THIS OFFERING IS ONLY OPEN TO CALIFORNIA RESIDENTS

Fulton Street Investors LLC

OFFERING MEMORANDUM

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OFFERING MEMORANDUM
California Qualification by Permit

$4,500,000
Preferred Membership Interests

Description of Offering

Fulton Street Investors LLC (the "Company") is offering up to $4,500,000 in preferred membership interests ("Preferred Interests") to finance the purchase and renovation of property in the core of downtown Fresno for the purpose of leasing to businesses and residents. The minimum investment is $500. There is no maximum investment, except as described in the section below entitled "Suitability Requirements". Until the minimum offering amount of $1,000,000 is raised, proceeds of this offering (the "Offering") will be held in an impound account. The regulatory qualification of the Offering by permit occurred on May 13, 2016 (the "Qualification Date"). If the minimum offering amount is not raised within one year of the Qualification Date, i.e., prior to May 12, 2017 (the "Expiration Date"), all proceeds will be returned to holders of Preferred Interests ("Preferred Members"). The Offering will terminate on the Expiration Date but may be renewed for successive years. The Offering is limited to California residents.

About the Company

The Company has been formed to raise capital to purchase and renovate properties in the downtown core of Fresno, California. Our purpose is to aid in the revitalization process by buying underutilized properties, renovating them, and leasing to businesses, which we expect to increase downtown vitality and, we hope, generate a return on investment by securing properties at pre-revitalization prices. Additionally, the use of a Direct Public Offering (defined below) will afford everyday people from the community an opportunity to benefit financially from the appreciated real estate values we expect after revitalization has taken hold. Too often, only wealthy property owners and developers are the beneficiaries of revitalization efforts.

Mission

The Company will purchase and renovate properties in Fresno's central business district, seek tenants with the greatest likelihood of contributing to downtown's revitalization efforts, and, we hope, capture profits associated with increased property values and commercial and residential lease revenues.

Target Investment

The Company will purchase properties most likely to attract commercial tenants that will generate foot traffic and add to the ground floor retail mix of downtown, especially those that help establish an entertainment district. We will focus on exciting retail stores, historic theaters, restaurants, coffee houses, cafes, clubs, rooftop bars, high traffic offices, and businesses that highlight our region's ethnic diversity, agriculture, music, art and fashion. While our emphasis is ground floor activity, some properties might present opportunities for above-ground residential or office tenants, especially in loft-style spaces. Properties will be selected for their ability to benefit from appreciation as downtown revitalization improves property values. Our target will be one- and two-story buildings.

We will invest in property that shows the greatest opportunity for return on investment. There are two primary ways we envision generating value: (1) the increase of property prices during the revitalization

process; and (2) the rise in rents as a result of burgeoning foot traffic. The Company will seek to profit from both phenomena.

Our first step will be to analyze available properties for the most strategic purchases, which won't always be ones with the lowest purchase prices. Rather, we will seek buildings with the greatest potential upside in terms of value and rent, as well as the greatest ability to contribute to revitalization. We are primarily interested in one- and two-story buildings, although there are some mid-rise buildings that might make sense for us in the future. Factors to be weighed include: purchase price, renovation costs, historic character, and proximity to the following - high foot traffic areas, residential uses, public transit hubs, automobile-related locations, infrastructure, and other notable locales such as the stadium, theaters, the public market, and special events.

The acquisition price for each property will be supported by an appraisal performed by a qualified professional appraiser and will be negotiated in good faith, but will not exceed the appraised value. The Company does not expect to purchase or lease property in which its manager (the "Manager") has an interest, but if it does, we will comply with the conflict of interest rules set forth in 10 California Code of Regulations Section 260.140.114.1. Properties will be fully renovated to accommodate the best possible tenants, who must demonstrate the ability to draw people from throughout our region and possess a business plan and sufficient capital to sustain them throughout their start-up phase, and who will aggressively market themselves and attract foot traffic benefiting their neighboring businesses.

