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Name of Offeree



**MAVERICK REALTY & INVESTMENT, LLC**

*A Florida Limited Liability Company*

**\$20,000,000 OFFERING**

**800 UNITS OFFERED**

(Consisting of One Preferred Series A-1 Non-Voting Membership Interest per Unit)

**Offering Price: \$25,000 Per Unit**

**Minimum Subscription: Two Units**

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THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER COMMISSION OR REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION, AUTHORITY, OR ATTORNEY GENERAL DETERMINED WHETHER IT IS ACCURATE OR COMPLETE OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THESE ARE SPECULATIVE SECURITIES AND INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 10.

THE SECURITIES OFFERED ARE FOR SALE ONLY TO A SELECT GROUP OF INVESTORS (SEE "MEMORANDUM SUMMARY – INVESTOR SUITABILITY REQUIREMENTS" ON PAGE 4).

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In the event you decide not to participate in this Offering, please return the entire Confidential Offering Memorandum to the principal office of the Company as set forth below:

**Maverick Realty & Investment, LLC  
27251 Wesley Chapel, Suite 107  
Wesley Chapel, Florida 33544**

The date of this Confidential Private Placement Memorandum is January 1, 2021.



# MAVERICK REALTY & INVESTMENT, LLC

*A Florida Limited Liability Company*

## \$20,000,000 OFFERING

### 800 UNITS OFFERED

(Consisting of One Preferred Series A-1 Non-Voting Membership Interest per Unit)

**Offering Price: \$25,000 Per Unit**

**Minimum Subscription: Two Units**

This Confidential Private Placement Memorandum (the “Memorandum”) relates to the offer and sale to a select group of investors of up to 800 units (the “Units”) of the securities of Maverick Realty & Investment, LLC (the “Company”) at an offering price of \$25,000 per Unit for an aggregate maximum offering price of \$20,000,000 (the “Offering”). Each Unit will consist of one (1) Preferred Series A-1 Non-Voting Membership Interest (collectively, the “Preferred Series A-1 Interests”). The minimum subscription by an investor is two Units (\$50,000 minimum investment).

All of the Units will be sold on a “best-efforts” basis which means that net Offering proceeds will be available to the Company upon receipt, acceptance and clearance thereof and that no minimum amount of Unit sales will be required in order to complete and close this Offering. There can be no assurance that all of the Units offered will be subscribed for.

The Company reserves the right in its sole discretion to sell fractionalized Units, and may accept investments of less than two Units.

	Price Paid by Investors	Proceeds to the Company <sup>(1)</sup>
Per Unit	\$ 25,000.00	\$ 25,000.00
Maximum Offering	\$20,000,000.00	\$20,000,000.00

(1) Before deducting offering expenses payable by the Company, estimated to be up to \$25,000, and, in the event the Company elects to retain a qualified placement agent, excluding potential commissions paid to such placement agent in accordance with federal securities law and the securities law of the various states, including but not limited to the issuance of warrants and/or other securities of the Company as part of such commissions, subject to applicable securities laws and this Memorandum.

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The Units will be offered and sold on behalf of the Company by certain managers, officers and/or employees of the Company. The Company may also utilize the services of selected broker-dealers who are members of the Financial Industry Regulatory Authority (“FINRA”) in connection with the offer and sale of the Units. None of the managers, officers, and/or employees of the Company will be compensated in any way for offering or selling securities on behalf of the Company.

An investment in the Units involves a high degree of risk. Prospective investors in the Units should thoroughly consider this Memorandum and certain special considerations concerning the Company described herein. See “RISK FACTORS” below. An investment in the Units offered hereby is suitable only for, and may be made only by, select investors who have no need for liquidity of investment and understand and can afford the high financial risks of an investment in the Units, including the potential for a complete loss of their investment. There is currently no trading market for any securities of the Company, nor is it expected or assured that such market will develop in the foreseeable future.

The Units and underlying securities have not been approved or disapproved by the Securities and Exchange Commission (the “SEC”) or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Units and underlying securities of the Company are speculative by nature and are intended for a limited number of select investors. Each prospective investor should carefully review this Memorandum and the relevant documents referred to herein before deciding to invest in the Company.

THE MEMORANDUM IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN THE SECURITIES OF MAVERICK REALTY & INVESTMENT, LLC, A FLORIDA LIMITED LIABILITY COMPANY. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. CONSEQUENTLY, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND MAY NOT BE DELIVERED TO ANY OTHER PERSON (OTHER THAN YOUR FINANCIAL ADVISOR) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY’S MANAGER.

**MAVERICK REALTY & INVESTMENT, LLC  
27251 WESLEY CHAPEL, SUITE 107  
WESLEY CHAPEL, FLORIDA 33544  
(813) 454-2204**

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**GENERAL NOTICES AND REPRESENTATIONS**

This Memorandum is furnished on a confidential basis. This Memorandum constitutes an offer of securities only to the person to whom it is specifically delivered for that purpose ("Offeree"), and is provided solely for the purpose of evaluating an investment in the Company. By accepting delivery of this Memorandum and receiving any other oral or written information provided by the Company in connection with the Offering, each Offeree agrees (a) to keep confidential the contents of this Memorandum and such other information and not to disclose the same to any third party or otherwise use the same for any purpose other than evaluating an investment in the Company, and (b) not to copy, in whole or in part, this Memorandum or any other written information provided by the Company in connection herewith. Each Offeree further agrees to return this Memorandum and any such written information to Maverick Realty & Investment, LLC, 27251 Wesley Chapel, Suite 107, Wesley Chapel, Florida 33544; attention: William H. C. Null, Chief Executive Officer, in the event that (i) the Offeree does not subscribe to purchase any Units, (ii) no portion of the Offeree's subscription is accepted, or (iii) the Offering is terminated or withdrawn.

To the extent applicable, the Units offered hereby have not been registered under the US federal Securities Act of 1933, as amended, (the "Securities Act") or any US state securities laws, in reliance upon exemptions therefrom. If applicable, the Units may not be sold, transferred, pledged or otherwise disposed of in the absence of registration under the Securities Act and under any applicable US state securities or blue sky laws unless pursuant to exemptions therefrom. This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Units offered hereby to any person in any jurisdiction in which it is unlawful to make such an offer or solicitation to such person. This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.

In determining whether to invest in the Units, each person must rely upon his, her or its own examination of the Company and the terms of the Offering made hereby, including the merits and risks involved. The Company expects that, prior to the closing for the Offering made hereby, it will afford prospective investors in the Units an opportunity to ask questions of representatives of the Company concerning the Company and the terms of the Offering and to obtain additional relevant information to the extent the Company possesses such information or can obtain it without unreasonable effort or expense. Except as aforesaid, no person is authorized in connection with the Offering to give any information or make any representation not contained in this Memorandum, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. The information contained in this Memorandum also supersedes any information concerning the Company or the terms of any investment therein provided to any prospective investor prior to the date of this Memorandum.

The Company makes no express or implied representation or warranty as to the attainability of any forecasted financial information that may be expressed or implied herein or as to the accuracy or completeness of the assumptions from which that forecasted information is derived. It must be recognized that the projections of the Company's future performance are necessarily subject to a high degree of uncertainty, that actual results can be expected to vary from the results projected and that such variances may be material and adverse. Prospective investors are expected to conduct their own investigation with regard to the Company and its prospects. It is expected that each Offeree will pursue his, her or its own independent investigation with respect to the forecasted financial information included herein. Prospective investors in the Units are not to construe the contents of this Memorandum as legal, business or tax advice. Each prospective investor in the Units should consult his, her or its own attorney, business advisor and tax advisor as to the legal, business, tax and related matters concerning this Offering.

This Memorandum has been prepared solely for the purpose of the proposed offering of the Units. The Company reserves the right to reject any subscription for the Units, in whole or in part, or to allot less than the number or amount of securities as to which any prospective investor in the Units has subscribed.

**THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.**

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THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION OR ANY US STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY'S SECURITIES AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE SECURITIES WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER U.S. FEDERAL OR STATE SECURITIES LAWS THE SECURITIES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SECURITIES IS BEING UNDERTAKEN PURSUANT TO CERTAIN EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, WHICH MAY INCLUDE WITHOUT LIMITATION THE APPLICABLE RULES UNDER REGULATION D AND/OR REGULATION S UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE SECURITIES, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE U.S. FEDERAL OR STATE SECURITIES LAWS AND/OR THE SECURITIES LAWS OF ONE OR MORE FOREIGN COUNTRIES (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THE OFFERING PRICE OF THE SECURITIES TO WHICH THE MEMORANDUM RELATES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

The management of the Company has provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

**No general solicitation or advertising in whatever form will or may be employed in the Offering of the securities, as provided for under Regulation D of the Securities Act. Prospective investors should not rely on any information not contained in this Memorandum.**

This Offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of Units and/or underlying securities subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Units.

## U.S. JURISDICTIONAL (NASAA) LEGENDS

The presence of the following legends for any given state reflects only that a legend may be required by that state and should not be construed to mean an offer or sale is being or may be made in that particular state.

If you are uncertain as to whether or not offers or sales may be lawfully made in your state, you are hereby advised to contact the Company. The securities described in this Memorandum have not been registered under any state securities laws (commonly called "Blue Sky" laws). These securities must be acquired for investment purposes only and may not be sold or transferred in the absence of an effective registration of such securities under such laws, or an opinion of counsel acceptable to the Company that such registration is not required.

The Company intends to offer and sell the Securities only to select investors in accordance with the applicable rules and provisions exempting this Offering from registration under Regulation D of the Securities Act, as amended.

**NOTICE TO ALABAMA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO ALASKA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALASKA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALASKA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO ARIZONA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF ARIZONA. NEITHER THE ARIZONA CORPORATION COMMISSION NOR THE DIRECTOR OF SECURITIES HAVE REVIEWED OR PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM OR OTHER SELLING LITERATURE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO ARKANSAS RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ARKANSAS SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALASKA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO CALIFORNIA RESIDENTS ONLY:** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATIONS IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPTED FROM QUALIFICATION BY THE APPLICABLE PROVISIONS OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

**NOTICE TO COLORADO RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE COLORADO SECURITIES ACT. A CONFIDENTIAL

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OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE COLORADO SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO CONNECTICUT RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE CONNECTICUT UNIFORM SECURITIES ACT AND ARE BEING SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS CONTAINED IN SAID ACT. THEY CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**NOTICE TO DELAWARE RESIDENTS ONLY:** IF YOU ARE A DELAWARE RESIDENT, YOU ARE HEREBY ADVISED THAT THESE SECURITIES MAY BE OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE DELAWARE SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

**NOTICE TO FLORIDA RESIDENTS ONLY:** THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION UNDER THE FLORIDA SECURITIES ACT. THE SECURITIES REFERRED TO HEREIN MAY ONLY BE SOLD TO, AND ACQUIRED BY THE HOLDER IN A TRANSACTION EXEMPT UNDER THE APPLICABLE PROVISIONS OF SAID ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL OFFEREEES WHO ARE FLORIDA RESIDENTS SHOULD BE AWARE THAT SECTION 517.061(11)(a)(5) OF THE ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, ANY SALE IN FLORIDA MADE PURSUANT TO THIS SECTION IS VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER." THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SECTION 517.061(11) IS HEREBY COMMUNICATED TO EACH FLORIDA OFFEREE. EACH PERSON ENTITLED TO EXERCISE THE PRIVILEGE TO AVOID SALES GRANTED BY SECTION 517.061 (11)(A)(5) AND WHO WISHES TO EXERCISE SUCH RIGHT, MUST, WITHIN 3 DAYS AFTER THE TENDER OF ANY AMOUNT TO THE COMPANY OR TO ANY AGENT OF THE COMPANY (INCLUDING THE SELLING AGENT OR ANY OTHER DEALER ACTING ON BEHALF OF THE PARTNERSHIP OR ANY SALESMAN OF SUCH DEALER) OR AN ESCROW AGENT CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE COMPANY AT THE ADDRESS PROVIDED IN THIS MEMORANDUM. SUCH LETTER OR TELEGRAM MUST BE SENT AND, IF POSTMARKED, POSTMARKED ON OR PRIOR TO THE END OF THE AFOREMENTIONED THIRD DAY. IF A PERSON IS SENDING A LETTER, IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD A PERSON MAKE THIS REQUEST ORALLY, HE MUST ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

**NOTICE TO GEORGIA RESIDENTS ONLY:** THESE SECURITIES MAY BE ISSUED OR SOLD IN RELIANCE ON THE APPLICABLE EXEMPTIONS CONTAINED IN THE GEORGIA SECURITIES ACT OF 1973, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

**NOTICE TO HAWAII RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE HAWAII SECURITIES ACT. A CONFIDENTIAL OFFERING

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MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE HAWAII SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO IDAHO RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE IDAHO SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE IDAHO SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO ILLINOIS RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF THE STATE OF ILLINOIS NOR HAS THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**NOTICE TO INDIANA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE INDIANA BLUE SKY LAW AND MAY ONLY BE OFFERED AND SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS THEREFROM. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE LAW OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**NOTICE TO IOWA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE IOWA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE IOWA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO KANSAS RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE KANSAS SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE KANSAS SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO KENTUCKY RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF KENTUCKY NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO LOUISIANA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE LOUISIANA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE LOUISIANA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO MAINE RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MAINE SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MAINE SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR



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COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO MARYLAND RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MARYLAND SECURITIES ACT AND MAY ONLY BE OFFERED AND SOLD IN RELIANCE UPON APPLICABLE EXEMPTIONS CONTAINED IN SAID ACT. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**NOTICE TO MASSACHUSETTS RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF THIS COMMONWEALTH, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF THIS COMMONWEALTH, IF SUCH REGISTRATION IS REQUIRED, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE COMMONWEALTH OF MASSACHUSETTS NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**NOTICE TO MICHIGAN RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MICHIGAN SECURITIES ACT AND, IF OFFERED IN MICHIGAN OR TO RESIDENTS OF MICHIGAN, ARE BEING SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS CONTAINED IN SUCH ACT. THESE SECURITIES MAY NOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**NOTICE TO MINNESOTA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MINNESOTA BLUE SKY LAW AND MAY ONLY BE SOLD TO MINNESOTA RESIDENTS IN RELIANCE UPON THE APPLICABLE EXEMPTIONS THEREFROM. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE LAW OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**NOTICE TO MISSISSIPPI RESIDENTS ONLY:** IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN REGISTERED WITH NOR 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 THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. INVESTORS SHOULD BE AWARE THAT THEY WOULD BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

**NOTICE TO MISSOURI RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT, AND IF OFFERED IN MISSOURI OR TO RESIDENTS OF MISSOURI, WILL BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE ON AN APPLICABLE EXEMPTION THEREFROM. UNLESS THE SECURITIES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF MISSOURI, EXCEPT AS A SECURITY, OR IN A TRANSACTION, EXEMPT UNDER SUCH ACT.

**NOTICE TO MONTANA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MONTANA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MONTANA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR

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COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO NEBRASKA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NEBRASKA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE NEBRASKA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO NEVADA RESIDENTS ONLY:** IF ANY INVESTOR ACCEPTS ANY OFFER TO PURCHASE THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL ONLY BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE APPLICABLE PROVISIONS OF THE NEVADA SECURITIES LAW. THE INVESTOR IS HEREBY ADVISED THAT THE ATTORNEY GENERAL OF THE STATE OF NEVADA HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING AND THE FILING OF THE OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE, OR SALE THEREOF, BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEVADA. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE NEW HAMPSHIRE SECURITIES ACT, AND IF OFFERED IN NEW HAMPSHIRE OR TO RESIDENTS OF NEW HAMPSHIRE, WILL ONLY BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE ON AN APPLICABLE EXEMPTION THEREFROM. UNLESS THE SECURITIES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF NEW HAMPSHIRE, EXCEPT AS A SECURITY, OR IN A TRANSACTION, EXEMPT UNDER SUCH ACT.

**NOTICE TO NEW JERSEY RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE NEW JERSEY UNIFORM SECURITIES LAW, AND IF OFFERED IN NEW JERSEY OR TO RESIDENTS OF NEW JERSEY, WILL ONLY BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE ON THE APPLICABLE EXEMPTIONS THEREFROM. IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY. THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**NOTICE TO NEW MEXICO RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NEW MEXICO SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE NEW MEXICO SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO NEW YORK RESIDENTS ONLY:** THIS DOCUMENT HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMPANY HAS TAKEN NO STEPS TO CREATE AN AFTER MARKET FOR THE SECURITIES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OR OTHERS TO TRADE OR MAKE A MARKET IN SUCH SECURITIES. AT SOME TIME IN THE FUTURE, THE COMPANY MAY ATTEMPT TO ARRANGE FOR INTERESTED BROKERS TO TRADE OR MAKE A MARKET IN THE SECURITIES AND TO QUOTE THE SAME IN A PUBLISHED QUOTATION MEDIUM, HOWEVER, NO SUCH ARRANGEMENTS HAVE BEEN MADE AND THERE IS NO ASSURANCE THAT ANY BROKERS

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WILL EVER HAVE SUCH AN INTEREST IN THE SECURITIES OF THE COMPANY OR THAT THERE WILL EVER BE A MARKET THEREFORE.

