SUPPLEMENT NO. 1

TO INVESTOR PACKAGE

Up to $7,000,000 Worth of Convertible Notes

This Supplement No. 1 to the Investor Package (the "Supplement") supplements and amends and should be read with the Investor Package dated August 13, 2019 (the "Investor Package") relating to the offering (the "Offering") by Goodneighbors - The Rune, LLC, a entity.state limited liability company ("we," "us" and the "Company"), of up to $7,000,000 worth of Convertible Notes (the "Convertible Notes") at an offering price equal to $1.00 per Convertible Note. This Supplement is being provided to investors to inform them of recent events that have occurred since the date of the Investor Package.

An investment in the Convertible Notes is highly speculative, involves a high degree of risk and is suitable only for investors with substantial means who can bear the economic risk of the investment for an indefinite period of time, have no need for liquidity of the investment and have adequate means of providing for their needs and contingencies. An investment in the Convertible Notes should be made only by persons able to bear the risk in the event the investment results in a total loss.

In addition to this Supplement, each investor should carefully read the Investor Package, including, but not limited to, the information set forth in the Investor Package under the Section entitled "Risk Factors." The Investor Package contains more detailed information about the Company, its business and financial condition and the Convertible Notes.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. The Convertible Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Investor Package or this Supplement. Any representation to the contrary is a criminal offense.

All capitalized terms used but not defined in this Supplement have the definitions ascribed to them in the Investor Package. Except as otherwise expressly amended by this Supplement, the Investor Package remains in full force and effect.

The date of this Supplement No. 1 is July 13, 2020.

RECENT EVENTS AND MATERIAL CHANGES

I. *The maximum offering amount has been increased to $7,000000. To date, the Company has raised $1,075,000 in the form of convertible notes from seven investors. Upon closing, the Founder's will receive an ownership percentage comparable with a $700,000 investment. The Company anticipates receiving a grant in the amount of $350,000 from DEED. The Company estimates it will need $7,650,000 of equity in order to receive a loan in the amount of $22,949,000. The Company anticipates loan interest rates between 4 to 4.5 percent.*

II. *The offering expiration date has been changed to December 31, 2020.*

III. *The ages of the Founders, Rob Thompson and Ted Christianson, are 65 and 61, respectively.*

IV. *The Company will no longer raise capital in the form of tranches as described in the Investor Package.*

V. *Demolition is anticipated to begin on the property in the third quarter of 2020. Construction is expected to take 16 months and is anticipated to be completed in the fourth quarter of 2021.*

VI. *The building is now designed to have 72 apartment units, not 73.*

VII. *See Exhibit A for a revised Pro Forma.*

VIII. *See Exhibit B for revised Use of Proceeds and Project Costs.*

ACKNOWLEDGMENT AND AGREEMENT

In connection with the offer and sale by Goodneighbors - The Rune, LLC (the "Company") of up to $7,000,000 worth of Convertible Notes of the Company pursuant to the Investor Package dated August 13, 2019 (the "Investor Package"), and this Supplement No. 1 to the Investor Package dated July 13, 2020 ("Supplement"), the undersigned hereby acknowledges and represents to the Company that the undersigned has received and carefully reviewed the Investor Package and the Supplement, and the information set forth therein, and that the undersigned consents to the changes to the offering set forth in the Supplement.

Dated:________________

Signature________________

Type or Print Name of Investor________________

Signature of Second Investor (if joint)________________

Type or Print Name of Second Investor(if joint)________________

EXHIBIT A

(see attached)

THE RUNE, LLC

Alexandria, Minnesota

Project Summary

Assumptions:	BASE CASE - w/TIF					6/30/20
Total Project Cost	30,599,110	Valuation: Higher of appreciation /y	2.0%		Total Leaseable SF	101,189
Acquistion Cost	1,875,000	or Cap rate of :	7.0%	38,772,741	Total Land SF	250,000
Construction/Development Costs	28,724,110	Equity %	25.0%		Rent - Residential /unit	$2,684
Mortgage (20 years)	22,949,333	Debt %	75.0%		Net Rent - Comm/SF	$26.84
Equity (includes TIF/DEED)	7,649,778	Interest Rate	4.00%		Gross Rent - Comm /SF	$37.34