Competition

As downtown revitalization continues in Fresno, especially in connection with the renovation of Fulton Street and as a result of much-anticipated public transportation additions such as High Speed Rail and Bus Rapid Transit, more investors will compete for properties. Although this competition will presumably make it more difficult and expensive to purchase downtown investment property, we expect that acquisitions and renovations by our competitors will increase the value of our own holdings. As such, we welcome competition and believe it will make downtown stronger and more diverse.

Ground floor retail on Fulton Street and its immediate environs will likely see the greatest increase in values and rents due to increased foot and automobile traffic. This is our sweet spot. Of course, it is finite in size. Further limited by our focus on one- and two-story buildings, our pool of potential properties will shrink as other owners decide to hold properties for longer term gains, and as new investors enter the fray. Many properties have been purchased within the past few years. Our key risk is delay, which could result in fewer available properties that meet our criteria, increased competition from other investors, and higher prices because of demand and speculation.

Use of Offering Proceeds

The Company intends to use the proceeds from the Offering to pay for the following:

1) Costs and expenses related to purchasing downtown properties;

2) Renovation of properties, including professional fees (e.g., architects), government fees (e.g., building permits), licensed contractors, and materials;

3) Holding costs associated with properties, including, but not limited to, insurance, utilities, security, property management, leasing/real estate commissions, and marketing;

4) State and federal taxes, and all other business expenses.

The ratio of a property's purchase price to its renovation cost will vary. Some buildings will have a lower purchase price and higher renovation cost; others will be just the opposite. We will use our specialized experience to find the best possible value for the investment portfolio.

The Company will seek to maintain a reserve for repairs, replacements, and contingencies. The amount of the reserve will be determined by the Manager from time to time but is expected to be not less than 3% of the amount raised in the Offering.

While the proceeds of the Offering are awaiting deployment as described above, the funds may be temporarily invested in short-term highly-liquid investments where there is appropriate safety of principal, such as United States Treasury Bonds or Bills. Except for necessary operating capital, any proceeds of the Offering not deployed within the later of two years from the Qualification Date, or one year from the Termination Date, will be distributed pro rata to the Members as a return of capital.

Plan of Distribution

The Preferred Interests are being offered with a maximum aggregate amount of $4,500,000 and on condition that, until the minimum offering amount of $1,000,000 is raised, the funds will be held in an impound account at a bank or similar financial institution. (The financial institution serving as depository for the impound account has not passed on the merits or qualifications of, nor has it recommended or given approval to, any person, security or transaction.)

The Company will accept investment from no more than 500 non-accredited investors (as defined for purposes of federal securities laws) and from no more than 2000 total investors.

No selling agent has been engaged to assist with the Offering. The Manager and other key personnel described in this Offering Memorandum will conduct the Offering. They will not receive any commission or other compensation for their distribution efforts, but they may receive regular compensation, including equity. The Company will not use any underwriters, broker-dealers or any other agents in connection with the Offering. We will advertise the Offering through social media, public relations efforts, on our website, and in individual and group presentations. Selling expenses of the Offering, including regulatory fees and marketing expenses, may range from $25,000 to $50,000 or more, but will not, in any event, exceed 15% of the total amount raised. All communications will direct potential members to this Offering Memorandum. The Company will offer and sell the Preferred Interests only to California residents.

The Offering will terminate one year from the Effective Date May 14, 2017 but may renewed for successive years.

Investment Instrument Description

The Company will offer up to $4,500,000 in Preferred Interests for purchase. The following is a summary of certain key features of the Preferred Interests. For more complete information, refer to the Operating Agreement, which is attached as Exhibit C.

Distributions: Preferred Members are entitled to 90% of all distributions made by the Company. These distributions will be allocated pro rata among Preferred Members according to their respective capital accounts. The remaining 10% of distributions will be reserved for common membership interests ("Common Interests") and their holders ("Common Members") and allocated similarly. (Collectively, Common Interests and Preferred Interests shall hereinafter be

referred to as "Interests"; similarly, Common Members and Preferred Members shall be referred to collectively as "Members").