**NOTICE TO NORTH CAROLINA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NORTH CAROLINA SECURITIES ACT. THE NORTH CAROLINA SECURITIES ADMINISTRATION NEITHER RECOMMENDS NOR ENDORSES THE PURCHASE OF ANY SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO NORTH DAKOTA RESIDENTS ONLY:** THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO OHIO RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE OHIO SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE OHIO SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO OKLAHOMA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE OKLAHOMA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE OKLAHOMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO OREGON RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE OREGON SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE OREGON SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO PENNSYLVANIA RESIDENTS ONLY:** EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY THE APPLICABLE PROVISIONS OF THE PENNSYLVANIA SECURITIES ACT, DIRECTLY FROM THE ISSUER OR AFFILIATE OF THIS ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(m), YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT

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TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. THE SECURITIES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

**NOTICE TO RHODE ISLAND RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE RHODE ISLAND SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE RHODE ISLAND SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO SOUTH CAROLINA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO SOUTH DAKOTA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH DAKOTA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH DAKOTA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO TENNESSEE RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE TENNESSEE SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE TENNESSEE SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO TEXAS RESIDENTS ONLY:** THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 UNDER THE TEXAS SECURITIES ACT, THE COMPANY IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON CERTIFICATES REPRESENTING SECURITIES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE WILL NOT SELL THE SUBJECT SECURITIES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

**NOTICE TO UTAH RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE UTAH SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UTAH

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SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO VERMONT RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE VERMONT SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE VERMONT SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO VIRGINIA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE VIRGINIA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE VIRGINIA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO WASHINGTON RESIDENTS ONLY:** THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OR THIS MEMORANDUM, AND THE SECURITIES HAVE NOT BEEN REGISTERED IN RELIANCE UPON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS CONTAINED IN THE SECURITIES ACT OF WASHINGTON, AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**NOTICE TO WEST VIRGINIA RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE WEST VIRGINIA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE WEST VIRGINIA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO WISCONSIN RESIDENTS ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE WISCONSIN SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE WISCONSIN SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**NOTICE TO WYOMING ONLY:** THESE SECURITIES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE WYOMING SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE WYOMING SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**OFFERS AND SALES MADE OUTSIDE THE UNITED STATES  
WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933**

Our securities may be offered and sold to purchasers outside the United States in accordance with the rules of Regulation S promulgated under the Securities Act and/or such other rules and regulations, as may be applicable under the circumstances. Accordingly, the sale, transfer, or other disposition of any of our securities, which are purchased pursuant hereto, may be restricted by applicable federal securities laws and/or the securities laws of one or more non-U.S. countries (depending on the residency of the investor) and by the provisions of the subscription agreement executed by such purchaser.

In the event that Regulation S applies, each distributor selling securities to a distributor, a dealer, or a person receiving a selling commission, fee or other remuneration, prior to the expiration of a one-year distribution compliance period in the case of equity securities, must send a confirmation or other notice to foreign purchasers stating that such purchasers are subject to the same restrictions on offers and sales that apply to a distributor.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

Attempted compliance with any rule in Regulation S does not act as an exclusive election; the Company may also claim the availability of any applicable exemption from the registration requirements of the Securities Act. The availability of the Regulation S safe harbor to offers and sales that occur outside of the United States will not be affected by the subsequent offer and sale of these securities into the United States or to U.S. persons during the distribution compliance period, as long as the subsequent offer and sale are made pursuant to registration or an exemption therefrom under the Securities Act.

During the course of the Offering and prior to any sale, each Offeree of the Units and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

**FOREIGN JURISDICTIONAL LEGEND**

**FOR PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS NOR ENTITIES OF THE UNITED STATES:** THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND, INsofar AS SUCH SECURITIES ARE OFFERED AND SOLD TO PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS NOR ENTITIES OF THE UNITED STATES, THEY MAY NOT BE TRANSFERRED OR RESOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS, RESIDENTS OR ENTITIES NORMALLY RESIDENT THEREIN (OR TO ANY PERSON ACTING FOR THE ACCOUNT OF ANY SUCH NATIONAL, CITIZEN, ENTITY OR RESIDENT). FURTHER RESTRICTIONS ON TRANSFER WILL BE IMPOSED TO PREVENT SUCH SECURITIES FROM BEING HELD BY UNITED STATES PERSONS.

If you have any questions whatsoever regarding this Offering, or desire any additional information or documents to verify or supplement the information contained in this Memorandum, please write or call:

**MAVERICK REALTY & INVESTMENT, LLC  
27251 WESLEY CHAPEL, SUITE 107  
WESLEY CHAPEL, FLORIDA 33544  
(813) 454-2204**

TABLE OF CONTENTS

GENERAL NOTICES AND REPRESENTATIONS .....	IV
U.S. JURISDICTIONAL (NASAA) LEGENDS.....	VI
OFFERS AND SALES MADE OUTSIDE THE UNITED STATES WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933 .....	XIV
FOREIGN JURISDICTIONAL LEGEND .....	XIV
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS .....	XVI
ABOUT THIS MEMORANDUM .....	1
MEMORANDUM SUMMARY .....	1
TERMS OF THE OFFERING.....	7
INVESTOR SUITABILITY REQUIREMENTS .....	8
PROCEDURE TO PURCHASE SECURITIES.....	10
RISK FACTORS .....	10
THE COMPANY.....	30
INVESTMENT STRATEGY .....	31
MANAGEMENT .....	32
COMPENSATION TO MANAGEMENT .....	33
RETURNS TO INVESTORS.....	34
ESTIMATED USE OF PROCEEDS.....	36
INDEMNIFICATION OF MANAGERS AND OFFICERS.....	36
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.....	37
INCOME TAX CONSIDERATIONS.....	38
MARKET PRICE OF COMMON EQUITY AND RELATED INTEREST HOLDER MATTERS.....	40
DESCRIPTION OF SECURITIES.....	40
OTHER MATTERS.....	42
FINANCIAL INFORMATION .....	42
ADDITIONAL INFORMATION.....	42
EXHIBIT A: INVESTOR PRESENTATION	
EXHIBIT B: SAMPLE INVESTMENTS	
APPENDIX A: SUBSCRIPTION AGREEMENT	
APPENDIX B: INVESTOR QUESTIONNAIRE AND VERIFICATION LETTER	
APPENDIX C: LIMITED LIABILITY COMPANY OPERATING AGREEMENT	

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Memorandum and the exhibits attached hereto include “*forward-looking statements*” within the meaning of the Securities Act of 1933. All statements other than statements of historical fact are forward-looking statements.

Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Among those risks, trends and uncertainties are the Company’s ability to raise sufficient working capital to carry out the business plans, the long-term efficacy of the business plans, the ability to protect its intellectual property, general economic conditions, and possible decrease in demand for the Company’s services, and increased competition.

Although we believe that in making such forward-looking statements, expectations are based upon reasonable assumptions; such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. We cannot assure you that the assumptions upon which these statements are based will prove to have been correct.

When used in this Memorandum, the words “*expect,*” “*anticipate,*” “*intend,*” “*plan,*” “*believe,*” “*seek,*” “*estimate*” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed under “*Risk Factors*” and elsewhere in this Memorandum.

You should read these statements carefully because they discuss the Company’s expectations about its future performance, contain projections of its future operating results or its future financial condition, or state other “*forward-looking*” information. Before you invest in the Units, you should be aware that the occurrence of any of the contingent factors described under “**RISK FACTORS**” could substantially harm the business, results of operations and financial condition. Upon the occurrence of any of these events, you could lose all or part of your investment.

We cannot guarantee any future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update any of the forward-looking statements in this Memorandum after the date of this Memorandum.

*[Remainder of Page Intentionally Left Blank]*



## ABOUT THIS MEMORANDUM

The terms the “Company,” “us,” “our” and “we,” as used in this Memorandum, refer to Maverick Realty & Investment, LLC, a Florida Limited liability company.

You should rely only on the information contained in this Memorandum. The Company has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Company is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover of this Memorandum only. The Company’s business, financial condition, results of operations and prospects may have changed since that date.

The following term sheet summarizes the basic terms and conditions on which the Company proposes to sell the Units to certain select investors in an exempt offering, subject to documentation in definitive subscription agreements and to completion of all appropriate due diligence investigations. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum and in the documents relating to this transaction, including, without limitation, the Company’s Articles of Organization, Operating Agreement, and the Subscription Agreement for the Units.

## MEMORANDUM SUMMARY

**The Business:** The Company is a development stage real estate investment vehicle, organized to identify, underwrite, and finance or purchase (a) distressed residential and commercial real estate and (b) performing, non-performing or distressed real estate mortgage loans either directly or through one or more special purpose entities and then monetize them through various means. The Company intends to invest, directly or indirectly, in residential and commercial properties, vacant land, self-storage facilities and mobile homes and may be in the form of investments in one or more operating limited liability companies that will directly own real estate assets or properties. (collectively, the “Real Estate Investments”). The Company’s portfolio of investments, properties, and mortgage notes may be collectively referred to herein as the “Fund.”

**The Company:** The Company was organized on June 24, 2020 as a Florida Limited liability company. The Company has generally been involved in limited activities, including research into the real estate market and business planning, since its formation. Accordingly, we have a limited operating history upon which you may evaluate our business and prospects. The Company’s address is 27251 Wesley Chapel, Suite 107, Wesley Chapel, Florida 33544; Telephone (813) 454-2204.

**The Manager and Voting Rights:** Level 7 Realty & Investment, LLC, a Florida Limited liability company formed on January 15, 2020, will be the sole manager (the “Manager”) of the Company. The Manager will be responsible for the overall management of the Company and will make all investment decisions in its sole discretion on behalf of the Company. The Manager shall determine whether or not to accept any potential investor as a member of the Company in its sole discretion. The holders of the Company’s voting Common Membership Interests (as defined in the Company’s Limited Liability Company Operating Agreement) are voting members of the Company but only have the authority to call meetings or otherwise vote by written consent in order to elect or remove the Manager in accordance with the provisions of the Company’s limited liability company operating agreement. The Company is not

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offering any voting Common Membership Interests in this Offering, and investors who purchase the Units will have only non-voting equity interests in the Company. Accordingly, investors in this Offering will have no voting or governance rights whatsoever, and no ability to elect or remove the Manager. See “MANAGEMENT” below.

**The Offering:** The Company proposes to sell the Units only to certain select investors in an exempt, unregistered offering, through general solicitation, subject to documentation in definitive subscription agreements.

**Size of Offering:** The Company is offering up to 800 units (the “Units”) of the securities of Maverick Realty & Investment, LLC (the “Company”) at an offering price of \$25,000 per Unit for an aggregate maximum offering price of \$20,000,000 (the “Offering”). Each Unit will consist of one Preferred Series A-1 Non-Voting Membership Interest (collectively, the “Preferred Series A-1 Interests”). The minimum subscription by an investor is two Units (\$50,000 minimum investment). The Company reserves the right in its sole discretion to sell fractionalized Units, and may accept investments of less than two Units.

**Price Per Unit:** \$25,000 (\$50,000 minimum investment).

**Management Fees:** The Manager will be entitled to receive (a) the Asset Management Fees (defined below) and (b) its 30% share of the Distributable Amount (defined below), if any, subject to the investor Preferred Returns out of available funds available therefor. The Manager is also entitled to be reimbursed for expenses associated with this Offering and operating the Fund.

In addition, the Manager may receive compensation in the form of real estate broker fees and mortgage origination fees to the extent that the Company utilizes the real estate brokerage services of William H.C. Null, a licensed real estate broker or mortgage origination fees from companies owned or affiliated with Mr. Null.

### Defined Terms:

The “Aggregate Performing Asset Value” with respect to any month equals the total of the Performing Asset Value for all Performing Assets on the last day of such related month.

The “Asset Acquisition Fee” with respect to any month equals the product of (a) 3% and (b) the total purchase price paid for all Distressed Assets and Non-Performing Assets acquired by the Company during such month.

The “Asset Management Fees” with respect to any month equals the total of (a) the Performing Asset Servicing Fee, plus (b) the Asset Acquisition Fee, plus (c) the Distressed and Non-Performing Asset Servicing Fee.

“Distressed Asset” means as determined by the Manager at the time of acquisition by the Company, a real estate asset that is not performing as intended at origination and as a result the current market value/price has been discounted. A Distressed Asset may be a debt instrument secured in whole or in part by the related real estate or the actual real estate itself.

“Distressed and Non-Performing Asset Servicing Fee” means with respect to any month the product of (a) 1/12 multiplied by (b) 3% multiplied by (c) the total book value of all Distressed Assets and Non-Performing Assets acquired by the

**Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC**

Company 365 or more days from the last day of such month.

The “Distressed Asset Value” with respect to any month equals the book value of such distressed real asset as of the last day of such month.

“Non-Performing Assets” means, as determined by the Manager at the time of acquisition by the Company, a debt instrument secured by real estate that is (a) secured by a defined lien against real property (e.g. first lien, second lien, etc. and (b) as to which the related borrower(s) are in default under the original contract terms.

The “Non-Performing Asset Value” with respect to any month equals the aggregate of (a) the aggregate purchase price of such asset, plus (b) any recoveries or payments in respect of such asset during the current month minus (c) any expenses incurred with respect to such asset.

“Performing Asset” means a real estate asset that is in material compliance with its original contract terms and which is not a Distressed Asset or a Non-Performing Asset at the time of acquisition by the Company.

The “Performing Asset Servicing Fee” will be payable on a monthly basis at a per annum rate of 1.50% of the Performing Asset Value for the related month.

The “Performing Asset Value” with respect to any month, will equal the weighted average monthly outstanding principal balance with respect to such month.

See “COMPENSATION TO MANAGEMENT” below.

**Investor Returns:**

The Company intends to provide investors with a 7% annualized simple preferred return (the “Preferred Return”), to be paid on a quarterly basis. Once the 7% Preferred Return is achieved, the Company intends to continue to payout to investors their pro-rata share of the Investor Distributable amount, if any, on a pro rata basis payable quarterly. See “RETURNS TO INVESTORS” below. No assurance can be given that the preferred returns, or any return, will be made as anticipated (see “RISK FACTORS” below).

**Distributable Amount:**

The “Distributable Amount” means with respect to any quarter, the net profit, if any, of the Company, as determined by the Manager in its sole discretion in accordance with generally accepted accounting practices and after taking into account the payment of taxes, expenses, accrued and unpaid Asset Management Fees and accrued and unpaid Preferred Returns.

The “Investor Distributable Amount” means, with respect to any quarter, the product of (a) 60% and (b) the Distributable Amount.

The “Manager Distributable Amount” means with respect to any quarter, the product of (a) 30% and (b) the Distributable Amount.

The “Retained Amount” means with respect to any quarter, the product of (a) 10% and (b) the Distributable Amount.

**Redemption:**

Provided that the Unit holder’s contribution has been invested for at least 24 months, any holder of Units may elect to have all, or a portion of their Units redeemed at a redemption price equal to the sum of (a) the original amount of the Units held by such investor, net of any prior reductions in capital, plus, (b)

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

accrued and unpaid Preferred Returns, plus (c) such investor's pro rata share of the Investor Distributable Amount (the "Redemption Price").

After the satisfaction of such 24 month period, such notice of redemption must be received by the Manager no later than the last day of a calendar quarter and shall be redeemed at the end of the immediately following calendar quarter or on the date determined by the Manager, in its sole discretion (each, a "Redemption Date"). The Manager reserves the right to waive any or all of the initial 24 month waiting period. Redemptions are subject to the Manager's sole discretion to reject redemption requests in whole or in part if deemed in the best interest of the Company and its stake holders. In addition, the Company shall not be required to liquidate any of its assets in connection with any investor redemption request. See "RETURNS TO INVESTORS—Redemptions" below.

### **Company**

**Redemption Rights:** The Company, in its sole discretion, reserves the right to buy back all or part of any investor's Units at any time after 36 months from the original issuance date, at the Redemption Price. In the event that the Company elects to redeem all outstanding Units, the Investor Distributable Amount for each investor shall include such investors pro rata share of 60% of the Retained Amount and the Manager Distributable Amount shall include the remainder of the Retained Amount not distributed to the Unit holders.

**Use of Proceeds:** We intend to generally use the net proceeds from the sale of the Units for investment in Real Estate Assets, administrative and operating expenses, working capital requirements, and other general corporate purposes, with broad discretion by the management of the Company (see "USE OF PROCEEDS" below).

### **Investor Suitability Requirements:**

An investment in the Units and the underlying securities involves a high degree of risk and is suitable only for investors who have no need for liquidity of investment and understand and can afford the high financial risks of such investment. It is expected that the Company will accept subscriptions for the Units only from investors who are familiar with the Company and/or its principals prior to the commencement of the Offering. See "INVESTOR SUITABILITY REQUIREMENTS" below.

**Depository Account:** All payments received on account of subscriptions from subscribing investors will be held in the non-interest bearing property depository account of the Company, pending receipt and acceptance by the Company.

### **Proposed Plan of Placement:**

The Offering will be conducted by the Company on a best-efforts basis through its Manager(s) and/or officers, none of whom will be entitled to any commission or other special consideration for their selling efforts. The Company may elect, at its discretion, to engage the services of a qualified broker-dealer(s) or outside salesperson(s) in connection with the Offering, subject to applicable securities laws.

**Subscription Period:** The Units are being offered until the earlier of (a) the Offering is fully subscribed, or (b) January 1, 2022 (12 months from the commencement of the Offering). The Company may elect to terminate this Offering at an earlier date or extend this Offering in its sole discretion.

**Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC**

**Company**

**Capitalization:** The following table sets forth the consolidated capitalization of the Company as of January 1, 2021, and as adjusted to give retroactive effect to the issuance and sale of the maximum number of Units offered hereby. See “DESCRIPTION OF SECURITIES” section below.

<b>Securities Authorized</b>	<b>Units Outstanding Prior to Offering</b>	<b>Units Outstanding After Offering, as Adjusted for Maximum Subscription</b>
Voting Common Membership Interests.	533	533
Non-Voting Preferred Series A-1 Membership Interests.	0	800

**Ownership in The Company:**

This table sets forth, as of January 1, 2021, the beneficial ownership of the Company’s membership interests by (i) manager(s) and officers of the Company, (ii) persons who own more than 5% of such securities, and (iii) the manager(s) and officers as a group. The total number of issued and outstanding membership interests of the Company prior to the Offering is 533 Voting Common Membership Interests and no other securities. The total aggregate number of issued and outstanding shares of all series of securities (Voting Common Membership Interests and Non-Voting Preferred Series A-1 Interests) assuming maximum subscription after the Offering will be 1,333.33 membership interests.