		During Construct'n	Year 1	2	3	4	5	6	7	8	9	10
Net Occupancy - Residential			70.0%	80.0%	90.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Net Occupancy - Commercial			80.3%	89.0%	89.0%	89.0%	97.7%	97.4%	97.4%	97.4%	97.4%	97.4%
Rental Revenue		0	2,016,151	2,264,589	2,471,750	2,632,956	2,754,422	2,927,024	2,993,281	3,061,935	3,133,071	3,206,779
GNP - TIF Reimbursement		0	0	0	23,266	35,065	39,317	43,673	48,139	52,717	57,407	62,217
Operating Exp Pass Through - Commercial		0	112,081	192,007	240,029	246,030	282,055	311,416	319,202	327,182	335,361	343,745
Total Revenue		0	2,128,231	2,456,595	2,735,045	2,914,050	3,075,794	3,282,113	3,360,621	3,441,833	3,525,839	3,612,742
Total Operating Expense		0	419,985	548,225	650,970	681,207	679,961	764,160	795,416	828,194	862,576	898,650
Net Operating Income (NOI)		**0**	**1,708,247**	**1,908,370**	**2,084,076**	**2,232,843**	**2,395,833**	**2,517,953**	**2,565,205**	**2,613,639**	**2,663,264**	**2,714,092**
Return Analysis:												
Equity Investment		(7,649,778)	0	0	0	0	0	0	0	0	0	0
NOI		0	1,708,247	1,908,370	2,084,076	2,232,843	2,395,833	2,517,953	2,565,205	2,613,639	2,663,264	2,714,092
Debt Service		0	(917,973)	(1,316,111)	(1,642,039)	(1,642,145)	(1,642,256)	(1,642,371)	(1,642,491)	(1,642,615)	(1,642,745)	(1,642,880)
Contigency Allowance		0	(74,488)	(85,981)	(95,727)	(101,992)	(107,653)	(114,874)	(117,622)	(120,464)	(123,404)	(126,446)
Partnership Mgmt Fee		0	(21,282)	(24,566)	(27,350)	(29,141)	(30,758)	(32,821)	(33,606)	(34,418)	(35,258)	(36,127)
Net Cash Flow from Operations		(7,649,778)	**694,503**	**481,713**	**318,960**	**459,566**	**615,166**	**727,887**	**771,486**	**816,142**	**861,856**	**908,639**
Cash Distributions		0	694,503	438,858	284,625	449,461	615,583	699,749	761,041	805,188	850,366	896,584
	8.5%		9.1%	5.7%	3.7%	5.9%	8.0%	9.1%	9.9%	10.5%	11.1%	11.7%
Valuation (Year Ten)												38,772,741
Less: Selling Expenses												(1,938,637)
Less: Outstanding Principal												(15,296,011)
Net Proceeds at Sale												21,538,093
NOI/Debt Service		**NA**	**1.86**	**1.45**	**1.27**	**1.36**	**1.46**	**1.53**	**1.56**	**1.59**	**1.62**	**1.65**
Cash Flow to All Principals		(7,649,778)	**694,503**	**438,858**	**284,625**	**449,461**	**615,583**	**699,749**	**761,041**	**805,188**	**850,366**	**896,584**
Add: Principal Reduction			**0**	**405,493**	**784,515**	**816,478**	**849,742**	**884,362**	**920,392**	**957,890**	**996,916**	**1,037,532**
Appreciation @	2.0%		**611,982**	**611,982**	**611,982**	**611,982**	**611,982**	**611,982**	**611,982**	**611,982**	**611,982**	**611,982**
Total Return		(7,649,778)	**1,306,485**	**1,456,333**	**1,681,122**	**1,877,921**	**2,077,307**	**2,196,093**	**2,293,416**	**2,375,061**	**2,459,265**	**2,546,098**
Return on Equity	10 Yr Avg 26.5%		**17.1%**	**19.0%**	**22.0%**	**24.5%**	**27.2%**	**28.7%**	**30.0%**	**31.0%**	**32.1%**	**33.3%**
Tax Saved (Paid)		**0**	**215,967**	**146,540**	**69,695**	**8,892**	(57,247)	(109,798)	(137,806)	(166,705)	(196,516)	(621,981)

PRE-TAX	**INVESTMENT IRR**	16.2%
	CASH ON CASH RETURN (AVG)	8.5%
	CASH ON CASH RETURN (AVG) W/O RESERVES	9.9%
AFTER TAX	**INVESTMENT IRR**	16.2%
	CASH ON CASH RETURN (AVG)	7.9%

CONFIDENTIAL - PRELIMINARY DRAFT

For professional review purposes only. Not to be relied upon for forming investment decisions. The information contained herein is confidential and propriety. This information is preliminay only.
May be based upon insufficient data and is likely to change significantly without notice. This document may not be duplicated or reproduced for any purpose whatsoever.