These distributions will be based on the profits derived from lease revenues and property sales. The Company will have discretion in determining the amount and timing of distributions, but the intent is to distribute approximately one-half of its profits. The remaining profits will be re-invested in the business or may, in some instances, be used to purchase Preferred Interests from willing Preferred Members.

In the event of a liquidation of the Company, after paying any debts and expenses, Preferred Members will be paid, on a pro rata basis, up to the balance of their respective capital accounts; any balance will be paid to Common Members.

Capital Account: The Company will maintain a capital account reflecting each Preferred Member's interest in the Company. These capital accounts will be subject to a variety of adjustments: for example, profits and losses will be allocated in the same proportion as distributions (90% to Preferred Members and 10% to Common Members), thereby increasing or decreasing, as the case may be, Preferred Members' respective capital accounts. Conversely, distributions will reduce Preferred Members' capital accounts. From time to time, capital accounts may be "booked up" in accordance with IRS regulations to reflect increases in the value of the Company's assets.

Control: Preferred Interests have limited voting rights. The Manager is empowered to conduct the business of the Company and to make the day-to-day decisions of the Company. The Manager may be removed and replaced by a two-thirds vote of all Members. As of the date of this Offering Memorandum, Craig Scharton, founder of the Company, is the sole Common Member, as well as the Manager and Chief Executive Officer ("CEO").

Transferability: There is no market for the Preferred Interests, and none is expected to develop. Any proposed transfer of Preferred Interests requires approval by the Common Members and is subject to a right of first refusal by the Company to purchase said Preferred Interests on the same terms as proposed; if the Company does not exercise its right of first refusal, Members holding at least 5% of the Interests will have a right of first refusal on the same terms. Preferred Members who are individuals may transfer their Preferred Interests to a family trust that meets certain conditions without being subject to the right of first refusal.

Member Withdrawal: The Company may, in its sole discretion, entertain requests to withdraw from the Company. If the Company agrees to a withdrawal (or if a Member dies or becomes permanently incapacitated), the withdrawing Member will be paid the fair market value of their Interest, as determined by the Common Members, in monthly installments over a period of up to five years. If a Member that is an entity is in bankruptcy or is dissolved, the Company has discretion to repurchase the Interest held by that Member at a price to be negotiated, payable in monthly installments over a period of up to five years.

Business Strategy

Our model is simple. We buy downtown Fresno real estate. We renovate it. We lease it.

We will repeat this process over and over, all without borrowing money, thus protecting our properties from foreclosure. Upon receiving lease revenue, the Company will first pay our operating costs (e.g., legal, accounting, marketing, insurance, management, leasing commissions, maintenance and repairs,

etc.). After covering these expenses, we will divide net income between distributions to Members and reinvestment in the purchase, renovation and leasing of additional properties. We know that we could acquire more property by borrowing capital, but markets rise and fall. We would rather be safe than sorry.

As with most real estate investments, this should be a medium to long-term endeavor. Although we hope that ground floor retail rents and property values will rise like we've seen in other downtowns, our conservative approach is designed to protect our investment in the event that revitalization takes more time than expected.

Having funds to purchase property will potentially attract sellers and cut down on the time required to purchase and, we hope, yield better purchase prices. Ideally, having funds to renovate properties will allow us to negotiate the best prices for construction. We will implement tenant improvements geared toward our ideal occupants, thus aiding our long-term ability to re-lease our properties if our tenants are not successful. We will choose tenants to specifically add to downtown's vitality and foster foot traffic, especially during weekends and evenings. Each project should contribute to, and benefit from, the success of our other projects.

We do not intend to enter into joint ventures, but we will consider doing so if it appears advantageous to us. If we acquire property that is already under construction, we will require a completion guarantee, completion bond, or some other arrangement that ensures the project will be completed for the contracted price.