	<b>Voting Membership Interests</b>	<b>Non-Voting Preferred Series A-1 Membership Interests<sup>(1)</sup></b>	<b>Aggregate Percentage of all Voting Membership Interest Prior to Offering</b>	<b>Aggregate Percentage of all Voting Membership Interests After Offering<sup>(1)</sup></b>
Level 7 Realty & Investment, LLC <sup>(2)</sup>	533.33	0.00	100.00%	40.00%
William H. C. Null <sup>(3)</sup>	0.00	0.00	0.00%	0.00%
<b>All Officers and Manager as a Group.</b>	<b>533.00</b>	0.00	<b>100.00%</b>	<b>40.00%</b>

- (1) Level 7 Realty & Investment, LLC, the Company’s Manager, may purchase Units offered herein along with outside investors, and accordingly receive all returns attributable to such Units.
- (2) Sole Manager.
- (3) Level 7 Realty & Investment, LLC, the Company’s Manager is wholly owned by William H. C. Null.
- (4) Does not include the purchase of any Units that may be purchased by Mr. Null or others in the future.

**Subscription Agreement:**

The Units investment will be made pursuant to a Subscription Agreement between the Company and each investor, which agreement will contain, among other things, certain representations, warranties and covenants of the investor.

**Risks:**

See “RISK FACTORS” and the other information included in this Memorandum for a discussion of factors you should carefully consider before deciding to invest in the Units.

**Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC**

**Available  
Information:**

William H. C. Null, Chief Executive Officer, will be available upon request to answer questions concerning the terms of this Offering, to provide any reasonably requested information necessary to verify the accuracy of the information contained in this Memorandum and to provide such other information reasonably requested by prospective investors as they deem necessary for the purposes of considering an investment in the Company. Mr. Null can be reached by telephone at (813) 454-2204, or by e-mail at [bill.null@investwithmaverick.com](mailto:bill.null@investwithmaverick.com).

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## TERMS OF THE OFFERING

### Offering of Units

The Units are being offered to a limited number of select investors who meet the suitability requirements set forth above. See “INVESTOR SUITABILITY REQUIREMENTS” below. We are offering for sale up to 800 units (the “Units”) of the securities of Maverick Realty & Investment, LLC (the “Company”) at an offering price of \$25,000 per Unit for an aggregate maximum offering price of \$20,000,000 (the “Offering”). Each Unit will consist of one Preferred Series A-1 Non-Voting Membership Interest (collectively, the “Preferred Series A-1 Interests”). The minimum subscription by an investor is two Units (\$50,000 minimum investment).

There is no minimum aggregate amount of subscriptions that is required for the initial acceptance of subscriptions and there is no offering escrow. The Offering will commence promptly after the date of this Memorandum and will terminate on the earlier of (a) 12 months from the date of this Memorandum, or (b) upon the sale of all 800 Units being offered hereby. The Company reserves the right to terminate or extend this Offering at any time without notice as deemed necessary in the sole discretion of the Company’s management.

The Company reserves the right to terminate or extend this Offering at any time without notice as deemed necessary in the sole discretion of the Company’s management.

### Subscription Funds

Commencing on the date of this Memorandum all funds received by the Company will be deposited into one or more Company accounts. All proceeds of this Offering will be available to the Company upon acceptance of such subscription(s). Subscriptions for Units are subject to rejection by the Company at any time.

### Plan of Distribution

General. The Units will be offered and sold on behalf of the Company by certain manager, officers, and/or other employees of the Company.

Units will be issued to investors upon our acceptance of an investor’s subscription. We shall have the sole discretion to accept or reject individual subscriptions. Neither our officers and managers, nor employees are entitled to compensation for their services in offering and selling the Units.

Possible Sales Charge. In the event the Company elects to retain a qualified placement agent, the Company may pay potential commissions to such placement agent in accordance with federal securities law and the securities law of the various states up to the highest amount permitted by such laws, not including the issuance of warrants and/or other securities of the Company as part of such commissions, subject to applicable securities laws and this Memorandum.

No Federal Registration. The Units are not being registered for sale as securities under the Securities Act of 1933, as amended (the “Securities Act”) in reliance upon all available and applicable exemptions from registration under the Securities Act, including, but not limited to, Rule 506(c) of Regulation D (as may be amended from time to time) under the Securities Act.

Method of Subscription. Investors may subscribe to purchase the Units by (a) completing, dating and signing the Subscription Agreement accompanying this Memorandum, and (b) delivering the signed documents to us (or placement agent, if any) (physically or digitally) and making payment in accordance with the Subscription Agreement accompanying this Memorandum. We reserve the right to accept or reject any subscription in whole or in part. If accepted in part, the rejected portion of the investor’s subscription will be refunded to the investor with no interest. No offer and sale of our Units shall be

considered to have been made until a fully completed set of subscription documents has been received and approved by our management.

## **INVESTOR SUITABILITY REQUIREMENTS**

### **General**

An investment in the Company involves risk and is suitable only for persons of adequate financial means who do not have liquidity requirements with respect to this investment and who can bear the economic risk of investment losses up through a complete loss of the investment made hereby. This offering is made in reliance on exemptions from the registration requirements of the Securities Act and applicable state securities laws and regulations.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that our securities are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether the investment is appropriate.

In the form of a subscription agreement, we will require each investor to represent in writing, among other things, that (i) by reason of the investor's business or financial experience or that of the investor's professional advisor, the investor is capable of evaluating the merits and risks of an investment in the Company and of protecting its own interests in connection with the transaction, (ii) the investor is acquiring the securities offered hereby for his/her/its own account, for investment only and not with a view toward the resale or distribution thereof, (iii) the investor is aware that neither the Units, nor the underlying securities, have been registered under the Securities Act or any state securities laws and that transfer thereof is restricted by the Securities Act and applicable state securities laws, (iv) the investor is aware of the absence of a market for the Units and underlying securities, and (v) such investor meets the suitability requirements set forth below.

### **Suitability**

In addition to the foregoing, our securities may be sold only to those persons who meet the following standards:

a. Are well informed about the Company, and have a relationship with the Company or its principals, executive officers, or directors evincing trust between the parties (namely close business association, close friendship, or close family ties), and such purchasers acquire the securities as ultimate purchasers and not as underwriters or conduits to other beneficial owners or subsequent purchasers; and

b. The investor is an accredited investor as such term is defined under Regulation D of the Securities Act, or the financial capacity of the investor is of such proportion that the total cost of that investor's commitment in the proposed investment would not be material when compared with his total financial capacity. It may be presumed that if the investment does not exceed 20% of the investor's net worth (or joint net worth with the investor's spouse) at the time of sale that the amount invested is not material.

There may be no more than 35 non-accredited investors in this Offering.

### **Accredited Investors**

To be an accredited investor, an investor must fall within ANY of the following categories at the time of the sale of a Unit(s) to that investor:

(1) A natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, at the time of such person's purchase of our securities, exceeds \$1,000,000,



## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

excluding value of primary residence; or a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(2) A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered hereby, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D;

(3) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

(4) Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state; any investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act of 1940; any insurance company as defined in section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that act; any 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; any Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(5) A private business development company as defined in Section 202(22) of the Investment Advisers Act of 1940;

(6) An executive officer or other person otherwise deemed an insider of the Company;

(7) An entity in which all of the equity owners are accredited investors (as defined above);

(8) Any entity of a type not listed in paragraph (a)(1), (2), (3), (7), or (8) of the definition of "accredited investor" set forth in Rule 501 of Regulation D;

(9) Any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status. As of December 8, 2020, the SEC has designated Series 7, 65 or 82 securities license holders;

(10) Any natural person who is a "knowledgeable employee," as defined in rule 3c-5(a)(4) under the Investment Company Act (17 CFR 270.3c-5(a)(4)), of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of such act, but for the exclusion provided by either Section 3(c)(1) or Section 3(c)(7) of such act;

(11) Any "family office," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1): (a) with assets under management in excess of \$5,000,000, (b) That is not formed for the specific purpose of acquiring the securities offered, and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; and

(12) Any "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1)), of a family office meeting the requirements in paragraph (a)(12)

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

of this section and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (a)(12)(iii).

As used in this Memorandum, the term “net worth” means the excess of total assets over total liabilities, excluding value of primary residence. In determining income, an investor should add to the investor’s adjusted gross income any amounts attributable to tax exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or KEOGH retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

In order to meet the conditions for exemption from the registration requirements under the securities laws of certain jurisdictions, investors who are residents of such jurisdictions may be required to meet additional suitability requirements.

### PROCEDURE TO PURCHASE SECURITIES

The suitability standards discussed under “INVESTOR SUITABILITY REQUIREMENTS” above represent minimum suitability standards for prospective investors. Each prospective investor, together with his, her or its investment, tax, legal, accounting and other advisors, should determine whether this investment is appropriate for such investor.

Each investor who wishes to subscribe for Units must provide the Company with the following documents:

- (1) A completed and executed Subscription Agreement and Investor Questionnaire (which accompany this Memorandum); and
- (2) A check for the full purchase price of the securities for which the investor subscribes, payable to “Maverick Realty & Investment, LLC” or a wire transfer to the Company’s bank account or title company. Checks should be mailed to the Company at the following address: Maverick Realty & Investment, LLC; 27251 Wesley Chapel, Suite 107, Wesley Chapel, Florida 33544.
- (3) Please contact the Company directly for wire transfer information.

### RISK FACTORS

**An investment in the Company’s securities involves substantial risk. Prospective investors should consider carefully the factors referred to below as well as others associated with their investment. In addition, this Memorandum contains forward-looking statements regarding future events and the future financial performance of the Company that involve significant risks and uncertainties. Investors are cautioned that such statements are predictions and beliefs of the Company, and the Company’s actual results may differ materially from those discussed herein. The discussion below includes some of the material risk factors that could cause future results to differ from those described or implied in the forward-looking statements and other information appearing elsewhere in this Memorandum. If any of the following risks, or any additional risks and uncertainties not listed below and not presently known to us, actually occur, our business could be harmed or fail. In such case, you may lose all or part of your investment.**

**Additionally, the risks and uncertainties described in this Offering Circular are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Furthermore, the on-going global pandemic related to COVID-19 may amplify many of the risks discussed below to which we are subject and, given the unpredictable, unprecedented and fluid nature of the pandemic, it may materially and adversely affect us in ways that are not anticipated by or known to us or that we do not consider to present significant risk. Therefore, we are unable to estimate the extent to which the pandemic and its related impacts will adversely affect our business, financial condition and results of operations.**

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

The following risk factors, in addition to those discussed elsewhere in this Memorandum, should be carefully considered when evaluating the Company as an investment opportunity.

In addition, the following risk factors may also apply to any fund or funds that we may invest in, and such risks of such funds are beyond our control, which could have a material adverse effect on our Company and lead to a full or partial loss of each investor's investment.

### General Risks Associated with the Company's Business Plans

**We have a limited operating history upon which you may evaluate us.** The Company was formed on June 24, 2020. Accordingly, it is a relatively newly formed entity with limited investment history prior to the date of this Memorandum upon which to base an evaluation of an investment in the Units offered hereby. The Company has not had the opportunity to carry out any real estate transactions or other activities of its business plans, and it has no revenues. The Company's business will be subject to the risks involved with any speculative new venture. There can be no assurance that the Company will be able to generate revenues, acquire properties, or operate profitably in the future or that any of our investments will be successful. Our profitability and the success of each investment will be subject to fluctuations in the real estate markets, along with various other risks more particularly described herein. Moreover, our financial condition, results of operations and ability to make or sustain distributions to our investors will depend on many factors, including, but not limited to the following:

- our ability to identify attractive acquisition opportunities that are consistent with our investment strategy;
- our ability to consummate acquisitions on favorable terms;
- our ability to contain renovation, construction, restoration, maintenance, marketing and other operating costs;
- real estate appreciation or depreciation in our markets;
- the level and volatility of interest rates, and our access to short and long-term financing on favorable terms;
- our ability to absorb costs that are beyond our control, such as real estate taxes, HOA fees, insurance premiums, litigation costs, and compliance costs;
- our ability to respond to changes in population, employment or homeownership trends in our markets; and
- economic conditions in our markets, as well as the condition of the financial and real estate markets and the economy generally.

If we are unable to effectively allocate our resources or generate sufficient revenues, our business operating results and financial condition would be adversely affected and we may be unable to execute our business plan, and our business could fail. Moreover, if the Company is unable to operate successfully, any investment produces a loss, or the Company's investments fail to produce sufficient revenues to cover operating and other expenses, investors may suffer a partial or total loss of their investment.

**Projections are speculative and are based upon a number of assumptions.** Any projected financial results prepared by or on behalf of the Company have not been independently reviewed, analyzed, or otherwise passed upon. Such "forward-looking" statements are based on various assumptions, which assumptions may prove to be incorrect. Such assumptions include but are not limited to (a) the future status of local and regional economies, (b) anticipated demand for residential real estate, (c) anticipated levels of future interest rates, and (d) anticipated real estate tax rates and other operating expenses. Accordingly, there can be no assurance that such projections, assumptions and statements will accurately predict future events or actual performance. Any projections of cash flow should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. Investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

assumptions. No representations or warranties whatsoever are made by the Company, its affiliates or any other person or entity as to the future profitability of the Company or the results of making an investment in the Units.

There can be no assurance that the Company's investments will result in distributable returns to investors or that any such investor returns will be made as and when anticipated. The Company's net cash flow from its investments will be its sole source from which to make returns to the investors. Investor returns (including preferred returns) with respect to investments in properties will only be made from available net cash flow to the extent cash on-hand from such properties exceeds required reserves or anticipated cash requirements. Net cash flow from the Company's investments will only be available for satisfaction of investor returns after paying all expenses and retaining reasonable cash reserves, and then only to the extent not reinvested. In addition, the Company expects returns to investors to be delayed until such time as the Company has made investments and such investments are sufficiently cash flowing to permit returns, and provided such cash is not needed for other purposes related to the Company's business. See "RETURNS TO INVESTORS" below.

**Our success is dependent on our key personnel.** We believe that our success will depend on continued retention by us of our managers, officers and advisors, especially including our officers, including William H. C. Null (see "MANAGEMENT" below). If one or more managers and/or officers are unable or unwilling to continue in their present role, our business and operations could be disrupted or fail.

**General risks of investment in real estate projects.** The economic success of an investment in the Company will depend in part upon the results of the operations of the properties it acquires or finances, which will be subject to those risks typically associated with investment in real estate. Factors generally affecting the business of the Company might include, but are not limited to, any or all of the following: changing environmental regulations, adverse use of adjacent or neighboring real estate, changes in the demand for or supply of competing properties, local economic factors, which could result in the reduction of the fair market value of real property, uninsured losses, significant unforeseen changes in general or local economic conditions, inability of the Company or borrower, as the case may be, to obtain any required entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all, inability of the Company to obtain the services of appropriate consultants at the proposed cost, changes in legal requirements for any needed entitlements, problems caused by the presence of environmental hazards on a property, changes in federal or state regulations applicable to real property, failure of a lender to approve a loan on terms and conditions acceptable to the Company, lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially-reasonable price, shortages or reductions in available energy, acts of God or other calamities.

In addition, fluctuations in occupancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale or refinancing of properties difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of any rental properties, or that future costs of operating such properties, will be accurate because such matters will depend on events and factors beyond the control of the Company. Such factors include, among others, the continued enforceability of tenant leases, vacancy rates for rental real property, financial resources of the tenants, rent levels and sales levels in the local areas of the properties, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for real estate assets, competition from similar real estate ventures, interest rates, real estate tax rates, governmental rules, regulations and fiscal policies, including the effects of inflation and enactment of unfavorable real estate, rent control, environmental or zoning laws, hazardous material laws, uninsured losses and other risks.

**We face substantial competition from real estate agents, real estate investors, real estate development companies, financial institutions and investment funds.** Many of our current and potential competitors have longer operating histories and financial and other resources substantially greater than those we possess. As a result, our competitors may be able to locate real estate opportunities more efficiently or more effectively analyze them, or to devote greater resources than we can. We may be competing for assets with entities that have substantial greater economic and personnel

resources than the Company or better relationships with developers. These entities may also generally be able to accept more risk than the Company can manage. Competition may reduce the number of suitable prospective assets for the Fund and increase the bargaining power of developers seeking equity investments. Such competitors could also attempt to increase their presence in our markets by forming strategic alliances with other competitors. Such competition could adversely affect our gross profits, margins and results of operations. There can be no assurance that we will be able to compete successfully with existing or new competitors.

**We have not identified specific uses for a significant portion of the net proceeds from this Offering. Therefore, you will be unable to evaluate the allocation of any portion of the net proceeds from this Offering or the economic merits of our investments before making an investment decision to purchase the Units.** We have broad authority to invest the net proceeds from this Offering in any real estate investments that we may identify in the future, and we may use those proceeds to make investments with which you may not agree. You will be unable to evaluate the economic merit of our properties or mortgages before we invest in them and will be relying on our ability to select attractive investments. In addition, our investment policies may be amended or revised from time to time at the discretion of our Manager, without a vote of our Series A Non-Voting Membership Interest owners. These factors will increase the uncertainty, and thus the risk, of investing in the Units.

Although we intend to use the net proceeds from this Offering to identify, underwrite, and finance or purchase (a) distressed residential and commercial real estate and (b) performing, non-performing or distressed real estate mortgage loans either directly or through one or more special purpose entities and then monetize them through various means. The Company intends to invest, directly or indirectly, in residential and commercial properties, vacant land, self-storage facilities and mobile homes (collectively, the “Real Estate Investments”). We cannot assure you that we will be able to make any such acquisitions or investments. Our failure to apply the net proceeds from this Offering effectively or find suitable assets to acquire in a timely manner or on acceptable terms could result in losses, or result in returns that are substantially below expectations.

Prior to the full deployment of the net proceeds of this Offering as described above, the undeployed net proceeds of this Offering may be held in a non-interest-bearing account, but will likely realize little if any net return. Ultimately, we may not be successful in completing any investments we identify and the residential properties and other investments we acquire may not produce our anticipated, or any, positive returns, and our business could fail.

**Lack of diversification.** The Company's business plan is to finance or purchase Real Estate Investments. Thus, the Company's assets are tied to the risks associated with residential real estate and may also be concentrated in one or more lenders and/or geographic areas.

**There is limited liquidity in our real estate investment, which could limit our flexibility.** Real estate investments are relatively illiquid. Our ability to vary our portfolio in response to changes in economic and other conditions will be limited. We may not be able to dispose of any property in which we invest when we find disposition advantageous or necessary, and the sale price of any disposition may not recoup or exceed the amount of our investment. In addition, federal tax laws may impact our ability to sell a property, and accordingly could adversely affect our profitability.