EXHIBIT B
(see attached)

The Rune – Revised Estimates

Total Project Costs:	30,598,000
Land Costs:	1,875,000
New Construction:	25,201,000
Development Related:	2,283,000
WC/Contingency Costs:	1,239,000

USE OF PROCEEDS

Land Purchase	1,875,000
Demolition	250,000
Design and Construction of the Rune	24,951,000
Contingency	500,000
Construction Interest	847,000
Org Costs/Working Capital/General Corporate Exp	2,175,000
Total	30,598,000

INVESTOR PACKAGE

Goodneighbors - The Rune, LLC

Minimum Offering: $1,000,000
Maximum Offering: $4,000,000

Convertible Notes
Purchase Price: $1.00 per Convertible Note

DO NOT REPRODUCE

The Date of this Investor Package is August 13, 2019
The Date of Expiration of the Offering is December 31, 2019

Goodneighbors - The Rune, LLC
UP TO $4,000,000 of Convertible Notes

Goodneighbors - The Rune, LLC, a Minnesota limited liability company, is offering a minimum of 1,000,000 of its Convertible Notes for an aggregate total of $1,000,000 and maximum of 4,000,000 of its Convertible Notes for an aggregate total of $4,000,000, at an offering price of $1.00 per Convertible Note, pursuant to this Investor Package. The minimum required investment is $50,000, unless waived by the Company, in its sole discretion.

The offering price of the Convertible Notes 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 Convertible Notes 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 Convertible Notes 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 AN ENTITY 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.

On behalf of Goodneighbors - The Rune, LLC, a Minnesota limited liability company ("Goodneighbors - The Rune," "we" or the "Company"), we are pleased that you have expressed an interest in purchasing Convertible Notes (the "Convertible Notes") in the Company. In order to invest, you must complete the subscription agreement attached hereto, conditioned on the Company's acceptance of investor subscriptions and issuance of the Convertible Notes to you and other purchasers. In order to proceed with your purchase of the Convertible Notes, please follow the the instructions found on the subscription agreement.

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 Convertible Notes. 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 Managing Member, Ted Christianson, (the "Managing Member"), possess such information or can acquire it without unreasonable effort or expense. You will be asked to acknowledge in the Subscription Agreement attached hereto 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 Ted Christianson, at 701-361-3734.

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 Convertible Notes.

THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE CONVERTIBLE NOTES. 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 CONVERTIBLE NOTES 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.

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 REGULATION D, 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.

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.

Lastly, the Company and/or a third party will contact you to verify your status as an accredited investor. As described in the Investor Package and the Subscription Agreement, the Company is relying on an exemption from registration with the Securities and Exchange Commission set forth under Rule 506(c) of Regulation D. Under Rule 506(c), the Company may engage in general solicitation or general advertising in offering and selling the securities, provided that (i) all purchasers of the securities are accredited investors; and (ii) the Company takes reasonable steps to verify that such purchasers are accredited investors. You also will be required to provide documents and information necessary to verify that you are an accredited investor pursuant to Regulation D.

INDEX OF EXHIBITS

- Exhibit A of this package contains a business plan (the "***Business Plan***").
- Exhibit B of this package contains a summary of the terms of this Offering (the "***Summary of Terms***").
- Exhibit C of this package includes a copy of the Company's risk factors ("***Risk Factors***").
- Exhibit D of this package includes a copy of the Company's Operating Agreement ("***Operating Agreement***").
- Exhibit E of this package contains the financial statements of the Company (the "***Financial Statements***").
- Exhibit F of this package contains the subscription agreement to be completed by investors in order to purchase Convertible Notes (the "***Subscription Agreement***").
- Exhibit G of this package contains the promissory note and note purchase agreement to be completed by investors in order to purchase Convertible Notes (the "***Note and Note Purchase Agreement***").

EXHIBIT A
Business Plan
(See attached)

Business Plan

Goodneighbors – The Rune, LLC
1210 Broadway #400
Alexandria, Minnesota 56308
(320)763-3886

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Memorandum. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements.

