SPPX shall have no liability, obligation, or responsibility for any such correspondence, purchase, or utilization between Customer and any such third party. SPPX does not endorse any sites on the Internet that are linked through the Service. In no event shall SPPX be responsible for any content, products, or other materials on or available from such sites.

- b. Customer acknowledges that certain third party providers of ancillary software, hardware, or services may require Customer's agreement to additional or different license or other terms prior to Customer's use of or access to such software, hardware or services.

## 8 Term and Termination

- a. This Agreement is effective as of the Effective Date and will remain in effect until terminated by SPPX or Customer within 30 days' notice.
- b. SPPX may terminate Customer's access to all or any part of the Services at any time, with or without cause, with or without notice, with immediate effect.
- c. Any breach of Customer's payment obligations or unauthorized use of the SPPX Technology or Service will be deemed a material breach of this Agreement. SPPX, in its sole discretion, may terminate Customer's password, account or use of the Service if Customer breaches or otherwise fails to comply with this Agreement.

## 9 Payment of Fees

- a. Customer shall make payment to SPPX for the Services at the rates and terms agreed to in Appendix A of this Agreement.
- b. All payment obligations are non-cancelable and all amounts paid are nonrefundable. Customer shall provide SPPX with valid credit card, cash, check, crypto-currency or other approved payment information as a condition to signing up for the Service.
- c. SPPX will issue an invoice to Customer as set forth in Appendix A. SPPX's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, and Customer shall be responsible for payment of all such taxes, levies, or duties, excluding only U.S. (federal or state) taxes based solely on SPPX's income.
- d. Customer agrees to provide SPPX with complete and accurate billing and contact information. This information includes Customer's legal company name, street address, email address, and name and telephone number of an authorized billing contact. Customer agrees to update this information within thirty (30) days of any change to it. If the contact information Customer has provided is false or fraudulent, SPPX reserves the right to terminate or suspend Customer's access to the Service in addition to any other legal remedies.
- e. If Customer believes its invoice is incorrect, Customer must contact SPPX in writing within sixty (60) days of the invoice date of the invoice containing the amount in question to be eligible to receive an adjustment or credit.

## 10 Nonpayment and Suspension

- a. In addition to any other rights granted to SPPX herein, SPPX reserves the right to suspend or terminate this Agreement and Customer's access to the Service if Customer fails to timely pay Vendor as set forth in this Agreement. Customer will continue to be charged during any period of suspension. If Customer or SPPX terminates this Agreement, Customer will be obligated to pay all remaining amounts owed to SPPX in accordance with Sections 8 and 9 above.
- b. SPPX reserves the right to impose additional fees in the event Customer is suspended and thereafter requests reinstated access to the Service.

## 11 Representations and Warranties, Indemnification, and Disclaimers

- a. Each party represents and warrants that it has the legal power and authority to enter into this Agreement. SPPX represents and warrants that it will provide the Service in a manner consistent with general industry standards reasonably applicable to the provision thereof and that the Service will perform substantially in accordance with Appendix B under normal use and circumstances.
- b. Customer represents and warrants that Customer has not falsely identified Customer nor provided any false information to gain access to the Service and that Customer's billing information is correct.
- c. Customer shall indemnify, defend, and hold SPPX and its parent organizations, subsidiaries, affiliates, officers, governors, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i) a claim alleging that use of the Customer Data infringes the rights of, or has caused harm to, a third party; (ii) a claim, which if true, would constitute a violation by Customer of Customer's representations and warranties; or (iii) a claim arising from the breach by Customer or Customer Users of this Agreement, provided in any such case that SPPX (a) gives written notice of the claim promptly to Customer; (b) gives Customer sole control of the defense and settlement of the claim (provided that Customer may not settle or defend any claim unless Customer unconditionally releases SPPX of all liability and such settlement does not affect SPPX's business or Service); (c) provides to Customer all available information and assistance; and (d) has not compromised or settled such claim.
- d. SPPX shall indemnify, defend, and hold Customer and Customer's parent organizations, subsidiaries, affiliates, officers, directors, governors, managers, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i) a claim alleging that the Service directly infringes a copyright, patent issued as of the Effective Date, or a trademark of a third party; (ii) a claim, which if true, would constitute a violation by SPPX of its representations or warranties; or (iii) a claim arising from breach of this Agreement by SPPX; provided that Customer (a) promptly gives written notice of the claim to SPPX; (b) gives SPPX sole control of the defense and settlement of the claim (provided that SPPX may not settle or defend any claim unless it unconditionally releases Customer of all liability); (c) provides to SPPX all available information and assistance; and (d) has not compromised or settled such claim. SPPX shall have no indemnification obligation, and Customer shall indemnify SPPX pursuant to this Agreement, for claims arising from any infringement arising from the combination of the Service with any of Customer products, service, hardware or business process(s).
- e. SPPX MAKES NO OTHER REPRESENTATION, WARRANTY, OR GUARANTY AS TO THE RELIABILITY, TIMELINESS, QUALITY, SUITABILITY, TRUTH, AVAILABILITY, ACCURACY, OR COMPLETENESS OF THE SERVICE OR ANY CONTENT. SPPX DOES NOT REPRESENT