**Incomplete information on acquired Real Estate Investments.** Although the Company expects to obtain and verify all material facts regarding any Real Estate Investment that it seeks to acquire, it is possible that the Company will not discover certain material facts, because information presented by the seller may be prepared in an incomplete or misleading fashion, and the due diligence efforts of the Company may fail to uncover such facts. Only individuals who feel comfortable with making an investment in the Company knowing that such crucial information may be missing should consider becoming an investor in the Company.

**There is a risk that inaccurate appraisals by the property owner's lender could reduce the Company's ability to become profitable.** An appraisal, broker's price opinion (“BPO”), or comparative market analysis (“CMA”) may be conducted in connection with the real estate identified by the Company, and in general, such appraisals, BPO or CMA represent the analysis and opinions of the respective appraisers or our own opinion in connection with such BPO or CMA at or before the time made, and are

not guarantees of, and may not be indicative of, present or future value. There can be no assurance that another appraiser or initial formal appraisal would not arrive at a different valuation, even if such appraiser or initial formal appraisal used the same general approach to and same method of appraising the property. In addition, appraisals, BPOs and CMAs seek to establish the amount a typically motivated buyer would pay a typically motivated seller. There may be a disparity between the appraisal of the property owner's lender and the BPO obtained by or on behalf of the Company, which such disparity could be significant. To the extent such disparity is greater than anticipated, our profitability from such a transaction would be affected, and losses could occur, which may adversely affect investors.

**No audited results of acquisition assets.** The Company may rely on unaudited financial information provided by the seller or borrower of any particular property. Thus, it is possible that information relied upon by the Company with respect to the acquisition of such a property may not be accurate.

**The Fund's investments are expected to include investments in non-performing loans and distressed properties which often involve workout negotiations, restructuring and the possibility of foreclosure.** These processes are often lengthy and expensive. In addition, the Fund's investments may include securities and debt obligations of financially distressed issuers, including companies involved in bankruptcy or other reorganization and liquidation proceedings. As a result, the Fund's investments may be subject to additional bankruptcy related risks, and returns on such investments may not be realized for a considerable period of time.

**Limited resources of the Manager.** The Manager has limited financial resources to satisfy its obligations as the Manager. A financial reversal for the Manager could adversely affect the ability of the Manager to manage the Company. There can be no assurance that the Manager will have sufficient funds to meet its obligations to the Company, or to otherwise financially support the Company.

**Reliance on the Manager.** Our ability to achieve our investment objectives and to pay distributions is dependent upon the performance of the Manager and the individuals involved with the Company. All decisions regarding management of the Company's affairs will be made exclusively by the Manager and not by the members of the Company. Accordingly, investors should not purchase Units unless they are willing to entrust all aspects of management to the Manager. Potential investors must carefully evaluate the personal experience and business performance of William H. C. Null, as well as each of the Manager and the Company's advisors, if any (see "MANAGEMENT" below). The Manager may retain independent contractors to provide services to the Company relating to real estate investments. Such contractors have no fiduciary duty to the members of the Company, and may not perform as expected.

**Debt service obligations could adversely affect our operating results, may require us to sell properties and could adversely affect our ability to make or sustain distributions to our investors.** We may finance future activities with indebtedness and we may be more likely to do so as our business grows. We may borrow for a number of reasons, such as financing acquisitions or capital expenditures. Our governing documents contain no limitations on the amount of debt that we may incur. As a result, we may incur substantial debt in the future.

Incurring debt could subject us to many risks, including the risks that:

- our cash flows from operations will be insufficient to make required distributions to our investors;
- our debt may increase our vulnerability to adverse economic and industry conditions;
- we may be subject to restrictive covenants that require us to satisfy and remain in compliance with certain financial requirements or that impose limitations on the type or extent of activities we conduct; and
- we may be required to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing cash available for distribution to our investors, funds available for operations and capital expenditures, future business opportunities or other purposes.

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

If we do not have sufficient funds to repay any debt we incur when it matures, we may need to refinance the debt or raise additional equity. If, at the time of any refinancing, prevailing interest rates or other factors result in higher interest rates on refinancing, increases in interest expense could adversely affect our cash flows and, consequently, cash available for distribution to our investors. To the extent we are required to raise additional equity to satisfy such debt, existing shareholders would see their interests diluted. If we are unable to refinance our debt or raise additional equity on acceptable terms, we may be forced to dispose of properties on disadvantageous terms, potentially resulting in losses. To the extent we cannot meet any future debt service obligations, we will risk losing some or all of our properties that may be pledged to secure our obligations to foreclosure. Any unsecured debt agreements we enter into may contain specific cross-default provisions with respect to specified other indebtedness, giving the unsecured lenders the right to declare a default if we are in default under other loans in some circumstances.

**Our Company may change its investment strategy, financing strategy or leverage policies without member consent.** The Company may change any of its strategies, policies or procedures with respect to property acquisitions and divestitures, asset allocation, growth, operations, indebtedness, financing and distributions at any time without the consent of investors, which could result in our acquiring properties that are different from, and possibly riskier than, the types of residential real estate and related investments described in this Memorandum. These changes could adversely affect us.

**Management has sole discretion as to use of proceeds.** The net proceeds from this Offering will be used for the purposes described under "USE OF PROCEEDS." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its members in order to address changed circumstances or opportunities. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of the officers and Manager with respect to application and allocation of the net proceeds of this Offering. Investors in the Units offered hereby will be entrusting their funds to the officers and the Manager, upon whose judgment and discretion the investors must depend.

**The property manager may not successfully manage our properties.** Property management services will either be provided internally by the Company or by one or more third party property managers. There can be no assurance that such property manager(s), if any, or our internal personnel will be able to successfully manage our properties.

**The Manager and any property manager(s) will receive compensation regardless of profitability.** The Manager and any property manager(s) are entitled to receive certain fees and other compensation, payments and reimbursements regardless of whether the Company operates at a profit or a loss. See "COMPENSATION TO THE MANAGER" below.

**There are no financial statements of the Manager.** This Memorandum does not contain financial statements of the Manager.

**No environmental indemnity.** Federal, state and local laws impose liability on a landowner for the release or the otherwise improper presence on the premises of hazardous materials or hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials or hazardous substances brought onto the property before it acquired title and for hazardous materials or hazardous substances that are not discovered until after it sells the property. Similar liability may occur under applicable state law. If any hazardous materials or hazardous substances are found within the real property underlying any property at any time, the Company could be held liable for cleanup costs, fines, penalties and other costs. If losses arise from hazardous substance contamination, which cannot be recovered from other responsible parties, the financial viability of any property may be materially and adversely affected.

**Residential mortgage loan modification, refinance, or forbearance programs, future legislative action, and other actions and changes in the general economy may materially and adversely affect the supply of, value of, and returns on Real Estate Investments.** Our business model depends on the acquisition of a steady supply of Real Estate Investments, our ability to support continued performance by borrowers under Real Estate Investments, the success of our loan modification

and other resolution efforts and to a certain extent, the conversion of a portion of those loans to REO that we can then sell or rent. The number of Real Estate Investments available for purchase may be reduced by uncertainty in the lending industry and the governmental sector and/or as a result of general economic conditions. Lenders have delayed foreclosure proceedings, offered payment forbearance, renegotiated interest rates, or refinanced loans for borrowers who face foreclosure.

In addition, as a reaction to the COVID-19 outbreak, the U.S. federal government has instituted and may continue to institute programs aimed at assisting at-risk homeowners, or reducing the number of properties going into foreclosure or going into non-performing status. Government sponsored or mandated loss mitigation programs may involve, among other things, the modification of residential mortgage loans to reduce the principal amount of the loans (through forbearance and/or forgiveness) and/or the rate of interest payable on the loans or to extend the payment terms of the loans. For example, section 4022 of the Coronavirus Aid, Relief, and Economic Security Act (or the “CARES Act”), requires that for a limited period of time, and upon a request by a borrower with a federally backed mortgage loan who is experiencing a COVID-19-related financial hardship, the servicer of the borrower’s loan must grant the borrower a forbearance for up to 180 days (or longer if the borrower requests an extension). Certain states have imposed or encouraged similar forbearance programs, or may do so in the future. These programs, any other programs that may replace them, future legislative or regulatory actions, including possible amendments to the bankruptcy laws that result in the modification of outstanding residential mortgage loans, as well as changes in the requirements necessary to qualify for refinancing residential mortgage loans, may materially and adversely affect the value of, and the returns on, our portfolio of RPLs and NPLs.

Other governmental actions may affect our business by hindering the pace of foreclosures. Certain jurisdictions suffer from a backlog of foreclosures, due to a combination of volume constraints and legal actions, including those brought by the U.S. Department of Justice (“DOJ”), the U.S. Department of Housing and Urban Development (“HUD”), State Attorneys General, the Office of the Comptroller of the Currency, and the Federal Reserve Board against mortgage servicers alleging wrongful foreclosure practices. Legal claims brought or threatened by the DOJ, HUD, CFPB and State Attorneys General against residential mortgage servicers have produced large settlements. A portion of the funds from these settlements were directed to homeowners seeking to avoid foreclosure through mortgage modifications, and servicers are required to adopt specified measures to reduce mortgage obligations in certain situations. We expect that the settlements will help many homeowners avoid foreclosures that would otherwise have occurred. It is also possible that other residential mortgage servicers will agree to similar settlements. In addition, the U.S. Congress and numerous state legislatures have considered, proposed or adopted legislation to constrain foreclosures, or may do so in the future. These developments will reduce the number of homes in the process of foreclosure and decrease the supply of properties and assets that meet our investment criteria.

The Dodd-Frank Act also created the CFPB, which supervises consumer financial services companies (including bank and non-bank mortgage lenders and mortgage servicers) and enforces U.S. federal consumer protection laws as they apply to banks, credit unions and other financial services companies, including mortgage servicers, and which has issued many regulations regarding mortgage origination and servicing. These regulations provide for special remedies in favor of consumer mortgage borrowers, particularly upon default and foreclosure. It remains uncertain whether any of these measures significantly affect foreclosure volumes. If foreclosure volumes were to decline significantly, we may experience difficulty in finding target assets at attractive prices, which will materially and adversely affect us. Also, the number of families seeking rental housing might be reduced by such legislation, reducing rental housing demand for properties that we may seek to rent in our markets.

**Disposition of Real Estate Investments may not occur as projected.** The Company anticipates that the Real Estate Investments that it acquires for purposes of resale (rather than hold and lease) will be resold within a 6 to 24 month period as management deems it in the best interest of the Company and its stakeholders. Nevertheless, it may not be possible to sell any particular Real Estate Investment within that time frame, or at all. Such delays in disposing of Real Estate Investment could result in losses to the Company and the investors of this Offering. If a Real Estate Investment is not sold as anticipated, the Company may have to attempt to refinance any loans/mortgages on any such properties. Based on historical interest rates, current interest rates are low and, as a result, it is likely that



## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

the interest rate that may be obtained upon refinancing will be higher than that of the Real Estate Investments. Fluctuations in the supply of money for such Real Estate Investments affect the availability and cost of loans, and the Company is unable to predict the effects of such fluctuations on the Company. Prevailing market conditions at the time the Company seeks to refinance a loan may make such loans difficult or costly to obtain. Such conditions may also adversely affect cash flow and/or profitability of the Company. Moreover, the Company offers no assurance that any disposition of any property will occur, or on terms favorable to the Company.

**Regional, state and local economic conditions may change.** Performance of the real estate assets are likely to be dependent upon the condition of the local economy in which our investments are located as well as in the United States overall. There is a risk that at the time of the projected sale of any property, the marketplace may be different than projected.

**We will own real estate directly as well as assets that are secured by real estate.** Real estate assets are subject to various risks, including:

- declines in the value of real estate, including as a result of the COVID-19 pandemic;
- acts of nature, including earthquakes, floods and other natural disasters, which may result in uninsured losses;
- acts of war or terrorism, including the consequences of terrorist attacks, such as those that occurred on September 11, 2001;
- adverse changes in national and local economic and market conditions;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- costs of remediation and liabilities associated with environmental conditions such as indoor mold; and
- the potential for uninsured or under-insured property losses.

**Uncertain economic conditions.** The United States economy has experienced significant downturns in the past, and may experience future downturns during the period of the Company's operations. It is uncertain how a future deterioration of the financial and real estate sectors would impact the long-term health of the economy. As a result, if a downturn occurs, there can be no assurance that the Company will achieve anticipated cash flow levels. In addition, availability of credit could become limited and it is possible that the Company will not be able to obtain financing if needed. Further, world events evolving out of terrorist activities and the political and military responses of the targeted countries create an air of uncertainty concerning security and the stability of world and United States economies. Historically, successful terrorist attacks have resulted in decreased travel and tourism to the affected areas, increased security measures and disturbances in financial markets. It is impossible to determine the likelihood of any future terrorist attacks on United States targets, the nature of any United States response to such attacks or the social and economic results of such events. However, any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Company.

**The Company may not realize profits on the disposition of any Real Estate Investment.** It is possible that the Company will not be profitable and the investors may not receive any returns at all. Many factors beyond the Company's control affect the real estate market and could affect the Company's ability to rent, sell or refinance any of its acquired properties at the price, terms or within the time frame projected. These factors include environmental and/or engineering issues, adverse use of adjacent or neighboring real estate, ability to make improvements to such properties, property lease terms, changes in state or local tax rates and assessments, general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Because real estate investments are relatively illiquid, the Company will have a limited ability to vary the Company's response to changes in economic or other conditions. Further, before the Company can sell any Real Estate Investment on the terms and conditions it wishes, it may be necessary to expend funds to correct defects or to make improvements. We may be unable to sell any Real Estate Investment that it acquires for a profit. The

inability to sell a Real Estate Investment at the time and on the terms intended could limit the Company's ability to become profitable or pay returns to its investors.

**We expect the value of U.S. real estate to significantly decline in urban areas as a result of the COVID-19 pandemic.** The occurrence of any of the foregoing or similar events may reduce our return from an affected property or asset and, consequently, materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our investors.

**Federal, state and local regulations.** There is a risk of a change in the current federal, state and local regulations as it may relate to the operations of the Company in the area of fuel or energy requirements or regulations, construction and building code regulations, approved property use, zoning and environmental regulations, among other regulations. Such changes could have a material adverse effect on the Company and its financial condition.

### **Risks Associated with Residential Housing**

Some or all of the Company's investments will be subject to the risks of the residential housing market which include the following risk factors.

**The value and operating fundamentals of residential housing in our markets may not improve.** A substantial part of our business plan is based on our belief that the value and operating fundamentals of residential housing in our markets will provide opportunities over the next several years. We cannot assure you as to whether, when or to what extent property values and operating fundamentals will improve. In addition, it is possible that our belief is incorrect and that the value and operating fundamentals of residential housing in our markets will not improve and may deteriorate.

**When evaluating a property for acquisition, we will make a number of significant estimates and assumptions that may prove to be inaccurate. This could cause us to overpay for a property or incur restoration and marketing costs significantly in excess of our estimates.** In determining whether a particular property meets our investment criteria, we will make a number of significant estimates and assumptions, including the amount of time it will take us to gain possession of the property, estimated restoration costs, the amount of time between acquiring the property and leasing it, annual operating costs, rental rates and tenant default rates. These estimates and assumptions may prove to be inaccurate and cause us to overpay for properties or overvalue our properties. If we determine to make the estimates and assumptions used in evaluating potential properties for purchase more stringent, it would likely reduce the number of properties that we deem acceptable for purchase. Increases in the market prices for or decreases in the inventory of residential property in our markets could also reduce the number of properties that meet our investment criteria. These factors could adversely affect our ability to deploy the net proceeds from this Offering in accordance with our investment strategy.

Furthermore, we expect that there will be a significant degree of variability in the amount of time it takes us to gain possession of a property, the amount of restoration required at a property (if any), the quality of construction of a property, the desirability of a property's location and other property-specific issues. Our success will depend, to a significant degree, on our ability to evaluate these factors and identify and acquire properties that can be rented and maintained at attractive yields, and/or sold at a profit. To the extent our evaluation of these factors or our assumptions are inaccurate, our investments may not meet our expectations.

In addition, the market and regulatory environments relating to residential property have been changing rapidly, making future trends difficult to forecast. For example, an increasing number of homeowners now wait for an eviction notice or eviction proceedings to commence before vacating a foreclosed property, which significantly increases the time period between the acquisition and leasing of a property. Such changes affect the accuracy of our assumptions and, in turn, may adversely affect us.

**Our long-term growth may depend significantly upon future acquisitions of residential properties that meet our acquisition criteria.** The acquisition of residential properties entails various risks, including the risks that we may overvalue a home, our homes may not perform as we expect, we may be unable to quickly and efficiently restore and lease our properties, our tenants may default and our

cost estimates for restoring an acquired home may prove inaccurate. In addition, we cannot assure you of the continued availability of acquisition opportunities in our markets at attractive pricing levels.

**Our revenue and expenses are not directly correlated, and, because a large percentage of our costs and expenses are fixed and some variable expenses may not decrease over time, we may not be able to adapt our cost structure to offset any declines in our revenue.** Many of the expenses associated with our business, such as acquisition costs, restoration and maintenance costs, possible HOA fees, personal and real property taxes, insurance, compensation and other general expenses are fixed and would not necessarily decrease proportionally with any decrease in revenue. Our assets may also require a significant amount of ongoing capital expenditure. Our expenses, including capital expenditures, will be affected by, among other things, any inflationary increases, and cost increases may exceed the rate of inflation in any given period. Certain expenses incurred on a per-unit basis may be recurring in nature, such as possible HOA fees, taxes, insurance and restoration and maintenance costs, which may not decrease on a per-unit basis as our portfolio grows through additional property acquisitions. By contrast, our revenue is affected by many factors beyond our control, such as the availability and price of alternative rental housing and economic conditions in our markets. As a result, we may not be able to fully, or partially, offset any increase in our expenses with a corresponding increase in our revenues. In addition, state and local regulations may require us to maintain our properties, even if the cost of maintenance is greater than the value of the property or any potential benefit we may receive from renting the property.