The Company and the Project

GoodNeighbors - The Rune, LLC was organized in 2019 in order to enter the residential, retail/office Market in Alexandria, Minnesota. The Company has negotiated the purchase of 2.39 acres of land in Alexandria which will be used to build a 4-story, 73-unit apartment building and 28,000 sq. ft. of retail/office leased space complete with 150 underground parking stalls, which we refer to herein as "The Rune". The land is located on 3rd Avenue and Broadway Street in the heart of downtown Alexandria, MN. This intersection has one of the highest traffic counts in the county and runs through the City of Alexandria from interstate 94 to residential and vacation lakeside living areas.

Alexandria is located in west central Minnesota 130 miles northwest of Minneapolis-St. Paul and 100 miles southeast of Fargo, North Dakota on Interstate Highway I-94. Alexandria is the county seat of Douglas County. Although the city population is approximately 13,000, the population of the Greater Alexandria area served by Independent School District #206 is approximately 30,000. The area is known for its many recreational opportunities, with over 300 lakes in Douglas County. Vacationers and residents alike enjoy fishing, skiing, sailing and swimming on the lakes in the summer and snowmobiling and cross-country skiing in the winter. In recognition of the retail demands of the area's permanent and part-time residents Alexandria has a "Pull" factor of 2.58, which ranks in the top 3 in the state of Minnesota.

GoodNeighbor Properties, LLC will manage "The Rune". The principals of GoodNeighbor Properties, LLC have been involved in various aspects of property management and property development for over 30 years. The Company will contract with Essence Property Management to manage the 73 apartment units. C.I. Construction, LLC of Alexandria will construct "The Rune". C.I. Construction has over 50 years of construction experience in the region and has specialized in all aspects of commercial construction. Tanek Architects will be the architect of record and will design the facility. The Company anticipates that construction of "The Rune" will be completed within 14 months after breaking ground.

The Company estimates that the costs to complete the project and initiate operations will total approximately $23,700,000 consisting of $1,875,000 in land acquisition costs, approximately $19,300,000 in new construction, $1,881,950 in development-related costs and $570,135.00 in working capital and contingency cost. The Company seeks to fund the project with a loan of up to $17,720,314.00 secured by a mortgage on the property and with up to $7,000,000 in total proceeds from this Offering and a future equity offering. See "Use of Proceeds." We expect construction of "The Rune" to be started during the third quarter of 2019.

USE OF PROCEEDS

The Company currently intends to apply the net proceeds from its anticipated debt financing and the sale of the Units to the purchase of the land, the design and construction of "The Rune" and general corporate expenses. The following table sets forth the anticipated use of the net proceeds from this Offering and the anticipated debt financing.

Land Purchase	$1,875,000
Demolition	$250,000
Design and Construction of "The Rune"	$19,050,000
Contingency	$500,000
Construction Interest	$500,000
Organization Costs, Working Capital and General Corporate Expense	$1,452,085
Total	$23,627,085

The table above represents the Company's best estimate of its allocation of the net proceeds of this Offering and the anticipated equity offering based upon its current plans and current economic and industry conditions. The timing and amount of expenditures will vary depending upon numerous factors, including the timing and successful completion of the land and the construction of "The Rune". We have not yet obtained detailed construction bids for "The Rune". As such, our estimated costs and use of proceeds are based on estimates provided by our construction contractor.

The Company believes that the proceeds from this Offering and its anticipated equity offering will be sufficient to satisfy its cash requirements for the foreseeable future. The Company will have broad discretion to allocate the proceeds of this Offering, including with respect to general corporate expenses and working capital, and to determine the timing of expenditures. The Company intends to explore additional financing alternatives, in the event the proceeds from this Offering and future equity offering together with debt financing are insufficient to satisfy its near-term cash requirements.

BUSINESS

General

The Company was organized in 2019 to develop a Mixed-Use Property in Alexandria, Minnesota. The Company is in the process of purchasing approximately 2.39 acres of land on which "The Rune" will be located and expects to close the purchase of the Alexandria property from 3 separate owners in July of 2019. The company expects to evaluate final budgets and to commence design and construction of "The Rune", early in the third quarter of 2019. We expect construction of "The Rune" to begin in late August and to be completed during the late fourth quarter of 2020.