OR WARRANT THAT (A) THE USE OF THE SERVICE WILL BE SECURE, TIMELY, UNINTERRUPTED, OR ERROR-FREE OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM, OR DATA; (B) THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (C) ANY STORED DATA WILL BE ACCURATE OR RELIABLE; (D) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY CUSTOMER THROUGH THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (E) ERRORS OR DEFECTS WILL BE CORRECTED; OR (F) THE SERVICE OR THE SERVER(S) THAT MAKE THE SERVICE AVAILABLE ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE SERVICE AND ALL CONTENT IS PROVIDED TO CUSTOMER STRICTLY ON AN "AS IS" BASIS. ALL CONDITIONS, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY SPPX.

- f. SPPX'S SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. SPPX IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

## **12 Limitation of Liability**

- a. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY EXCEED THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM CUSTOMER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE, OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS SERVICE, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICE, OR FOR ANY CONTENT OBTAINED FROM OR THROUGH THE SERVICE, ANY INTERRUPTION, INACCURACY, ERROR, OR OMISSION, REGARDLESS OF CAUSE IN THE CONTENT, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT HAS BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- b. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential, or certain other types of damages, so the exclusions set forth above may not apply to Customer.

## **13 Local Laws and Export Control; Securities Compliance**

SPPX makes no representation that the Service is appropriate or available for use in other locations. Customer is solely responsible for compliance with all applicable laws, including all securities state and federal securities laws, and without limitation export and import regulations of other countries.



## 14 Notice

SPPX may give notice by means of a general notice on the Service, email to Customer address on record in SPPX's account information, or by written communication sent by first class mail or pre-paid post to Customer address on record in SPPX's account information. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email). Customer may give notice to SPPX (such notice shall be deemed given when received by SPPX) at any time by any of the following: letter delivered by nationally recognized overnight delivery service or first class postage prepaid mail to SPPX at the following address:

Silicon Prairie Portal & Exchange LLC  
Attn: David V Duccini  
475 Cleveland Ave Suite 315  
St. Paul, MN 55104

## 15 Modification to Terms

SPPX reserves the right to modify the terms and conditions of this Agreement or its policies relating to the Service at any time, effective upon the posting of an updated version of this Agreement on the Service. Customer is responsible for regularly reviewing this Agreement. Continued use of the Service following a period of thirty (30) days after any such changes shall constitute Customer's consent to such changes.

## 16 Assignment; Change in Control

This Agreement may not be assigned by Customer without the prior written approval of SPPX, which shall not be unreasonably withheld, but may be assigned without Customer's consent by SPPX to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this section shall be void. Any actual or proposed change in control of Customer that results or would result in a direct competitor of SPPX directly or indirectly owning or controlling 50 percent or more of Customer shall entitle SPPX to terminate this Agreement for cause immediately upon written notice.

## 17 General

1. This Agreement shall be governed by Minnesota law and controlling U.S. federal law, without regard to the choice or conflicts of law provisions of any jurisdiction, and any disputes, actions, claims, or causes of action arising out of or in connection with this Agreement or the Service shall be subject to the exclusive jurisdiction of the state and federal courts located in Hennepin County, State of Minnesota.
2. No text or information set forth on any other purchase order, preprinted form, or document shall add to or vary the terms and conditions of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other provisions remaining in full force and effect. No joint venture, partnership, employment, or agency relationship exists between Customer and SPPX as a result of this agreement or use of the

Service. The failure of SPPX to enforce any right or provision in this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by SPPX in writing. This Agreement comprises the entire agreement between Customer and SPPX and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, between the parties regarding the subject matter contained herein.