**Buying real estate assets at a discount may not result in obtaining the bottom of the market price.** Acquired assets may continue to decline in value. Any need to liquidate prior to cost recovery or a sale without cost recovery could then result in a loss.

**Limited representations and warranties.** The Company's investment counterparties may make only limited or no representations and warranties regarding the condition of any such property, the status of leases, the presence of hazardous materials or hazardous substances within any such property, the status of governmental approvals and entitlements for any such property, or other matters adversely affecting the property that are discovered. The Company may not be able to pursue a claim for damages against a seller except in limited circumstances. The extent of damages that the Company may incur as a result of such matters cannot be predicted but potentially could result in a significant adverse effect on the value of any such property, and the financial condition of the Company.

**Acquiring properties during periods when the residential home sector is experiencing substantial inflows of capital and intense competition may result in inflated purchase prices and increase the likelihood that our properties will not appreciate in value and may, instead, decrease in value.** The allocation of substantial amounts of capital for investment in the residential home sector and significant competition for income producing real estate may inflate the purchase prices for such assets. To the extent we may purchase real estate in such an environment, it is possible that the value of our properties may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for such properties. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the residential home sector and the number of investors participating in the sector, could cause the value of our properties to decline.

**Mortgage loan modification programs and future legislative action may reduce the number of properties that meet our investment criteria.** The U.S. government, through the Federal Reserve, the Federal Housing Administration and the Federal Deposit Insurance Corporation, has implemented a number of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures, including the Home Affordable Modification Program, which seeks to provide relief to homeowners whose mortgages are in or may be subject to foreclosure, and the Home Affordable Refinance Program, which allows certain borrowers who are underwater on their mortgage but current on their mortgage payments to refinance their loans. Several states, including states in which our current markets are located, have adopted or are considering similar legislation. These programs and other loss mitigation programs may involve, among other things, the modification or refinancing of mortgage loans or providing homeowners with additional relief from loan foreclosures. Such programs are intended to lead to fewer foreclosures and, if successful, may decrease the supply of properties that meet our investment criteria.

## Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC

The pace of residential foreclosures is unpredictable and subject to numerous factors. In recent periods there has been a backlog of foreclosures, due to a combination of volume constraints and legal actions, including those brought by the U.S. Department of Justice, or the DOJ, the Department of Housing and Urban Development, or HUD, State Attorneys General, the office of the Comptroller of the Currency, or the OCC, and the Federal Reserve Board against mortgage servicers alleging wrongful foreclosure practices. Financial institutions have also been subjected to regulatory restrictions and limitations on foreclosure activity by the Federal Deposit Insurance Corporation. Legal claims brought or threatened by the DOJ, HUD and 49 State Attorneys General against the five largest residential mortgage servicers in the country were settled in 2012 for approximately \$25 billion, and an enforcement action threatened by the OCC against ten residential mortgage servicers was settled in 2013 for approximately \$8.5 billion. A portion of the funds from each settlement will be directed to homeowners seeking to avoid foreclosure through mortgage modifications, and servicers are required to adopt specified measures to reduce mortgage obligations in certain situations. It is expected that the settlements will help many homeowners avoid foreclosures that would otherwise have occurred in the near-term. It is also possible that other residential mortgage servicing companies will agree to similar settlements. These developments will reduce the number of homes in the process of foreclosure and may decrease the supply of properties that meet our investment criteria.

In addition, the U.S. Congress and numerous state legislatures have considered, proposed or adopted legislation to constrain foreclosures, or may do so in the future. The Dodd-Frank Act also created the Consumer Financial Protection Bureau, which supervises and enforces federal consumer protection laws as they apply to banks, credit unions and other financial companies, including mortgage servicers. It remains uncertain as to whether any of these measures will have a significant impact on foreclosure volumes or what the timing of that impact would be. If foreclosure volumes were to decline significantly, we would expect REO inventory levels to decline or to grow at a slower pace, which could make it more difficult to find target assets that fit our criteria at attractive prices and might constrain our growth or reduce our long-term profitability.

**Claims of deficiencies in the foreclosure process may result in rescission of purchases of properties or reduce the supply of foreclosed properties available.** We may seek to purchase properties in foreclosure. In such an event, allegations of deficiencies in foreclosure practices could result in claims challenging the validity of some foreclosures, potentially placing our claim of ownership to such properties at risk. We cannot be assured that our title insurance policies would provide protection in such instances or that such proceedings would not result in a complete dispossession of property from us without compensation.

**Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures.** Recently, courts and administrative agencies have been more actively involved in enforcing state laws governing foreclosures, and, in some circumstances, have imposed new rules and requirements regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with proper transfers of title, notice, identification of parties in interest, documentation and other legal requirements. The increase in the number of foreclosures since 2007 has led legislatures in many states to consider modifications to foreclosure laws to restrict and reduce foreclosures. For example, in 2012, California enacted a law imposing new limitations on foreclosures while a request for a loan modification is pending. Further, foreclosed owners and their legal representatives, including some prominent and well-financed legal firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. These developments may reduce, or slow the rate of growth in, the supply of foreclosed homes available to purchase. They may also call into question the validity of our title to homes acquired at foreclosure, or result in rescission rights or other borrower remedies, which could result in a loss of a property purchased by us that may not be covered by title insurance. This could result in an increase in litigation and property maintenance costs incurred with respect to properties obtained through foreclosure, or delays in stabilizing and leasing such properties promptly after acquisition.

**Residential homes that are being sold through foreclosure or short-sales are subject to risks of theft, vandalism or other damage that could impair their value.** When a residential home is put into foreclosure, due to a default by the homeowner on mortgage obligations, or a homeowner seeks

a short sale, due to the value of the property being substantially below the outstanding principal balance of the mortgage, it is possible that the homeowner may cease to maintain the property adequately, or that the property may be abandoned by the homeowner and become susceptible to theft or vandalism. Lack of maintenance, theft and vandalism can substantially impair the value of the property. If we purchase multiple properties in foreclosure and are not able to inspect each property before closing or we are unable to resell the properties quickly after purchase and restoration, this would have a material adverse impact on our business and financial condition.

**The costs and amount of time necessary to secure possession and control of a newly acquired property may exceed our assumptions, which would delay our receipt of revenue from, and return on, the property, if any.** Upon acquiring a new property, we may have to evict occupants who are in unlawful possession before we can secure possession and control of the property. The holdover occupants may be the former owners or tenants of a property, or they may be squatters or others who are illegally in possession. Securing control and possession from these occupants can be both costly and time-consuming. If these costs and delays exceed our expectations, our financial performance may suffer because of the increased expenses incurred or the unexpected delays in turning the properties into revenue-producing rented homes.

**The large supply of residential properties becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.** The large supply of foreclosed homes, along with the low residential mortgage interest rates currently available and government sponsored programs to promote home ownership, has made home ownership more affordable and more accessible for potential renters who have strong credit. The foregoing factors may encourage certain potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential tenants available to us.

#### **Risks Associated with Commercial Real Estate**

Some or all of the Company's investments will be subject to the risks of the commercial real estate market which include the following risk factors.

**Investments in industrial or other commercial properties involve certain risks in addition to those which exist for real estate properties generally (including certain environmental risks).** The financial failure and resulting lease default of a tenant which occupies a material amount of space at a commercial property would cause a reduction in the cash flow to the Company. Moreover, such reduction could have the effect of decreasing the value of our assets. In the event of such a termination, there can be no assurance that the Company would be able to find a replacement tenant to occupy the space on similar terms, and it is probable that the costs incurred to renovate and prepare the space to meet the needs of a replacement tenant would be significant. It is also possible that such reductions in cash flow could result in the Company to default on a mortgage financing secured by a property. Industrial and commercial properties are also subject to competition from providers of similar or alternative space. Competitors may be able to supply space of similar or superior value at prices equal to or lower than those charged by the Company or the entity that owns the industrial or other commercial property. Such space is also subject to obsolescence as trends, styles, and technologies change, thereby requiring significant infusions of capital to remain competitive and viable in the marketplace.

**Our revenue and expenses are not directly correlated, and, because a large percentage of our costs and expenses are fixed and some variable expenses may not decrease over time, we may not be able to adapt our cost structure to offset any declines in our revenue.** Many of the expenses associated with our business, such as acquisition costs, construction, property management, and maintenance costs, personal and real property taxes, insurance, compensation, and other general expenses are fixed and would not necessarily decrease proportionally with any decrease in revenue. Our assets may also require a significant amount of ongoing capital expenditure. Our expenses, including capital expenditures, will be affected by, among other things, any inflationary increases, and cost increases may exceed the rate of inflation in any given period. Certain expenses incurred on a per-unit basis may be recurring in nature, such as taxes, insurance, property management, and maintenance

costs, which may not decrease on a per-unit basis. By contrast, our revenue is affected by many factors beyond our control, such as the availability and price of alternative commercial and industrial space, and economic conditions in our markets. As a result, we may not be able to fully, or partially, offset any increase in our expenses with a corresponding increase in our revenues. In addition, state and local regulations may require us to maintain our properties, even if the cost of maintenance is greater than the value of the properties or any potential benefit we may receive from renting the properties.

**The value and operating fundamentals of residential and commercial real estate in our markets may not improve.** A substantial part of our business plan is based on our belief that the value and operating fundamentals of commercial real estate in our markets will improve significantly over the next several years. We cannot assure you as to whether, when or to what extent property values and operating fundamentals will improve. In addition, it is possible that our belief is incorrect and that the value and operating fundamentals of commercial real estate in our markets will not improve and may deteriorate.

It is possible that current trends in the commercial real estate market will not continue. In addition, we expect that as investors like us increasingly seek to capitalize on opportunities to purchase undervalued commercial real estate assets and convert them to productive uses, the supply of commercial real estate rental properties will decrease and the competition for properties will intensify.

**When evaluating a property for acquisition, we will make a number of significant estimates and assumptions that may prove to be inaccurate.** This could cause us to overpay for a property or incur development and construction costs significantly in excess of our estimates. In determining whether a property meets our investment criteria, we will make a number of significant estimates and assumptions, including the amount of time it will take us to gain possession of the property, estimated construction costs, the amount of time between acquiring the property and leasing or reselling it, annual operating costs, rental rates, and tenant default rates. These estimates and assumptions may prove to be inaccurate and cause us to overpay for the property or overvalue the property.

Furthermore, we expect that there will be a significant degree of variability in the amount of time it takes us to gain possession of the property, the amount of construction required at the property (if any), the quality of construction of the property, the desirability of the property's location and other property-specific issues. Our success will depend, to a significant degree, on our ability to evaluate these factors and that we have correctly identifies the property as one that can be rented and maintained at attractive yields, and/or sold at a profit. To the extent our evaluation of these factors or our assumptions are inaccurate, our investment may not meet our expectations.

In addition, the market and regulatory environments relating to commercial property have been changing rapidly, making future trends difficult to forecast. For example, an increasing number of commercial tenants now wait for an eviction notice or eviction proceedings to commence before vacating a foreclosed property, which significantly increases the time period between the acquisition and leasing of a property. Such changes affect the accuracy of our assumptions and, in turn, may adversely affect us.

**Buying real estate assets at a discount may not result in obtaining the bottom of the market price.** Acquired assets may decline in value. Any need to liquidate prior to cost recovery or a sale without cost recovery could then result in a loss.

**Limited representations and warranties.** The sellers of a property may make only limited or no representations and warranties regarding the condition of a property, the status of leases, the presence of hazardous materials or hazardous substances within the property, the status of governmental approvals and entitlements for a property, or other matters adversely affecting a property that are discovered. The Company may not be able to pursue a claim for damages against a seller except in limited circumstances. The extent of damages that the Company may incur as a result of such matters cannot be predicted but potentially could result in a significant adverse effect on the value of the property, and the financial condition of the Company.

**Acquiring a property during a period when the residential and commercial real estate sector is experiencing substantial inflows of capital and intense competition may result in an inflated purchase price and increase the likelihood that a property will not appreciate in value and may, instead, decrease in value.** The allocation of substantial amounts of capital for investment in the

commercial/industrial real estate sector and significant competition for income producing real estate may inflate the purchase prices for such assets. To the extent we may purchase a property in such an environment, it is possible that the value of the property may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for the property. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the commercial/industrial real estate sector and the number of investors participating in the sector, could cause the value of the property to decline.

**The costs and amount of time necessary to secure possession and control of a newly acquired property may exceed our assumptions, which would delay our receipt of revenue from, and return on, the property, if any.** Upon acquiring a property, we may have to evict occupants who are in unlawful possession before we can secure possession and control of the property. The holdover occupants may be the former owners or tenants of the property, or they may be squatters or others who are illegally in possession. Securing control and possession from these occupants can be both costly and time-consuming. If these costs and delays exceed our expectations, our financial performance may suffer because of the increased expenses incurred or the unexpected delays in turning the property into viable resale property.

**Long-term leases may not result in fair market lease rates over time; therefore, our income and cash available for distribution to our investors, if any, could be lower than if we did not enter into long-term leases.** As part of our planned business operations, we expect to enter into long-term leases with individual tenants utilizing third-party property management services. If we do not accurately judge the potential for increases in market rental rates, the rent under our long-term leases may be significantly less than then-current market rental rates, even after contractual rental increases and applicable percentage rents. Further, we may have no ability to terminate those leases or to adjust the rent to then-current market rates. As a result, our revenues and cash available for distribution to our investors, if any, could be lower than if we did not enter into long-term leases of properties.

**We may rely on information supplied by prospective tenants in managing our real estate investments.** We may rely on information supplied to us by prospective tenants in their rental applications to make leasing decisions, and we cannot be certain that this information will be accurate. In particular, we may rely on information submitted by prospective tenants regarding financial condition, credit worthiness, and other factors. If tenant-supplied information is inaccurate or our tenants' creditworthiness declines over time, we may make poor leasing or underwriting decisions and our portfolio may contain more credit risk than we believe. Moreover, when we purchase a property subject to existing leases, we may not be able to collect any information on tenant creditworthiness in connection with such purchases.

**We expect to depend on our tenants for a substantial portion of our revenues.** We expect that we will be dependent upon tenants for a substantial portion of our revenues. Our operating results and cash available for distribution would be adversely affected if our tenants were unable to meet their lease obligations or failed to renew their leases with us. Widespread lay-offs and other adverse changes in the economic conditions in our markets could result in substantial tenant defaults or non-renewals. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord at any given property and may incur costs in protecting our investment and re-leasing the property. We may be unable to re-lease the property for the rent previously received.

**We may be unable to renew leases and our occupancy rate could decline.** We cannot assure you that we will be able to attract tenants, or that any future tenant will renew its lease with us. If the rental rates for a property decreases or our tenants do not renew their leases, our financial condition, results of operations, cash flow, cash available for distribution, and our ability to satisfy our debt service obligations, if any, could be materially adversely affected.

**A property may become vacant either by a default of tenants under their leases or the expiration or termination of tenant leases.** If vacancies continue for a long period of time, we may suffer reduced revenues resulting in less cash available for distribution. In addition, the resale value of a property could be reduced because the market value of a property may deteriorate if it remains unoccupied for an extended period of time.

### Risks Associated with Land Acquisition

Some or all of the Company's investments will be subject to the risks of land acquisition which include the following risk factors.

**Our acquisition of properties and expected returns on investment are speculative and based purely on our projected appreciation in the value of the land within a short time period.** We intend to acquire properties (which is land without any structures or housing), hold such land for up to 18 months, and then resell at a higher value. We expect the value of the properties to appreciate in this short time period based on our analysis of the inventory of similar properties in the area and the demand for such properties upon which we expect developers would build luxury homes.

**The success of our proposed land acquisition is at least in part dependent upon the value and operating fundamentals of residential housing in our markets.** A substantial part of our business plan is based on our belief that the land we intend to acquire, and then resell, will increase in value because of the value and operating fundamentals of residential housing in our markets will improve significantly over the next several years. We cannot assure you as to whether, when or to what extent property values and operating fundamentals will improve. In addition, it is possible that our belief is incorrect and that the value and operating fundamentals of residential housing in our markets will not improve and may deteriorate.

It is possible that current trends in the residential rental market will not continue. A strengthening of the U.S. economy and job growth, coupled with government programs designed to keep homeowners in their homes and/or other factors, may contribute to a stabilization or reversal of the current trend that would favor renting rather than homeownership. In addition, we expect that as investors like us increasingly seek to capitalize on opportunities to purchase undervalued housing assets and convert them to productive uses, the supply of residential rental properties will decrease and the competition for properties will intensify.

**When evaluating prospective properties for acquisition, we will make a number of significant estimates and assumptions that may prove to be inaccurate. This could cause us to overpay for the properties or incur development, construction, and/or marketing costs significantly in excess of our estimates.** In determining whether prospective properties meet our investment criteria, we will make a number of significant estimates and assumptions, including the amount of time it will take us to gain possession of the properties, the amount of time between acquiring the properties and reselling it, and annual operating costs. These estimates and assumptions may prove to be inaccurate and cause us to overpay for the properties or overvalue the properties.

Furthermore, we expect that there will be a significant degree of variability in the amount of time it takes us to gain possession of the properties, the desirability of the properties' location, and other property-specific issues. Our success will depend, to a significant degree, on our ability to evaluate these factors and identify and acquire the properties to be sold at a profit. To the extent our evaluation of these factors or our assumptions are inaccurate, our investment in the properties may not meet our expectations.

**Buying real estate assets at a discount may not result in obtaining the bottom of the market price.** Acquired assets may decline in value. Any need to liquidate prior to cost recovery or a sale without cost recovery could then result in a loss.

**Limited representations and warranties.** The sellers of the properties may make only limited or no representations and warranties regarding the condition of the properties, the status of leases, the presence of hazardous materials or hazardous substances within the properties, the status of governmental approvals and entitlements for the properties, or other matters adversely affecting the properties that are discovered. The Company may not be able to pursue a claim for damages against a seller except in limited circumstances. The extent of damages that the Company may incur as a result of such matters cannot be predicted but potentially could result in a significant adverse effect on the value of the properties, and the financial condition of the Company.