"The Rune" is expected to be a Mixed-use project including a 4-story, 73- unit upscale apartment and 28,000 of retail/office space with approximately 150 underground parking stalls. The project has already received approval by the city of Alexandria under their Planned Unit Development ("PUD") standards and has received approval for 13 years of tax increment with a present value of $1,500,000.

Competition

The Company has contracted and received a feasibility study prepared by ViewPoint Consulting Group for the proposed 73-unit upscale senior apartments. The study assesses the site location and examines growth trends and demographic characteristics for the targeted population, analyzes the competitive markets and calculates demand for the upscale housing market. Based on their analysis, ViewPoint finds sufficient market demand to support the Rune's upscale apartments. See February 6, 2019 Market Feasibilty Study by ViewPoint Consulting Group, Inc.

Customers

We intend to target primarily upper income over 55 residents of the county and surrounding area of Douglas County. We believe we are well-positioned to target a broad market segment given our expected location, the amenities we will offer. Alexandria has been recognized as a regional preferred retirement center.

Employees

The Company expects to have no employees but will contract with GoodNeighbor Properties and Essence Property Management to manage and maintain the facility.

Capital Resources

The Company is in the process of negotiating a third-party loan of up to $17,720,000 to finance a portion of the land acquisition and development costs for the project. Under the proposed terms, the loan would accrue interest at an annual rate of 5.25% to 5.75% fixed for five to seven years and variable thereafter and would be secured by a mortgage on the acquired property and by all other assets of the Company. In addition, we expect that our lender will require personal guarantees of a proportionate share of the loan from members. The Company believes that the proceeds of the loans, the equity offering and this Offering will satisfy its current cash requirements for the foreseeable future and at least the next twelve months, and that it will not be necessary for the Company to raise additional funds during that time period. The Company will consider financing alternatives if its expectation is inaccurate, including additional equity issuances to the extent permitted by its Member Control Agreement.

Tranches during the Offering

First Tranche

The Company will be drawing an initial tranche of $1,000,000 from proceeds of this offering to fund the purchase of the real estate project land, demolition preliminary design and engineering. This tranche will be drawn on or before July 31, 2019. In addition, a short-term loan in the amount of $1,125,000 will be entered into for a total land and demo purchase price of $2,125,000. The loan will have a maturity of 24 months, interest rate of 5.5% and will be interest only until maturity.

Second Tranche

The company will be drawing a second tranche in the amount of $1,000,000 from proceeds of this offering to fund design, organization costs, working capital and general corporate expense. This tranche is anticipated to take place on or before September 30, 2019.

Third Tranche

The company will be drawing a third and final tranche in the amount of $2,000,000 from proceeds of this offering to fund sitework and foundation work, working capital and general corporate expense. This tranche is anticipated to take place on or before November 30, 2019.

Real Property and Environmental Matters

As noted elsewhere, the Company intends to purchase approximately 2.39 acres of land in Alexandria, Minnesota, on which "The Rune" will sit. We expect the land and the building, along with the Company's other assets, to be subject to liens in favor of our debt provider.

A geotechnical evaluation on the property was prepared on July 25, 2018 for C.I. Construction, LLC in anticipation of the 2019 construction of "The Rune". Although the evaluation confirms that the site has suitable soil conditions for this development, it does indicate the presence of hazardous contamination on part of the site. We believe our contingency of $500,000 is adequate to cover any environmental issues that are encountered. See the "Risk Factors" section of this Memorandum.

Legal Proceedings

The Company is not aware of any pending or threatened legal proceedings to which the Company is or may be a party or to which any of its property may be subject which would have a material adverse effect on its business or operating results. The Company may be subject to legal proceedings from time to time in the future in the ordinary course of business.

Material Contracts

Real Estate Purchase Agreement

We have entered into 3 purchase agreements for the purchase of a 2.39 acre parcel of real estate in Alexandria, Minnesota, on which "The Rune" will be constructed. The expected purchase price is $1,875,000, payable in cash at closing. See the section of this Memorandum entitled "Certain Transactions and Potential Conflicts of Interest."

Debt Financing

As noted elsewhere in this Memorandum, we intend to obtain approximately $17,720,314 in principal amount of debt capital in order to purchase and develop the Alexandria real estate. The terms of any loan to the Company remain subject to negotiations with lenders. We expect the loan to include customary obligations and restrictions, to accrue interest at an annual rate of 5-6% fixed for five to seven years and variable thereafter, and to be secured by a mortgage on the property and by all other assets of the Company. The Company anticipates that the lender will require a personal guaranty of a proportionate share of the loan from each investor. This requirement is expected to apply to all investors in this Offering in light of the minimum investment amount.