Succession

Craig Scharton has extensive downtown revitalization experience with a particular emphasis on Fresno. To assure that the Company can continue in the event of illness or death, Craig will share his accumulated knowledge with his management personnel and eventually name the Company's succession team.

Budget

We anticipate that operating expenses for renovated properties will consume roughly one-third of the revenue we expect to receive, after which our plan is to reinvest about one-half the net profits into additional acquisitions and renovations, with the remainder distributed to Members. We intend for these distributions to be sufficient to cover anticipated tax obligations resulting from profits allocated to Members.

The following illustrates two sample budgets, the first assuming the minimum total investment of $1,000,000, and the second assuming the maximum total investment of $4,500,000:

Total Investment	$1,000,000	$4,500,000
Average $/Sq Ft Includes cost of purchase and renovations	$120	$120
Occupancy Rate	90%	90%
Leasable sq ft	7,500	33,750
Rental Rate (per sq ft per month)	$1.75	$1.75
Monthly Revenue	$13,125	$59,063
Annual Revenue	$157,500	$708,750
Costs (20% estimate)	$31,500	$141,750
Net Revenue	$126,000	$567,000

The foregoing are samples, not forecasts, and merely illustrate the Company's anticipated budgets based on the assumptions noted. In general, the use of forecasts in offering memoranda is not permitted. Any representations to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefit or tax consequence that may flow from an investment in the Offering is also forbidden.

The Company was formed on November 7, 2014, but is commencing operations in 2016, concurrent with this Offering. There are no financial statements for this new business entity. We expect to provide quarterly financial reports to Members. We also plan to provide an annual report and hold an annual Member meeting.

Litigation and Legal Matters

The Company is not currently party to any litigation, nor to the knowledge of the Company's management is any litigation threatened against the Company, any of its management, or any affiliate, that may materially affect operations or projected goals.

Management

The Manager, selected by the Common Members, will govern the Company. Craig Scharton, founder of the Company, currently holds all of the Common Interests and is both the sole Manager and CEO of the Company. The Manager has broad power to manage the affairs of the Company, including the power to issue additional Common Interests and/or Preferred Interests in exchange for cash or other consideration, or as compensation for services performed or to be performed for the Company.

Craig has unparalleled experience in urban revitalization, particularly in downtown Fresno. He has been an elected official and downtown property owner and manager, has served as a board member and president of the Fresno Downtown Association, has been executive director of two downtown revitalization projects (Pleasanton, CA and Hanford, CA), was elected the first president of the California Main Street Alliance (representing 39 downtown organizations), has worked to develop start-up businesses as CEO of the Central Valley Business Incubator, was selected to build a Downtown and Community Revitalization department under Fresno Mayor Ashley Swearengin where he led the effort to re-open Fulton Street, worked to bring new building investors to downtown, and helped develop the Fulton Corridor Specific Plan and Downtown Neighborhood Community Plan.

At the age of 25, Craig was elected to the Fresno City Council and represented Fresno's Tower District, where he worked with business owners and residents to create a new land use plan that added an architectural review process for new construction and renovation, updated land uses, erased old road-widening lines that would have destroyed the commercial center of the district, and protected the historic character of the neighborhood. The Tower District Specific Plan Area continues to be one of Fresno's healthiest neighborhoods.

After serving as a council-member, Craig became the local consultant for The Ratkovich Company, one of the preeminent urban development firms in the United States, in connection with the creation of its plan to revitalize downtown Fresno. This gave him the opportunity to work with Stan Eckstut and Warren Travers, progressive revitalization experts, one a planner, the other a traffic engineer. After his work on the Ratkovich Plan, Craig devoted himself to implementing revitalization components from the private sector, an example of which is the farmers' market he started at Eaton Plaza with the hope of stoking demand for a public market in Fresno.