**IN WITNESS WHEREOF**, the parties have executed this Portal Agreement as of the Effective Date.

**SILICON PRAIRIE PORTAL & EXCHANGE (“SPPX”):**

**BY:** /s/ David V Duccini

Name: David V Duccini

Title: Founder and CEO

**CUSTOMER:** 201 Crowdfund, LLC

**By:** /s/ Mike Sowers

Name: Mike Sowers

Title: Chief Executive Officer

**APPENDIX A**  
**Schedule of Fees**

**Customer use of portal:**

Signup: 2,500

Launch: 2,500

Per Month (Post-Launch): 0

Not to exceed 5,000 in the aggregate.

**APPENDIX B**  
**Description / Documentation of Services**

MNvest Portal Hosting Package, Investor Residency Verification, Investment Tracking, and all other services as may be necessary.

**APPENDIX C**  
**FBO Account Authorization Letter**

201 Crowdfund, LLC (“Customer”) hereby Authorizes Silicon Prairie Holdings, Inc. (“SPPX”) to initiate the creation of a bank account (the “FBO Account”) for the benefit of Customer at Sunrise Banks (“Bank”), pursuant to that certain Third Party Sender ACH Agreement between SPPX and Bank dated July 21, 2017, in order to collect amounts contributed from investors to Customer to be held in escrow for the benefit of Customer. This authorization shall remain in full force and effect until SPPX has received written notification from Customer of its termination in such time and in such manner as to afford SPPX a reasonable opportunity to act on such notification.

ASSIGNMENT. Customer hereby assigns to SPPX its rights and management of the FBO Account during the term of the engagement, which is defined as commencing from the effective date of the Offering with the Minnesota Department of Commerce and concluding at the final close of its Offering. Customer expressly authorizes SPPX to add its name to such agreement as an FBO.

DISBURSEMENT. Customer understands that no funds can be disbursed until two conditions have been satisfied:

- 1 The Customer raises its stated minimum amount as documented in its filing with Commerce, and
- 2 The Customer has accepted signed subscription agreements, including via e-signature, from each of its investors.

SPPX will aid in the collection of signed subscription agreements and verify receipt prior to the disbursements of any funds from the escrow account. Signed subscription agreements can be obtained through the portal using e-signatures. Customer will be responsible for placing a digital signature on file with SPPX to be used for the sole and express purpose of countersigning subscription agreements on Customer’s behalf.

Customer understands that all funds disbursed will be subject to transfer via an approved payment method, including but not limited to ACH, bank draft or wire transfer and will be subject to any fees required per method, to be deducted from funds held in escrow.

RECESSION. Customer understands that investors have the right to rescind their investment pledges up to 48 hours prior to the close of the offering and receive a full refund of all funds without fee.

CHARGEBACKS. Customer understands that investors who fund their escrow pledges via ACH can refute such transactions (“CHARGEBACK”) for up to 60 days. In the event an investor initiates an ACH chargeback, Customer understands funds in the equivalent amount may be held back until the matter is cured at Customer’s expense.

RELEASE. Customer hereby further agrees to release, indemnify and hold harmless SPPX as administrator of the FBO Account from any claim or demand arising out of the administration of the FBO Account.

## COMPLIANCE AND RECORD-KEEPING

Customer agrees:

- (i) To be bound by the Rules of the National Automated Clearing House Association (“Rules”);
- (ii) To assume the obligations and make the representation and warranties of an “Originator,” a “Third Party Service Provider” and/or a “Third Party Sender,” as the case may be and as such terms are defined under the Rules;
- (iii) To receive and maintain proper authorization from the “Receiver” for each “Entry” initiated on behalf of the Customer, as such terms are defined under the Rules;
- (iv) To be exposed to a limit and be subject to procedures for Third Party Sender to review and adjust the exposure limit periodically; and
- (v) To allow Third Party Sender to conduct regular audits of the Customer.