**Acquiring properties during a period when the residential home sector is experiencing substantial inflows of capital and intense competition may result in an inflated purchase price and**



**increase the likelihood that the properties will not appreciate in value and may, instead, decrease in value.** The allocation of substantial amounts of capital for investment in the residential home sector and significant competition for income producing real estate may inflate the purchase prices for such assets. To the extent we may purchase properties in such an environment, it is possible that the value of the properties may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for the properties. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the residential home sector and the number of investors participating in the sector, could cause the value of the properties to decline.

### **Risks Associated with Self-Storage**

Some or all of the Company's investments will be subject to the risks of the self-storage market which include the following risk factors.

**Competitive Nature of Self storage Industry.** The self-storage industry is highly competitive with relatively low barriers to entry. The Company will face intense competition in the self-storage industry. The Company will compete with numerous national, regional, and local developers, owners and operators in the self-storage industry, many of which will have greater capital resources, cash reserves and ability to borrow funds to acquire properties. This competition for investments may reduce the number of suitable investment opportunities available to the Company, may increase acquisition costs and adversely affect the Company's financial performance. Self-storage facilities generally draw customers from residents within a 3 to 5-mile radius. Thus, the performance of the Fund will be sensitive to rental rates offered by nearby competitors and to localized economic conditions. Further, the risk of increased competition due to the construction of new facilities is significant in the self-storage industry given the low cost of constructing a storage facility in comparison to other forms of real estate. If new facilities are constructed that compete with the Fund or offer lower rental rates, the Company may lose potential or existing customers and could be forced to reduce rental rates to attract or retain customers. Any of these factors could adversely affect the financial performance of the Fund and reduce the Company's ability to make cash distributions to investors. Additionally, increased competition for customers may require the Company to make capital improvements to facilities, which could reduce cash available for distribution to investors.

**Risks of Self storage Operations.** Self-storage operations are highly-sensitive to local housing markets and economies. A significant portion of self-storage customers have moved recently or are storing inventory for a business. With short lease terms, occupancy and rental rates can fluctuate quickly and significantly in comparison to other types of real estate with longer lease terms. Such fluctuations could result in unstable cash flows from the Fund. The Company will also be exposed to the risks associated with the operation of self-storage facilities, including risk of loss or damage to items stored in the facilities and personal injury to tenants or employees accessing storage units. There has been an increasing number of claims and litigation against owners and managers of rental and self-storage properties relating to moisture infiltration, which can result in mold or other property damage. The Company may be subject to claims and litigation from customers, employees and contractors, any of which could materially and adversely affect the profitability and cash flow from the Fund.

**Storage of Hazardous Materials and Illegal Activities.** Storage units within the Fund will be leased to tenants who store their personal property without any physical inspections or oversight by the property manager. The Company may unknowingly lease space to groups engaged in illegal and dangerous activities. Damage to or loss of storage contents may occur due to acts of the tenants, the property manager and other third parties, as well as from acts of terrorism, earthquakes, fires, floods, hurricanes, pollution and other environmental causes. Such damage or loss may or may not be covered by insurance maintained by the Company, if any. Additionally, tenants may store flammable, hazardous, illegal or dangerous contents in the rental units without the Company's knowledge or permission. The storage of such materials might cause destruction to a facility or impose liability on the Company for the costs of removal or remediation if these various contents or substances are released on, from or in the Fund. Although the Company intends to carry insurance with respect to the operation of the Fund, such insurance may not be obtained or, if obtained, such insurance may be insufficient or may not cover the particular casualty. The costs of acquiring and maintaining such insurance, as well as any liabilities

incurred by the Company due to use of the Fund by the tenants or damage to storage contents, could have an adverse effect on the financial performance of the Fund and the value of the members' investment in the Company.

**No Environmental Indemnity.** Federal, state and local laws impose liability on a landowner for the release or the otherwise improper presence on the premises of hazardous materials or hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials or hazardous substances brought onto the property before it acquired title and for hazardous materials or hazardous substances that are not discovered until after it sells the property. Similar liability may occur under applicable state law. However, an innocent landowner defence to environmental liability under the Comprehensive Environmental Response, Compensation and Liability Act (“**CERCLA**”) may be available where a landowner has conducted an appropriate inquiry with respect to potential hazardous substances at and around the subject property in accordance with good commercial and customary practices. Such a defence is generally predicated on obtaining an environmental site assessment that has been prepared in substantial compliance with the “All Appropriate Inquiry Practices” identified by CERCLA and the ASTM Standard E1527-05: Standard Practice for Phase I Environmental Site Assessments. Among other things, the overall site assessment must occur no more than one year prior to the date the property is acquired, and certain components of the site assessment must be performed within 180 days of the property acquisition. Although the Company will attempt to obtain current environmental site assessments for the Fund prior to acquisition, the Company may not obtain such information. Consequently, the innocent landowner defence may not be available to the Company if hazardous substances are found within the Fund. Further, similar defences to environmental liability may not be available under state or local law. If any hazardous materials or hazardous substances are found within the real property underlying the Fund at any time, the Company could be held liable for clean-up costs, fines, penalties and other costs, particularly if the Company owns the real property directly rather than through a special purpose entity. If losses arise from hazardous substance contamination which cannot be recovered from other responsible parties, the financial viability of the Fund may be materially and adversely affected.

**Dependence on On-Site Personnel.** The financial performance of the Fund will be substantially dependent upon on-site personnel to maximize rental revenues, occupancy rates and customer satisfaction at the Fund. If the Company is unable to successfully recruit, train and retain qualified on-site personnel, the cash flows from the Fund may be reduced, which would adversely affect the Company's ability to make cash distributions to investors.

**The Company operates in a highly competitive industry.** The self-storage industry is highly competitive. The market is fragmented with a wide range of competitors. The Company's current and future competitors may have greater financial and other resources and may be better positioned to withstand and adjust to changing market conditions, and the Company may not be able to maintain or increase its competitive position in the market. The industry includes numerous regional and local companies, of varying sizes and financial resources. Additionally, the Company may face increased competition from foreign companies. Such competitors may be able to better withstand economic and/or industry downturns and compete on the basis of price. If the Fund is unable to successfully compete against its competitors, the Fund's ability to retain existing customers and obtain future business could be adversely affected, which would adversely impact the Company's business, results of operations, financial position and prospects. Importantly, the Fund may have to charge substantially lower prices in order to be competitive, thereby negatively affecting its profitability.

**The Fund's profitability may be negatively affected if customers were to fail or refuse to pay, or if a customer becomes insolvent or goes bankrupt.** The Fund has a diversified customer base. Nevertheless, in the event that customers were to fail, refuse to pay or delay payment, or if a customer becomes insolvent or goes bankrupt, or if the Fund's customers terminate their contracts with the Fund, there is a risk that the Fund's business, results of operations and financial position and future prospects could be negatively affected.

**The Fund's general liability, professional indemnity and risk insurance may not provide sufficient coverage which may materially adversely affect the Company's business, revenue, profit, and financial condition.** Although the Company seeks to take sufficient preventive measures, the

Fund's storage facilities and the assets stored by customers may be subject to fire, break-ins, water leakage and other damaging events outside the Company's control. Although the Fund maintains general liability insurance coverage and professional indemnity insurance coverage, any claim that may be brought against the Fund could result in a court judgment or settlement or a nature or in an amount that is not covered, in whole or in part, by the Fund's insurance or that it is in excess of the limits of the Fund's insurance coverage. The Fund's insurance policies also have deductibles and various exclusions, and the Fund may be subject to claims for which the Fund has no coverage. The Company will have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Fund's coverage limitations or that are not covered by the Fund's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts. This may have a material adverse effect on the Company's business, revenue, profit, and financial condition.

**The Company may be subject to litigation or otherwise be involved in disputes that could have a material adverse effect on the Company's business, revenue, profit, and financial condition.** The Company may, from time to time, be involved in litigation matters and other disputes. These matters may include, among other things, contract disputes, personal injury claims and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Company's business, revenue, profit and financial condition.

**Damage to the Fund's reputation and business relationships may have a material adverse effect beyond any monetary liability.** The Fund's business depends on customer goodwill, the Fund's reputation and the Fund's ability to maintain good relationships with its customers, suppliers and employees. Any circumstances that publicly damage the Fund's goodwill injure the Fund's reputation or damage the Fund's business relationships may lead to a broader adverse effect on its business and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, and employees.

### **Conflicts of Interest Risks**

The information below describes material conflicts of interest that may arise in the course of the management and operation of the Company. The list of potential conflicts of interest reflects our knowledge of the existing or potential conflicts of interest as of the date hereof and neither the management nor the Company have formally documented procedures to identify, analyze or monitor any such conflicts of interest. There can be no assurance that no other conflicts of interest will arise in the future.

**Management will face conflicts of interest concerning the allocation of its time, which could result in a decreased amount of time spent developing and managing the Company's business.** The officers and advisors to the Company may manage a portfolio of investments for other investors and/or themselves, may sponsor other real estate programs having investment objectives similar to ours, and may engage in other business activities.

As a result, the management may have conflicts of interest in allocating its time and resources between our business and those other activities. The management currently devotes its time to the activities of the Company, as it deems necessary to fully carry out its business plan. In particular, our current officers and advisors may develop a portfolio of their own or become involved in additional business opportunities in the future and we cannot guarantee that the management will have as much or sufficient time to devote to Company activities in the future.

## Risks Associated with an Investment in Securities

**Best efforts offering.** This Offering is being made on a “best efforts” basis with no minimum number of Units required to be sold. As subscriptions are accepted (and any required rescission periods expire), the subscription funds will be available for use by the Company immediately for its intended use of proceeds. Subscriptions are irrevocable (after expiration of any rescission period) and subscribers will not have the opportunity to have their funds returned notwithstanding any future lack of success in recruiting other investors. Accordingly, initial subscribers will necessarily have a greater degree of risk. The Company has not engaged the services of a placement agent or underwriter with respect to the Offering, and will offer the Units through its managers and executive officers at its discretion. Nevertheless, the Company may seek to elect, at its discretion, to engage the services of a qualified broker-dealer or outside salesperson in connection with the Offering.

**There is no minimum capitalization for this offering and investors’ subscription funds will be used by us as soon as they are received.** There is no minimum capitalization required in this Offering. There is no assurance that all or a significant number of Units may be sold in this Offering. We will use investors’ subscription funds as soon as they are received. If only small portions of the Units are placed, then the Company may not have sufficient capital to operate. There is no assurance that we could obtain additional financing or capital from any source, or that such financing or capital would be available to us on terms acceptable to us. Under such circumstances, the Company’s plans would need to be scaled down, and this would have a material adverse effect on the Company’s business and consequently the investor’s realization on their investment.

**Units are not guaranteed and could become worthless.** The Units are not guaranteed or insured by any government agency or by any private party. The amount of earnings is not guaranteed and can vary with market conditions. The return of all or any portion of capital invested in the Units is not guaranteed, and the Units could become worthless.

**We are relying on certain exemptions from registration.** The Units are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act and applicable state securities laws. If the sale of the Units were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of the Units. If a number of purchasers were to obtain rescission, the Company would face significant financial demands, which could adversely affect the Company as a whole, as well as any non-rescinding purchasers.

**If the Company incurs debt, there may be risks associated with such borrowing.** If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants, which may impair the Company’s operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of shareholders of the Company. A judgment creditor would have the right to foreclose on any of the Company’s assets resulting in a material adverse effect on the Company’s business, operating results or financial condition.

**Future capital needs.** The Company believes that the net proceeds of the Offering of the Units will be sufficient to fund the implementation of the Company’s business plan, operations and growth for the foreseeable future, assuming that it sells all 800 Units offered hereby and that revenue forecasts are substantially achieved. Nevertheless, in the event additional capital is required, no assurance can be given that additional financing will be available at all or on terms favorable to the Company. If adequate funds were not available to satisfy either short or long-term capital requirements, the Company may be unable to continue in business, with a resulting loss of all or part of investments made by the Company’s investors.

**The Units are restricted securities and a market for such securities may never develop.** Investors should be aware of the potentially long-term nature of their investment. Each purchaser of Units will be required to represent that it is purchasing such securities for its own account for investment purposes and not with a view to resale or distribution. Purchasers may be required to bear the economic risks of the investment for an indefinite period of time. The Company has neither registered the Units nor

underlying securities, nor any other securities under the Securities Act. Consequently, shareholders may not be able to sell or transfer their securities under applicable federal and state securities laws. Moreover, there is no public market for the Company's securities, such a market is not likely to develop prior to a registration undertaken by the Company for the public offering of its securities for its own account or the account of others, and there can be no assurance that the Company will ever have such a public offering of its securities. Ultimately, each investor's risk with respect to this Offering includes the potential for a complete loss of his or her investment.

**We may be required to register under the Securities Exchange Act.** The Company will be required to conform to the rules and regulations promulgated under the various federal and state securities laws applicable to the conduct of its business. Management does not believe that the Company's activities, as presently contemplated, will require registration or qualification of the Company with any federal or state agency.

Although the Company does not intend to be required to register its securities under the Securities Exchange Act of 1934, as amended, it is possible that the Securities and Exchange Commission (the "SEC") may require the Company to so register. For example, under Section 12(g)(1) of the Securities Exchange Act (as amended by the JOBS Act of 2012), private companies with over 2,000 shareholders and over \$10,000,000 in assets, may be required to register with the SEC within 120 days after their fiscal year end. Such registration would increase the operational expenses of the Company and would restrict its activities, thereby possibly having an adverse effect on its business.

**The Sarbanes-Oxley Act of 2002 could, should the Company take such action, make the Company's entrance into the public market difficult and expensive.** In the wake of well-publicized corporate scandals associated with Enron and WorldCom involving management self-dealing and accounting fraud, in July 2002, President Bush signed into law the Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act—the most far reaching legislation affecting the federal securities laws since they were created in the 1930's—impacts everything from the role of auditors to public reporting of stock trades by management, from committee independence to reporting of off-balance sheet transactions, and from officer loans to employee whistle-blowing.

Public and registered companies are facing dramatic changes in disclosure and corporate governance requirements under the Sarbanes-Oxley Act, and under new and proposed rules from the SEC, NASDAQ and the NYSE. While these new rules and regulations do not generally cover private companies, their influence on private companies is being felt in the following ways:

- A private company will become subject to the Sarbanes-Oxley Act upon filing a registration statement with the SEC in anticipation of an IPO.
- The Sarbanes-Oxley Act may result in increased scrutiny of a private company being considered for acquisition by a public company.
- In order to conduct an IPO, a private company would need to evaluate its organization against the requirements of the Sarbanes-Oxley Act and develop a compliance program.
- Full compliance with the Sarbanes-Oxley Act – which can be time-consuming and expensive – can significantly slow the efforts of private companies such as the Company that may seek to enter the public markets.

**The Offering price is arbitrary.** The price of the Units and the underlying securities offered has been arbitrarily established by the Company, without considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The price of the Units and underlying securities bears little relationship to the assets, net worth, or any other objective criteria of value applicable to the Company.

**Actual results of operations will vary from the Company's projections.** Management has prepared projections regarding the Company's anticipated financial performance. The Company's projections are hypothetical and based upon a presumed financial performance of the Company's business and other factors influencing our business. The projections are based on management's best estimate of the probable results of operations of the Company, based on present circumstances, and

have not been reviewed by any independent accountants. These projections are based on several assumptions, set forth therein, which management believes are reasonable. Some assumptions upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond our control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the terms and conditions of future capitalization, and other risks inherent to our business. While management believes that the projections accurately reflect possible future results of the Company's operations, those results cannot be guaranteed.

A variety of uncontrollable events may reduce demand for our homes, impair our ability to deliver homes on schedule or increase the cost of delivering homes. Demand for our homes is dependent on a variety of macroeconomic factors, such as employment levels, interest rates, changes in stock market valuations, consumer confidence, housing demand, availability of financing for home buyers, availability and prices of new homes compared to existing inventory, and demographic trends. These factors, in particular consumer confidence, can be significantly adversely affected by a variety of factors beyond our control, including: catastrophic events or natural disasters (such as hurricanes, floods, wildfires, earthquakes, droughts, excessive heat or rain, pandemics (such as the COVID-19 pandemic), and terrorist attacks); international, political or military developments; and significant volatility in debt and equity markets. Certain of these events can also have a serious impact on our ability to develop our residential communities or could cause delays in, prevent the completion of, or increase the cost of, developing one or more of our residential communities, which in turn could harm our sales and results of operations.

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced in Wuhan, China. Through the date of this offering, the spread of this virus has caused business disruption primarily in the travel, leisure and hospitality industries and with respect to companies that have significant operations or supply chains in China. The spread of COVID-19 has also caused significant volatility in U.S. and international debt and equity markets, which can negatively impact consumer confidence. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy and consumer confidence. The extent to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken to contain it or treat its impact. While we have not seen a significant impact on demand for our homes resulting from COVID-19 to date, if the virus causes significant negative impacts to economic conditions or consumer confidence, our results of operations and financial condition could be adversely impacted.

**Additional unforeseen risks.** In addition to the risks described in this section, "RISK FACTORS," and elsewhere in this Memorandum, other risks not presently foreseeable could negatively impact our business, could disrupt our operations and could cause the Company to fail. Ultimately, each investor in the Units bears the risk of a complete and total loss of his/her/its investment.

## **THE COMPANY**

The Company formed on June 24, 2020 as a Florida Limited liability company. The Company's principal business address is located at 27251 Wesley Chapel, Suite 107, Wesley Chapel, Florida 33544. The Company's telephone number is (813) 454-2204.

The Company is a development stage real estate investment vehicle, organized to identify, underwrite, and finance or purchase (a) distressed residential and commercial real estate and (b) performing, non-performing or distressed real estate mortgage loans either directly or through one or more special purpose entities and then monetize them through various means. The Company intends to invest, directly or indirectly, in residential and commercial properties, vacant land, self-storage facilities and mobile homes and may be in the form of investments in one or more operating limited liability companies that will directly own real estate assets or properties. (collectively, the "Real Estate

Investments”). The Company’s portfolio of investments, properties, and mortgage notes may be collectively referred to herein as the “Fund.”