Next, he united investors and spearheaded the acquisition of the Security Bank Building, whose historic name - the Pacific Southwest Building - is now being used. For five years, Craig was the on-site

managing partner for the entire building, which only had a 5% occupancy rate when the purchase occurred. Without a marketing budget, Craig leased eight floors within the first year, bringing the building to 50% occupancy. He also secured $3.7 million in renovation financing and built a loft on the fifteenth floor, where he lived for two years with his son, Cole.

Craig also assembled a group of local investors to purchase the historic landmark T.W. Patterson Building. He oversaw an energy retrofit of the building, converted an entire vacant floor into artist studios, and created an all-age nightclub that sold out every show and brought young people to downtown. He walked the City-owned parking garage each morning to ensure that it was clean and safe for tenants. By the age of 32, he was a managing partner for 200,000 square feet of historic building space on the Fulton Mall.

After selling his shares to his partners, Craig took an executive director position with the Pleasanton Downtown Association, where he grew the budget by 400% in three years and created public events that continue today. After 3 ½ years, Craig moved to a similar position in Hanford, CA. Craig was unanimously elected as the first president of the California Main Street Alliance by executive directors from around California.

In 2007, Craig was hired as CEO of the Central Valley Business Incubator, where he opened two new facilities, including the Water and Energy Technology Incubator on the Fresno State campus. He helped start-up and early-stage companies and raised capital for many of the ventures. In 2009, Mayor Swearengin asked Craig to develop and implement her administration's downtown and neighborhood revitalization efforts. A new Specific Plan was completed, along with environmental work and a new form-based code, which led to funding and political support for the re-opening of Fulton Street.

In August 2013, Craig opened Peeve's Public House and Local Market, a full-service restaurant on the Fulton Mall. As a restaurateur, Craig has taken the lessons he has learned from his revitalization experience and is applying them on the ground floor of downtown Fresno's revitalization.

Craig's net worth is well over the minimum amount required by 10 California Code of Regulations Section 260.140.111.2 (generally, the greater of $100,000 or 5% of the gross amount of all offerings sold within the previous twelve months plus 5% of the gross amount of the current offering).

Charles Manock is the Company's secretary. He is an experienced local business attorney well-versed in transactional law, including incorporation, purchase and sale agreements, secured and unsecured transactions, operating agreements and employment contracts. He has extensive experience in corporate governance and compliance. He is counsel to a variety of businesses in various industries in the San Joaquin Valley including Sun-Maid Raisin Growers, Challenge Butter and Cal Dairies, Inc. He is also the approved counsel for Pepsi in this region.

Cole Scharton is the Company's treasurer. He has a bachelor's degree in accounting from Saint Mary's College and has worked for local accounting firms. He also works as a controller and consults for other local businesses. He is Craig's son.

Management Ownership and Compensation

The Company's ownership as of the date of this Offering Memorandum is as follows:

Owner of Record	**% Ownership**
Craig Scharton	100% of Common Interests

The Company anticipates paying compensation to its management as follows:

Manager	**Annual Compensation**
Craig Scharton	$60,000

In addition, Common Members will receive 10% of cash available from operations. The Manager is currently the holder of 100% of the Common Interests but additional Common Interests may be offered to other key personnel in consideration of their services, which will have the effect of reducing the Manager's share of cash available. The Company will not pay any additional fees to the Manager that are based solely on the value of property acquired or held by the Company, whether improved or unimproved.

The Company will employ and compensate based on competitive local fees for services such as construction management, leasing, marketing, legal, financial, insurance, and any other services needed. In accordance with 10 California Code of Regulations Section 260.140.113.3, the Company will not pay more than 18% of the amount raised in this Offering for acquisition services, but the Company expects the actual amount paid for acquisition services to be considerably less than that amount. To the extent the Manager, or any other person acting on behalf of the Company, incurs acquisition expenses, such expenses may be reimbursed by the Company in compliance with 10 California Code of Regulations Section 260.140.113.4.