Agreements Relating to the Design and Construction of "The Rune"

We intend to enter into an agreement with a third-party architect with respect to the design of "The Rune". We expect this agreement to be customary in all material respects.

We also intend to enter into a Construction Management Agreement with C.I. Construction, LLC, who we expect to retain to coordinate the construction and cost estimating activities relating to "The Rune". The Construction Management Agreement is expected to contain customary terms and conditions and will govern the fees and expenses payable and payment schedule, bidding and construction schedule, and parameters of the project, among other items. Although C.I. Construction, LLC has agreed to supervise work relating to the project, we cannot guarantee that "The Rune" will be completed on time or in accordance with our cost or building specifications. In addition, C.I. Construction may be able to terminate the Construction Management Agreement if we do not make required payments under the contract or otherwise do not perform thereunder, and we may be required to compensate C.I. Construction for services and expenses in the event we suspend the project.

Rune Management Agreement

We expect to retain Essence Property Management, LLC to operate and oversee the day-to-day management of "The Rune" on our behalf. We expect that our Rune Management Agreement with EPM will include fee and expense provisions and termination for default provisions, as well as other customary terms.

MANAGEMENT

Governors and Managers

The table below provides the name and age as of the date of this Memorandum of both of our managers responsible for overseeing the business and affairs of the Company. See our Operating Agreement, attached, which outlines the roles of the managers.

Name and Title

Ted Christianson: 60, Managing member

Robert Thompson: 64, Managing member

CERTAIN TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

Our managers and governors, along with several of our business partners, expect to participate in the Offering as follows:

- Rob Thompson, owner of C.I. Construction, LLC, is expected to own approximately 3% of our outstanding Units following the completion of the equity Offering if the minimum number of Units is sold. The Company intends to enter in a Construction Management Agreement with C.I. Construction to manage the construction project.

Any conflicts of interest relating to the transactions and relationships described above have not been resolved through arm's length negotiations. The Company's participation in such transactions and relationships will be contingent upon compliance with the Minnesota Limited Liability Company Act and the Company's organizational documents.

EXHIBIT B

Summary of Terms

(See attached)

Goodneighbors - The Rune, LLC
CONFIDENTIAL TERM SHEET

The following is a summary of the basic terms and conditions of a proposed $4,000,000 private offering by Goodneighbors - The Rune, 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.

Securities Offered:		Up to 4,000,000 of Convertible Notes (the "Convertible Note") (an aggregate of $4,000,000) offered at a 10% discount to a future equity Offering. See "Tranches" section in Business Plan for our tiered funding structure.
Financing Amount:		$1.00 per Convertible Note
Minimum Investment:		$50,000 for 50,000 Convertible Notes, which may be waived by the Company on a case by case basis
Minimum Offering:		$1,000,000 for an aggregate of 1,000,000 Convertible Notes
Use of Proceeds:		The Company intends to use the proceeds for the construction of a mixed use real estate development in Alexandria, MN.
Capital Structure:		The Company will have two classes of Units. The Series A Units have been issued to the Managing Member in consideration for their contributions to the Company. See Schedule A to the Operating Agreement for a full capitalization table of the Company.
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
Managing Member:		Goodneighbors Properties, LLC, the Managing Member, has received Series A Units equating to 10 percent of the Company's ownership in consideration for its efforts managing the Company.
Convertible Notes:		
	Interest	Simple interest will accrue on an annual basis at the rate of 7% per annum on the principal amount of each Note. Interest will be calculated as of December 31 of each year, or upon a conversion to equity securities of the Company. Interest will be accumulated and paid at maturity or with the conversion to equity securities, or can be paid out in cash annually at the election of the Company.