### **Investor Presentation**

A complete discussion of the Company’s business, planned investments, financial projections, and management can be found in the Company’s investor presentation. Portions of the Company’s investor presentation, included as a separate document and attached hereto as Exhibit A, were prepared by the Company using assumptions, including several forward-looking statements. Each prospective investor should carefully review this investor presentation in association with this Memorandum before purchasing the Units. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained therein.

## **INVESTMENT STRATEGY**

### **Overview**

The Company is a development stage real estate investment vehicle, organized to identify, underwrite, and finance or purchase (a) distressed residential and commercial real estate and (b) performing, non-performing or distressed real estate mortgage loans either directly or through one or more special purpose entities and then monetize them through various means. The Company intends to invest, directly or indirectly, in residential and commercial properties, vacant land, self-storage facilities and mobile homes then monetize them through various means.

### **Underwriting Criteria**

Generally, the Company will invest in first mortgage loans or junior/subordinated mortgage loans with sufficient collateral or distressed real estate. The Company expects that most investments will be short-term in nature, typically 6-24 months, which the Company believes decreases market risk substantially even in a falling real estate price environment.

### **Investment Types**

The Company’s investments are expected to consist of three types. See Exhibit B for Sample Investments, including the related investment exit strategy.

#### Purchase of Non-Performing Loans

The Company intends to purchase non-performing and/or defaulted mortgage loans at a deep discounts to current or potential market value based. After the acquisition of such non-performing loan, the Company will work with the borrower to rehabilitate the borrower(s) and/or the underlying property so that the borrower(s) are able to obtain new financing the proceeds of which will be paid to the Company in satisfaction of the acquired non-performing mortgage loan. If the borrower is unable to obtain refinancing, then the Company will foreclose and gain ownership of the related property which it will then resell. The Company anticipates that this type of investment will produce net returns between 20% - 30% on an annualized basis.

#### Purchase of Performing Loans

The Company intends to purchase low LTV loans (typically, 70% or less) at discounted prices such that the investment provides net yields of 8.5% or more. Such loans will typically fully amortize or have a different exit strategy in five (5) years or less.

#### Purchase of Distressed Real Estate

The Company intends to purchase distressed real estate with the LTV is less than 65% and the property possess characteristics that appeal to mainstream buyers, such characteristics include, without

limitation.

#### Investment Sourcing

The Company intends to source its investments from loan traders, the FDIC, the OCC, special loan services, banks, credit unions, hedge funds and private equity firms.

#### **Investment Exit Strategies**

The typical investment exit strategies employed by the Company will include:

- Rehabilitate borrower(s) who demonstrate near term willingness and capacity (“WILCAP”), and then sell the loan as re-performing or facilitate a “short-refinance”.
- Foreclose on the collateral or obtain title by one of several other methods and then sell the property at market value.
- Reposition or modify the property(s) to highest and best use and then sell it at the upgraded market value.

Generally, our goal is to acquire and dispose of assets between 6 – 24 months of their acquisition.

See Exhibit B for Sample Investments, including the related investment exit strategy.

### **MANAGEMENT**

#### **Level 7 Realty & Investment, LLC**

The sole Manager of the Company is Level 7 Realty & Investment, LLC, a Florida Limited liability company formed on January 15, 2020. The Manager has its offices located at 27251 Wesley Chapel, Suite 107, Wesley Chapel, Florida 33544.

The Manager will provide the following services:

- Sourcing and execution of investments in the Company in connection with this Offering and the Real Estate Investments.
- Complete financial analysis.
- Asset valuation.
- Asset acquisition.
- Asset management/servicing.
- Asset disposition.

#### Responsibility of the Manager

The Manager is accountable to the Company and must exercise good faith and integrity in handling Company affairs.

The Manager is wholly-owned by William H. C. Null, who is its managing member.

#### **No Removal of the Manager by Preferred Series A-1 Interest Holders**

It is not possible for investors to elect or remove the Manager of the Company because only holders of our voting Common Membership Interests may elect or remove the Manager, and no investors of this Offering are being offered voting Common Membership Interests. See “MEMORANDUM SUMMARY—Ownership in the Company” above.



## Board of Advisors

The Company may also seek to establish a board of advisors, which would include one or more highly qualified business and industry professionals. The board of advisors will advise management in making appropriate decisions and taking effective action. However, the board of advisors will not be responsible for management decisions and has no legal or fiduciary responsibility to the Company.

## Property Management

The Company may engage a qualified property manager (the “Property Manager”) to manage the daily operation and maintenance of the real estate assets. The Property Manager would provide certain services to the Company as the property manager, including handling the collection and processing of rent, handling matters concerning maintenance and repairs in the building, handling the leasing of units in the building, and related services. The Property Manager has not yet been identified.

## COMPENSATION TO MANAGEMENT

### Level 7 Realty & Investment, LLC (the “Manager”)

Level 7 Realty & Investment, LLC is the Company’s sole Manager. The Manager is the sole voting equity owner (holding Voting Common Membership Interests) of the Company and will accordingly receive its pro rata share of distributions of profits, if and when made by the Company, subject to the applicable preferred returns to investors, being paid out first to investors, as provided below in “RETURNS TO INVESTORS.”

The Manager will be entitled to receive (a) the Asset Management Fees (defined below) and (b) its 30% share of the Distributable Amount (defined below), if any, subject to the investor Preferred Returns out of available funds available therefor. The Manager is also entitled to be reimbursed for expenses associated with this Offering and operating the Fund.

In addition, the Manager may receive compensation in the form of real estate broker fees and mortgage origination fees to the extent that the Company utilizes the real estate brokerage services of William H.C. Null, a licensed real estate broker or mortgage origination fees from companies owned or affiliated with Mr. Null.

#### Defined Terms:

The “Aggregate Performing Asset Value” with respect to any month equals the total of the Performing Asset Value for all Performing Assets on the last day of such related month.

The “Asset Acquisition Fee” with respect to any month equals the product of (a) 3% and (b) the total purchase price paid for all Distressed Assets and Non-Performing Assets acquired by the Company during such month.

The “Asset Management Fees” with respect to any month equals the total of (a) the Performing Asset Servicing Fee, plus (b) the Asset Acquisition Fee, plus (c) the Distressed and Non-Performing Asset Servicing Fee.

“Distressed Asset” means as determined by the Manager at the time of acquisition by the Company, a real estate asset that is not performing as intended at origination and as a result the current market value/price has been discounted. A Distressed Asset may be a debt instrument secured in whole or in part by the related real estate or the actual real estate itself.

“Distressed and Non-Performing Asset Servicing Fee” means with respect to any month the product of (a) 1/12 multiplied by (b) 3% multiplied by (c) the total book value of all Distressed Assets and Non-Performing Assets acquired by the Company 365 or more days from the last day of such month.

The “Distressed Asset Value” with respect to any month equals the book value of such distressed real asset as of the last day of such month.

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The “Distributable Amount” means with respect to any quarter, the net profit, if any, of the Company, as determined by the Manager in its sole discretion in accordance with generally accepted accounting practices and after taking into account the payment of taxes, expenses, accrued and unpaid Asset Management Fees and accrued and unpaid Preferred Returns.

The “Manager Distributable Amount” means with respect to any quarter, the product of (a) 30% and (b) the Distributable Amount.

“Non-Performing Assets” means, as determined by the Manager at the time of acquisition by the Company, a debt instrument secured by real estate that is (a) secured by a defined lien against real property (e.g. first lien, second lien, etc. and (b) as to which the related borrower(s) are in default under the original contract terms.

The “Non-Performing Asset Value” with respect to any month equals the aggregate of (a) the aggregate purchase price of such asset, plus (b) any recoveries or payments in respect of such asset during the current month minus (c) any expenses incurred with respect to such asset.

“Performing Asset” means a real estate asset that is in material compliance with its original contract terms and which is not a Distressed Asset or a Non-Performing Asset at the time of acquisition by the Company.

The “Performing Asset Servicing Fee” will be payable on a monthly basis at a per annum rate of 1.50% of the Performing Asset Value for the related month.

The “Performing Asset Value” with respect to any month, will equal the weighted average monthly outstanding principal balance with respect to such month.

### **William H. C. Null (Chief Executive Officer)**

Mr. Null has over twenty years of experience in corporate banking and fifteen years of entrepreneurial experience. Mr. Null managed start-ups for five mortgage banking platforms, producing in excess of \$1 billion per year funded. In addition, he was the founder and owner of affiliated real estate, mortgage, and home construction companies, producing in excess of \$1.5 million in fee income per year, for 5 consecutive years, and built, financed, and sold more than 800 properties in SW Florida.

Mr. Null has extensive experience in finance, successfully securing funds for more than a \$250 Million of commercial real estate projects, both income producing and acquisition development, some projects exceeding \$15 Million. He has originated and underwritten loans for a variety of projects including Publix anchored shopping centers, golf courses and ground-up condo projects in SW Florida, and has originated or managed more than 1,000 construction-to-permanent loans, both residential and commercial.

Mr. Null is a licensed in Florida as a real estate broker, mortgage broker and community association manager.

## **RETURNS TO INVESTORS**

The non-voting Preferred Series A-1 Interests have preferential treatment as to distributions and liquidation over the voting Common Membership Interests. See “DESCRIPTION OF SECURITIES” below.

The Company intends to provide investors with a 7% annualized simple preferred return (the “Preferred Return”), to be paid on a quarterly basis. Once the 7% Preferred Return is achieved, the Company intends to continue to payout to investors their pro-rata share of the Investor Distributable amount, if any, on a pro rata basis payable quarterly.

The “Distributable Amount” means with respect to any quarter, the net profit, if any, of the Company, as determined by the Manager in its sole discretion in accordance with generally accepted accounting practices and after taking into account the payment of taxes, expenses, accrued and unpaid Asset Management Fees and accrued and unpaid Preferred Returns.

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The “Investor Distributable Amount” means, with respect to any quarter, the product of (a) 60% and (b) the Distributable Amount.

### Distribution Policy

The Manager’s objective is to maximize the Company’s capital gains and therefore does not anticipate making distributions to investors except as otherwise provided herein, though it may elect in its sole discretion to pay distributions from excess cash-flow from the Company operations.

Distributions with respect to the investment in and sale of the properties will only be made to the extent cash on-hand from such sale of properties exceed required reserves or anticipated cash requirements except as otherwise provided. Net cash flow from the Company’s sale of properties will only be available for distribution after paying all expenses.

There is no prepayment penalty to the Manager for early return of capital to investors (or to any bank).

Notwithstanding the foregoing, there can be no assurance that the Company will pay any returns to investors. See “RISK FACTORS” for investors’ risks concerning the possible loss of all or part of their investment.

### Redemption

Provided that the Unit holder’s contribution has been invested for at least 24 months, any holder of Units may elect to have all, or a portion of their Units redeemed at a redemption price equal to the sum of (a) the original amount of the Units held by such investor, net of any prior reductions in capital, plus, (b) accrued and unpaid Preferred Returns, plus (c) such investor’s pro rata share of the Investor Distributable Amount (the “Redemption Price”).

After the satisfaction of such 24 month period, such notice of redemption must be received by the Manager no later than the last day of a calendar quarter and shall be redeemed at the end of the immediately following calendar quarter or on the date determined by the Manager, in its sole discretion (each, a “Redemption Date”). The Manager reserves the right to waive any or all of the initial 24 month waiting period. Redemptions are subject to the Manager’s sole discretion to reject redemption requests in whole or in part if deemed in the best interest of the Company and its stake holders. In addition, the Company shall not be required to liquidate any of its assets in connection with any investor redemption request. See “RETURNS TO INVESTORS—Redemptions” below.

In addition, the Company, in its sole discretion, reserves the right to buy back all or part of any investor’s Units at any time after 36 months from the original issuance date, at the Redemption Price. In the event that the Company elects to redeem all outstanding Units, the Investor Distributable Amount for each investor shall include such investors pro rata share of 60% of the Retained Amount and the Manager Distributable Amount shall include the remainder of the Retained Amount not distributed to the Unit holders.

### Depreciation Method and Accounting Method

The Company reserves the right to select any depreciation method most suitable to the Company objectives. As tax law often changes, the Company will, in consultation with the Company’s certified public accountant, select the depreciation method most suitable to the Company’s objectives. The Company intends to use the cash method of accounting.

### Tax Matters

Investors should be aware of the material federal and state income tax aspects of an investment in the Units, effective as of the date of this Memorandum. An investor should consult with their tax professional to determine the effects of the tax treatment of their purchase of Units on their individual situation.

## Financial Assumptions

Income expected to be derived from the repayment of loans made and the sale price of any properties or other collateral securing such loans, in the event of default (the “Revenues”) are the only moneys expected to be available to make returns to investors, and/or the return of their principal. Certain assumptions have been made in the structuring of the Company. To the extent that loans are not timely repaid and/or the collateral is not resold on a timely basis, the moneys available will likely be insufficient for the payment of returns as a result of costs incurred by the Company. No assurance can be given that the projected resale speed, or acquisition discounts will be realized. As a result, no assurances can be given that the expected level of return can be obtained. Independent of the amounts raised in this Offering, and/or the Revenues, the Company does not have any other assets available to use to pay principal or preferred returns, or otherwise.

## ESTIMATED USE OF PROCEEDS

It is intended that substantially all of the proceeds of this Offering will be used to invest in Real Estate Investments as described herein. The remaining funds will be used to (a) pay the expenses associated with such investments, consulting fees, other professional service fees, and any other costs associated with such loans, (b) copies of documents relating to the assets, legal fees, and other miscellaneous offering costs. Pending use, the Company may invest the proceeds of this Offering in money market accounts or other cash items, or other similar investments that the Company deems appropriate.

The Company's use of proceeds may differ materially from the foregoing as a result of changing conditions and as deemed appropriate in the absolute discretion of the management. Therefore, we reserve broad discretion in the use of proceeds and the right to alter the use of proceeds of this Offering without notice in the interest of the Company and its stakeholders.

## INDEMNIFICATION OF MANAGERS AND OFFICERS

Our Operating Agreement provides for indemnification of managers and officers to the fullest extent permitted under the Florida Revised Limited Liability Company Act (the “Act”), as follows:

***Indemnification by Company.*** *To the fullest extent permitted by the Act, the Company shall indemnify each Manager and Member and make advances for expenses to each Manager and Member arising from any loss, cost, expense, damage, claim or demand, in connection with the Company, the Manager's or Member's status as a Manager or Member of the Company, the Manager's or Member's participation in the management, business and affairs of the Company or such Manager's or Member's activities on behalf of the Company. To the fullest extent permitted by the Act, the Company shall also indemnify its Officers, employees and other agents who are not Managers or Members arising from any loss, cost, expense, damage, claim or demand in connection with the Company, any such Person's participation in the business and affairs of the Company or such Person's activities on behalf of the Company.*

## Operating Agreement

Our limited liability company operating agreement (the “Operating Agreement”) provides for the sole authority to manage the Company to reside with one or more managers. Moreover, the Operating Agreement does not require annual meetings of the members. Special meetings of the members may be called at any time by the managers or on the written request of the members.

Our sole Manager is already in place and may only be removed by holders of a majority of our issued and outstanding voting membership interests. Investors in this Offering will only be purchasing

## **Confidential Private Placement Memorandum • Maverick Realty & Investment, LLC**

non-voting membership interests. Accordingly, investors will have no ability to change control of our management.

Each member's and Manager's liability for the debts and obligations of the Company shall be limited as set forth in the Act, and other applicable law. Investor Members purchasing the Units shall at all times be limited in risk to their Capital Contributions. All distributions, except in the case of dissolution or liquidation, will be in the sole discretion of the Manager, subject to the provisions of our Operating Agreement and the Act.

The foregoing description of the Company's Operating Agreement should in no way be relied upon as complete, and it is qualified in its entirety by the actual Operating Agreement of the Company.

### **Limitation of Liability**

The Operating Agreement provides that our management will not be liable for actions taken by them in good faith in furtherance of our business, and will be entitled to be indemnified by us in such cases. Therefore, our members may have a more limited right against the management, their affiliates and their respective related parties than they would have absent such limitations in the Operating Agreement. In addition, indemnification of the management, their affiliates and their respective related parties could deplete our assets possibly resulting in loss by the Unit holders of a portion or all of their investment.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Management of the Company**

The members of the management team (see "MANAGEMENT" above), through the Manager, devote only such time to our operations as each of them, in their sole discretion, deem necessary to help carry out our operations effectively. Each of these members may work on other projects, and operate ancillary businesses, such as real estate brokerages, property insurance firms, title insurance companies, and construction services, and conflicts of interest may arise in allocating management time, services, or functions among the Company and their other interests.

### **Conflicts of Interest**

Potential conflicts of interest may arise in the course of our operations involving the Company, the Manager, and members of the management team, as well as their respective interests in other potential unrelated activities. The interests of each or any members of the Manager may also be adverse to the interests of each other and the interests of the shareholders of the Company. The Manager and the members of the management team may each own, individually or with other investors, extensive real estate holdings in several markets and expect to continue to acquire, hold and dispose of real estate in those markets during the life of the Company. Notwithstanding the foregoing, the Manager and its principals will use reasonable commercial efforts to advance the interests of the Company. Accordingly, in addition to such potential conflicts of interest noted herein and under "Management of the Company" above, other conflicts of interest may exist or may arise in the future. The Company does not have any formally documented procedures to identify, analyze or monitor conflicts of interest.

Mr. Null, the owner of the Manager, Mr. Null is a licensed in Florida as a real estate broker, mortgage broker and community association manager and intends to provide such services to the Company at "market rates". In addition, to the extent permissible under applicable law and licensing requirements, Mr. Null intends, but is not obligated, to contribute 50% of the fees paid by third-parties in connection with the provided activities to the Company.

## **Duties of the Manager to the Company**

### Duty of Care and the 'Business Judgment Rule'

Just as officers and directors of corporations owe a fiduciary duty to their shareholders, the Manager is required to perform its duties with the care, skill, diligence, and prudence of like persons in like positions. The Manager will be required to make decisions employing the diligence, care, and skill an ordinary prudent person would exercise in the management of their own affairs. The 'business judgment rule' should be the standard applied when determining what constitutes care, skill, diligence, and prudence of like persons in like positions.