The Manager is not a licensed insurance or real estate agent and will not receive compensation in either capacity. The Manager will not have any exclusive rights to sell property for the Company. The Company does not expect to pay the Manager a commission or fee in connection with any reinvestment, but if it does, it will comply with 10 California Code of Regulations Section 260.140.113.4. In accordance with 10 California Code of Regulations Section 260.140.114.7, the Manager will not receive any rebate or give-up or participate in any reciprocal business arrangement that would circumvent this prohibition; neither the Manager nor anyone acting on behalf of the Company will pay an award or finder's fee to an investment advisor engaged by a prospective Member for the purpose of inducing the investment advisor to recommend an investment in the Company (other than normal sales commissions, if applicable).

The Company expects to outsource contract management services to other providers, however, in some instances the Manager may provide property management services on a short- or long-term basis. In such an event, the Manager will enter into a written property management contract with the Company, which contract will not provide for compensation exceeding the limits prescribed in 10 California Code of Regulations Section 260.140.113.8.

Craig Scharton, who has personally paid all expenses of the Company as of the date hereof, may be reimbursed by the Company for all or a portion of those expenses. In accordance with 10 California Code of Regulations Section 260.140.113.2, such reimbursed expenses will not together exceed 15% of the amount raised in this offering, and are expected to be substantially less.

Reports to Members

The Company's management believes that communication is the key to the success of any organization, and transparency is the new standard for business. The Company will strive to lead in both categories. We will communicate formally through a quarterly member newsletter that will detail purchases, construction, leasing, and other pertinent information. We will provide Members with an annual K-1 by March 15 of each year. Our annual report and meeting will give the details of our upcoming budget as well as our complete financial reports.

Additionally, we will include updates on relevant projects, public and private, that might affect our properties and tenants (e.g., other investor activity, new businesses, public works, Downtown Fresno

Partnership activities, etc.). Members will also be invited to pre-opening parties at our properties. We want Members to know and support our commercial tenants.

Members will have access to financial reports, appraisals, contracts, and records, with reasonable notice. Financial activity and reports will be kept using QuickBooks, or a similar accounting application, so that they are easily understood and readily available.

Members

Investment in the Interests is highly speculative, involves significant risk, and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of their investment. This offering is made in reliance on the intrastate offering exemption safe harbor of Rule 147 promulgated under the 1933 Securities Act (the "Securities Act") and the public offering qualification under Section 25113(b)(1) of the California Corporate Securities Law (the "California Securities Law") and other applicable laws and regulations.

The suitability standards discussed below represent minimum requirements for prospective members. The satisfaction of such standards by a prospective member does not necessarily mean that the Interests are a suitable investment for such prospective member. Prospective members are encouraged to consult their personal financial advisors to determine whether an investment in the Interests is appropriate. The Company may reject subscriptions, in whole or in part, in its absolute discretion. For example, the Company may reject a subscription from an otherwise qualified prospective member who is a competitor or who otherwise has interests adverse to the Company. We expect the review of a prospective member to take from 2 to 4 weeks. If a subscription is not accepted, the corresponding funds will be returned promptly. The Company will maintain records demonstrating compliance with these suitability standards for at least 4 years. Prospective members are strongly encouraged to read "A Consumer's Guide to Small Business Investments" published by the North American Securities Administration Association, which is attached as Exhibit C to this Offering Memorandum.

Suitability Requirements

The suitability standards for the Offering require that the Member:

(1) have a minimum net worth of $250,000 and minimum gross income of $65,000 AND the investment does not exceed 10 percent of that net worth; OR

(2) have a minimum net worth of $500,000 AND the investment does not exceed 10 percent of that net worth; OR

(3) have a minimum net worth of $75,000 AND the investment does not exceed $500, including any investments made in the Company during the prior 12 months; OR

(4) have a minimum net worth of $30,000 and minimum gross income of $30,000 AND the investment does not exceed $500, including any investments made in the Company during the prior 12 months.

Net worth is determined exclusive of homes, home furnishings, and automobiles.