Maturity Date	Principal and unpaid accrued interest on the Notes will be due and payable as of June 30, 2022 (the 'Maturity Date'), unless the Notes are converted to equity securities of the Company. At the election of the Company, the repayment of principal and accrued interest can be made in up to three equal annual installments, with the first payment due within 60 days after the Maturity Date. Simple interest will continue to accrue on the unpaid principal balance and will be included with each installment.
Conversion Option	Notes will convert (including unpaid accrued interest) into the equity securities of the Company upon the Maturity Date, in lieu of being repaid principal and accrued interest on their Notes. Notes will convert at a conversion per unit price equal to $9,000,000 divided by the fully diluted number of issued and outstanding common units as of the Maturity Date. If prior to the Maturity Date, the Company raised $1,000,000 in any and all forms of Equity Securities, then the Note Holders' notes will convert the principal amount (including unpaid accrued interest) into the Equity Securities issued at a conversion price equal to the per unit price paid by the purchasers of Equity Securities, less 10%.
Pre-Payment:	The principal and accrued interest may not be prepaid unless approved in writing by the Holders of the majority of Notes sold (by dollar amount in the aggregate).
Definitive Agreement:	The Notes will be issued and sold pursuant to a convertible note purchase agreement prepared by the Company's legal counsel and will contain customary representations and warranties of the Company and the Investors (the "Note Purchase Agreement").
Operating Agreement:	Prior to the closing of any sale of any Convertible Notes, 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.
Restrictions on Transfer:	We will be offering the Convertible Notes pursuant to certain exemptions from the registration requirements of the Securities Act and applicable state securities laws. Therefore, the Convertible Notes will not be registered with the SEC, and will be deemed "restricted securities" under the Securities Act. **You will not be able to resell or transfer your Convertible Notes except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom.** In addition, any transfer of Convertible Notes 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.

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 Convertible Notes, 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 Convertible Notes. 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 Convertible Notes 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 real estate markets, the financial markets and the economy generally. In recent years, concerns about the mortgage market, 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. These factors may negatively impact the Company, causing a decline in the market value of the Company's property in Alexandria, MN (the "Property"), once purchased and, in turn, cash available for distribution to members.

The Company does not own the Property. The success of the Company is dependent upon the Company's ability to acquire the Property, and there are no assurances that the Company will be able to do so. We will not be able to close on the purchase of the Property until the proceeds of the Offering have been received and closed upon.

Government Regulation. The business of acquiring and leasing mixed use 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 Company 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 Company. 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 investment opportunities 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 real estate, 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 we 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 very recently under the laws of the State of Minnesota. 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. 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 Company's 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 and the free and clear property values of the properties owned by 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 Company, which may have an adverse effect on the Company

Personnel. If we fail to retain our 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 our ability to attract and retain key personnel. Our future also depends on the continued contributions of the Managing Member's executive officers and other key technical personnel, each of whom would be difficult to replace. 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 Company's 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 Company with sufficient capital to acquire at least the Property. 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. 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 Convertible Notes 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 Company's 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 Company 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 Company may end up with a property 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 by the Company 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.

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 Company 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. However, members may not have the opportunity to personally evaluate the relevant economic, financial and other information necessary to properly select each investment.

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' management fees 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.

The Asset Manager is the Managing Member. The Asset Manager, is an independent contractor in the business of managing real property assets and was engaged by the Company to manage the Company's assets. The Asset Manager was chosen, due in large in part, to its relationship with Managing Member. You should be advised that only under extreme situations may the Asset Manager be removed.

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 Convertible Notes

The Convertible Notes are "Restricted Securities." The Convertible Notes 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 Convertible Notes unless they are subsequently registered or an exemption from registration is available. We have no obligation to register the Convertible Notes under the 1933 Act or any state securities law. We will refuse to transfer your Convertible Notes 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 and the proceeds it receives from the sale of the Company's 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 Convertible Notes. 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. You will not have a secured interest in the Property.

Other limitations on voluntary and involuntary transfers; including one year requirement. In addition to restrictions of the transfer of the Convertible Notes that are imposed by law, the Convertible Notes are subject to numerous contractual limitations that will substantially limit your ability to transfer your Convertible Notes. Each purchaser of Convertible Notes offered hereby will, by signing the Subscription Agreement, agree to become a party to the Company's Operating Agreement.

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 Convertible Notes 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.

No voting rights. The Convertible Notes 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 Series A Units, and thereby will control day to day activities of the Company and all decisions. You should not invest in the Convertible Notes 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 Convertible Notes 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 Convertible Notes. We make no representation as to the value of the Convertible Notes, and there can be no assurance that you will be able to sell your Convertible Notes at any price.

No registration rights. We do not intend to register the Convertible Notes 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 purchase 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.

14330809v1