### Duty of Disclosure

The Manager has an affirmative duty to disclose material facts to the members. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. The Manager must not make any untrue statements to the members and must not omit disclosing any material facts to the members.

### Duty of Loyalty

The Manager has a duty to avoid undisclosed conflicts of interest. Before raising money from members, the Manager must disclose any conflicts that may exist between the investment interests of the Manager and the investment interests of the Company or any of the individual members.

## **Litigation**

The Company is not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against the Company, which may materially affect the business of the Company or its assets.

## **Transfer Agent and Registrar**

The Company will act as its own transfer agent and registrar for the Units issued hereby.

## **INCOME TAX CONSIDERATIONS**

### **Federal Income Tax Aspects**

The following discussion generally summarizes the material federal income tax consequences of an investment in the Company based upon the existing provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable U.S. Department of Treasury regulations ("Treasury regulations") thereunder, current administrative rulings and procedures and applicable judicial decisions. However, it is not intended to be a complete description of all tax consequences to the prospective Members with respect to their investment in the Company. No assurance can be given that the Internal Revenue Service (the "IRS") will agree with the interpretation of the current federal income tax laws and regulations summarized below. In addition, the Company or the members may be subject to state and local taxes in jurisdictions in which the Company may be deemed to be doing business.

ACCORDINGLY, ALL PROSPECTIVE MEMBERS SHOULD SATISFY THEMSELVES REGARDING THE POTENTIAL FEDERAL AND STATE TAX CONSEQUENCES OF PARTICIPATION IN THE COMPANY AND ARE URGED TO CONSULT THEIR OWN TAX ADVISORS, ATTORNEYS OR ACCOUNTANTS IN CONNECTION WITH ANY INTEREST IN THE COMPANY. EACH PROSPECTIVE INVESTOR/MEMBER SHOULD SEEK, AND RELY UPON, THE ADVICE OF THEIR OWN TAX ADVISORS IN EVALUATING THE SUITABILITY OF AN INVESTMENT IN THE COMPANY IN LIGHT OF THEIR PARTICULAR INVESTMENT AND TAX SITUATION.

### **Federal Income Tax Matters**

The federal income tax consequences of an investment in the Units are complex and their impact may vary depending on each member's particular tax situation. Potential members should consider the following federal income tax risks, among others: (a) the Company may be classified as an association, taxable as a corporation, which would deprive members of the tax benefit of operating in a limited liability company form (taxable as a partnership); (b) a member's share of the Company's taxable income may, in any period exceed his, her, or its share of cash distribution from the Company; (c) the allocation of the Company's income, gain, loss, deduction and credit may lack substantial economic effect and may be reallocated among the members in a manner different from that set forth in the Operating Agreement; (d) the federal income tax returns of the Company might be subject to audit, in which event any adjustments to be made in the Company's income, gains, losses, deductions, or credits would be made in a unified audit with regard to which members would have little, if any, control; and (e) adverse changes in the federal income tax laws might occur, which could affect the Company retroactively as well as prospectively.

EACH PROSPECTIVE MEMBER IS URGED TO SEEK CONSULTATION WITH SPECIFIC REFERENCE TO INDIVIDUAL TAX SITUATIONS AND POTENTIAL CHANGES IN THE APPLICABLE LAW.

### **No IRS Ruling or Opinion of Legal Counsel**

The Company will not request a ruling from the IRS with respect to any tax issues concerning the Company, including but not limited to whether the Company will be classified as a "partnership" for federal income tax purposes, or any issues concerning an investment in the Company. Furthermore, the Company will not obtain an opinion of counsel with respect to any of the tax issues concerning the Company or an investment in the Company.

### **Limited Liability Company Tax Status**

The members will be entitled to deduct their distributive share of any Company tax deductions, and to include in income their distributive share of any Company income or gains, only if the Company is classified as a "partnership" rather than a "corporation" for federal income tax purposes. If it is recognized as a "partnership" for tax purposes, the Company will not be subject to federal income tax on any of its taxable income, and all Company income, gains, losses, deductions and credits will pass through to the members and will be taxable only once to the members themselves. On the other hand, if the Company were to be classified as an "association" taxable as a corporation, the Company would be subject to federal income tax on its taxable income at the tax rates applicable to corporations, and the members would not be allowed to claim any Company tax credits or deduct any Company operating losses on their individual returns. Consequently, classification of the Company as a partnership for federal income tax purposes will enable the members to secure the anticipated tax benefits of their investment in the Company.

### **Federal Taxation of Limited Liability Companies and Members**

A limited liability company is treated as a partnership for tax purposes, unless, as discussed above, it is classified as an "association" taxable as a corporation. For purposes of this discussion, it is assumed the Company will be classified as a partnership for federal income tax purposes. As such, the Company incurs no federal income tax liability. Instead, all members are required to report on their own federal income tax returns their distributive share of the Company's income, gains, losses, deductions and credits for the taxable year of the Company ending with or within each member's taxable year, without regard to any Company distributions.

### **Taxation of Undistributed Company Income (Individual Investors)**

Under the laws pertaining to federal income taxation of partnerships, no federal income tax is paid by the Company as an entity. Each individual member reports on his, her, or its federal income tax return his, her, or its distributive share of Company income, gains, losses, deductions and credits, whether or not any actual distribution is made to such member during a taxable year. Each individual member may deduct his, her, or its distributive share of Company losses, if any, to the extent of the tax basis of his, her, or its membership Interests at the end of the Company year in which the losses occurred. The characterization of an item of profit or loss will usually be the same for the member as it was for the Company. Since individual members will be required to include Company income in their personal income without regard to whether there are distributions of Company income, such investors will become liable for federal and state income taxes on Company income even though they have received no cash distributions from the Company with which to pay such taxes.

### **Tax Law Subject to Change**

Frequent and substantial changes have been made and will likely continue to be made, to the federal income tax laws. The changes made to the tax laws by legislation are pervasive and, in many cases have yet to be interpreted by the IRS or the courts.

### **State and Local Taxes**

A detailed analysis of the state and local tax consequences of an investment in the Company is beyond the scope of this Memorandum. Prospective investors are advised to consult their own tax counsel regarding these consequences and the preparation of any state or local tax returns that a member of the Company may be required to file.

## **MARKET PRICE OF COMMON EQUITY AND RELATED INTEREST HOLDER MATTERS**

The offering price of the securities to which the Memorandum relates has been arbitrarily established by the Company and does not necessarily bear any specific relation to the assets, book value or potential earnings of the Company or any other recognized criteria of value. Neither the Units, nor the underlying securities, have been registered under the Securities Exchange Act of 1934. Our Units have not been traded or quoted on any exchange or quotation system. There is no public market in which shareholders may sell their securities, and there can be no assurance given that such a market will ever develop. The securities offered hereby are restricted and the investors' rights to sell or transfer their interests are severely limited.

## **DESCRIPTION OF SECURITIES**

### **General**

Our securities consist of two classes of membership interests (collectively, the "Membership Interests"), including non-voting Preferred Series A-1 Interests and voting Common Membership Interests. Prior to the date of this Memorandum, we have issued a total of 533 voting Common Membership Interests, zero non-voting Preferred Series A-1 Interests, and no other securities (see "MEMORANDUM SUMMARY—Company Capitalization" above). Authority to govern the affairs of the Company rests solely with the Manager of the Company and not with members in their capacity as members. Managers may also be members of the Company. Only holders collectively of a majority of the voting Common Membership Interests can elect and remove the Manager(s) of the Company. Common Membership Interests are our only authorized voting securities, and Preferred Series A-1 Interests have no voting rights whatsoever.



### **Preferred Series A-1 Interests**

Holders of our Preferred Series A-1 Interests are members of the Company but have no voting authority. In the event of our liquidation, dissolution or winding up, the holders of the Preferred Series A-1 Interests would have the right to share proportionately in our remaining net assets to the extent funds/profits are available after payment of the Company's creditors and liquidation expenses, and subject to the terms of this Memorandum. Holders of Preferred Series A-1 Interests have the right to receive distributions and returns as set forth in "RETURNS TO INVESTORS" above.

### **Common Membership Interests**

The Manager is the sole holder of our Common Membership Interests having voting authority and deemed the member of the Company. Holders of our Common Membership Interests have limited voting authority and are deemed members of the Company. The holders of our Common Membership Interests are entitled to one vote for each interest held of record by them (see "MEMORANDUM SUMMARY—Company Capitalization" and "MEMORANDUM SUMMARY—Ownership in the Company" above). Holders of a majority of the aggregate issued and outstanding Common Voting Membership Interests in the Company can elect and remove the Manager of the Company in accordance with the Company's Operating Agreement. The holders of the Common Voting Membership Interests have the right to receive distributions of 30% share of Distributable Amount, subject to the rights of the Preferred Series A-1 Interest holders, when, as, and only if declared by the Manager out of funds legally available therefore. In the event of our liquidation, dissolution, or winding up, the holders of the Common Voting Membership Interests would have the right to share proportionately in our remaining net assets after all requisite distributions and returns are made to the non-voting Preferred Series A-1 Interest holders, and to the extent funds/profits are available after payment of the Company's creditors and liquidation expenses, subject to the terms of this Memorandum. The rights of the Unit holders to the payment of their preferred returns, and repayment of invested capital, as provided herein are senior to the Manager's equity ownership interests. See "RETURNS TO INVESTORS" and "COMPENSATION TO MANAGEMENT" above.

### **Undesignated Membership Interests**

In the future, the Company may authorize and sell additional membership interests to that which is currently authorized, or even one or more series of membership interests not yet designated. The Manager has sole authority, in accordance with the provisions of our Operating Agreement, and without action by the members, to designate and issue all or any portion of the remaining authorized but un-issued Interests of each of the series currently authorized, as well as authorize, designate and issue one or more series of other membership interests and to determine the voting rights, preferences, privileges and restrictions, including without limitation dividend rights, conversion rights, terms of redemption, liquidation preferences and the number of interests constituting any series in the designation of such series.

### **Subscription Agreement**

Purchase of the Units shall be made pursuant to the execution of a subscription agreement, the form of which is attached hereto as Appendix A, and which contains, among other things, certain representations and warranties by the subscribers and covenants reflecting the provisions set forth herein.

## **OTHER MATTERS**

### **Certain Transactions**

#### Contemporaneous and Subsequent Offering Transactions

The Company, in its absolute discretion, may carry out contemporaneous and/or additional subsequent offerings of its securities on terms and conditions it deems appropriate without notice to investors herein or other stakeholders, subject to applicable securities laws.

## **FINANCIAL INFORMATION**

This Memorandum contains forward-looking statements. These statements are based on our management's current expectations about the businesses and the markets in which we operate. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties or other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual operating results may be affected by various factors including, without limitation, changes in national economic conditions, competitive market conditions, uncertainties and costs related to the imposition of conditions on receipt of governmental approvals and costs of entitlement, and actual versus projected timing of events, all of which may cause such actual results to differ materially from what is expressed or forecast in this Memorandum.

### **Results of Operations**

As of January 1, 2021, the Company had only limited cash in connection with start-up activities. The Company anticipates that it will cover its working capital requirements until sufficient investments are received.

## **ADDITIONAL INFORMATION**

William H. C. Null will be available upon request to answer questions concerning the terms of this Offering, to provide any reasonably requested information necessary to verify the accuracy of the information contained in this Memorandum and to provide such other information reasonably requested by prospective investors as they deem necessary for the purposes of considering an investment in the Company. Mr. Null can be reached by telephone at (813) 454-2204 by e-mail at [bill.null@investwithmaverick.com](mailto:bill.null@investwithmaverick.com).

You should rely only on the information contained in this Memorandum. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover of this Memorandum only. Our business, financial condition, results of operations and prospects may have changed since that date.

*[Remainder of Page Intentionally Left Blank]*

EXHIBIT A

INVESTOR PRESENTATION

**SAMPLE INVESTMENTS**

The following samples investments are provided for illustrative purposes only based on assumptions the Company believes are representative of the types of investments the Company intends to make and are based on assumptions believed by the Company to be reasonable under the circumstances. There can be no assurance that the Company's actual investments will obtain the same results.

These examples are considered to be forward-looking statements. Investors are referred to "CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS" on Page xvi of this Memorandum for a discussion of forward-looking statements.

**EXAMPLE 1: DISCOUNTED PERFORMING LOAN PURCHASE**

**Collateral Summary:**

22,000 Square Foot Building / 2.4 Acres  
Property Usage/Type: Office Building  
Location: Clearwater, Florida  
Year Built – 1989 / Construction: Concrete Block & Stucco

**Original Loan Terms:**

Original Sale Price of Property	\$ 1,075,000
Original Sale Date (Date of Note)	12/1/2018
Original Loan Amount	\$ 860,000
Contractual Interest Rate (Original Note)	6%
Original Amortization Term	15 Years (180 Months)
Fixed Rate Mortgage	Yes
Level Principle & Interest Payments	\$7,257.17
Contractual Remaining Term	36 Months / Balloon 11/30/2023

**Assumptions at Acquisition of Note:**

Current Market Value of Property	\$ 1,800,000
Legal Unpaid Balance of Note	\$ 784,793
Note Discounted	\$ 75,000
Acquisition Cost of Note	\$ 709,793
Closing Cost of Note	\$ 3,500
Leverage / Loan from 3 <sup>rd</sup> Party Bank	\$ 461,366
New Loan Closing Costs (3 <sup>rd</sup> Party Bank / 3)	\$ 13,841
Cost of Funds / 3 Years Interest Only @ 5.5%	\$ 76,125

**Annualized Internal Rate of Return**

Net Present Value / Cash Investment	\$ 275,768
Cash Flow Period 1 (Net of Mgmt. Fees)	\$ 52,134
Cash Flow Period 2 (Net of Mgmt. Fees)	\$ 52,662
Cash Flow Period 3 (Net of Mgmt. Fees)	\$ 245,635
Pre-Tax NOI (Net of Management Fees)	11.15%

**EXAMPLE 2: FIX & FLIP**

**ASSUMPTIONS:**

Property Description: 2560 SQ FT Single Family Home  
 Retail Market Value: \$345,000 (Very Good Condition After Cosmetic Clean-Up)

<b>ACQUISITION COST:</b>	Purchase Price	\$249,000
	Commissions Paid by Buyer	\$ 5,000
	Buyer Closing Costs	\$ 7,500
	Appraisal Fee	\$ 575
	Hazard Insurances	\$ 1,100
	Management Fee	\$ 10,350

**DIRECT REHAB & CARRYING COSTS – 6 MONTHS:**

Paint, Clean-Up, Floor Coverings	\$ 10,000
Lawn Care	\$ 660
Utilities	\$ 900
Property Tax	\$ 1,100
Homeowners Assoc. Dues	\$ 600
Misc. & Contingency (2%)	\$ 4,980

**TOTAL ACQUISITION COSTS** \$285,315

<b>RETAIL SALES PRICE</b>	\$345,000
Seller Closing Expenses: Commissions	\$ 13,560
Closing Costs	\$ 2,543
Gov't Fees (Florida)	\$ 5,185

**Cash to Seller (MRI)** **\$323,438**

**Pre-Tax Net Profit** **\$ 38,123**

**CASH ON CASH RETURN** **13.4%**

**Annualized Internal Rate of Return** **26.7%**

**EXAMPLE 3: ACQUISITION OF NON-PERFORMING MORTGAGE AT A DISCOUNT**

**ASSUMPTIONS**

**Collateral Summary**

2450 SQ FT Single Family Home  
 Property Usage: Investment Property  
 Location: Tampa, Florida  
 Year Built - 1989 / Construction: Concrete Block & Stucco

**Estimated Par Value of Note** **\$ 285,000**

**ORIGINAL LOAN TERMS**

Original Sales Price of Property	\$355,000
Down Payment (20%) (Original Purchaser)	\$71,000
Original Loan Amount	\$284,000
Interest Rate on Note	4.625%
Original Amortization (Mos)	360
Loan Terms (Fixed or Adjustable)	5/1 ARM
Level P&I Payments (1st 60 months)	\$1,460.16
Date of Sale / Original Loan Note Date	10/1/2018
Adjustment Terms 5/1 ARM (1st Adj. Date)	9/30/2023
Contractual Remaining Term (Mos)	36
Current BPO	\$410,000
Last Payment Made Date	6/1/20/20

**ACQUISITION ASSUMPTIONS**

Date of Note Purchase	11/30/2020
Legal Unpaid Balance at time of Default	\$276,415
Unpaid Delinquent Interest	\$5,334
Unpaid Late Fees	\$365
Legal Unpaid Balance at time of Purchase of Note	\$282,114
Note Discount Amount                      Discount	9%                      \$25,390
Net Acquisition Cost of Note	\$256,724
Costs Associated: Title Commitment, BPO, Property Inspection	\$1,750
Management Fee to Level 7	\$8,550
Gross Cost of Loan Acquisition	\$267,024

**POST ACQUISITION EVENTS / FORECLOSURE**

Acceleration Date (Default rate goes to 18% Annually)		12/29/2021
Lis Pendens		2/1/2021
Law Suit Filed		2/15/2021
Judgement Date		4/30/2021
Judgement Amount		\$301,056
Princ. Balance		\$276,415
Accrued Interest & Late Fees		\$20,642
Attorney Fees	\$	4,000
Foreclosure /Sherriff Sale Date		6/15/2021
Gross Proceeds from Sherriff Sale		\$306,391
Pre-Tax NOI		\$35,367
Period Funds Outstanding	5.5 (Non-Leveraged)	28%

**NOTES**

Generally, we will not seek leverage for amounts under \$250,000 when anticipating investment periods less than 1 year because of the dilution to returns and lack of interest from Lenders. (Period and Loan Amt)

If the Judgement Amt. is less than 75% of Market Value, we may bid more than our Judgement Amt. at the Sherriff Auction to obtain a Sheriff Deed and market/sell the property to increase our return.



SUBSCRIPTION AGREEMENT

INVESTOR QUESTIONNAIRE

LIMITED LIABILITY COMPANY OPERATING AGREEMENT