Other Requirements

Subscription Agreements will be reviewed by the Company and will not be accepted from prospective members whom the Company has reason to believe may not meet the requirements described in the Subscription Agreement. Each Member will be required to make certain representations and warranties to the Company and agree to indemnify, hold harmless, and pay all fees and expenses incurred by, and all judgments and claims made against, the Company and its affiliates and counsel for any liability incurred as a result of any misrepresentation made by said Member.

No Revocation

Once a Member has executed a Subscription Agreement and submitted funds, such subscription may not be revoked without the consent of the Company.

How to Purchase Preferred Interests

(1) Review this Offering Memorandum, the Subscription Agreement, and all related documents, exhibits and attachments.

(2) Complete and sign the Subscription Agreement and send it to Fulton Street Investors LLC, 710 Van Ness Ave. #263, Fresno, CA 93721. The Subscription Agreement must be executed by an individual authorized to bind the Member (if an entity).

(3) Submit payment for the correct amount. If paying by check, it should be payable to "Fulton Street Investors LLC" and mailed with the completed and signed Subscription Agreement to Fulton Street Investors LLC, 710 Van Ness Ave. #263, Fresno, CA 93721. Information regarding wire transfers or other payment methods is available from the Company upon request.

(4) The Company will mail you a proof of receipt for your Preferred Interest purchase and also a copy of the signed Subscription Agreement. **Important: Your membership has not been accepted by the Company until your Subscription Agreement has been countersigned by the Company. The Company reserves the right to reject any prospective member for any reason.**

The Company may offer an online tool allowing prospective members to confirm eligibility, review the Offering Memorandum and other related documents, and complete the Subscription Agreement online.

The Member, not the Company, bears the risk of delivery of the Subscription Agreement, payment, and any other documents that the Member must deliver to participate in the Offering. If you choose to deliver your documents and payment by mail, the Company recommends that you use insured and registered mail. The Company also recommends that you allow for a sufficient number of mailing days to ensure that the Company receives your documents and payment before the applicable expiration date.

The Company anticipates that all or most of the proceeds of this Offering will be in the form of cash, however, the Company is prepared to accept subscriptions in the form of real property, subject to the following conditions:

- The property's type and location must be within the Company's investment parameters as described in this Offering Memorandum;
- The property must be valued at its fair market price as of the date of the subscription by an independent professional real estate appraiser;

- The Member will be treated as investing an amount equal to the fair market value, with neither a discount nor a premium.
- No more than half the Preferred Interests may be issued in exchange for real property.

At this time, there is no plan to accept any particular real property as an investment. Therefore, it is not possible to forecast how much investment will be in the form of real property. If the Company chooses to exchange Preferred Interests for real property, the transaction will be disclosed in an amended Offering Memorandum.

Interpretation; Termination of Offering

All questions as to the validity, form, eligibility (including time of receipt), and acceptance of any Subscription Agreement will be determined by the Company, in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any Subscription Agreement if it is not in proper form or if the acceptance thereof or the issuance of Preferred Interests pursuant thereto could be deemed unlawful or would require the Company to register or file reports under federal securities laws. The Company also reserves the right to waive any defect with regard to any particular Subscription Agreement. The Company shall not be under any duty to give notification of any defect or irregularity in a Subscription Agreement, nor shall it incur any liability for failure to give such notification. Subscriptions will not be deemed to have been made until any such defect or irregularity has been cured or waived within such time as the Company shall determine. Subscription Agreements with defects or irregularities that have not been cured or waived will be returned as soon as possible. The Company further reserves the right to terminate this Offering prior to acceptance of Subscription Agreements by the Company; however, in the absence of a material adverse change in its business, financial condition or results of operations, the Company expects to consummate this Offering.

RISK FACTORS

EACH MEMBER IS AWARE THAT AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE INVESTMENT, AND SUCH MEMBER HAS CAREFULLY READ AND CONSIDERED THE FOLLOWING RISK FACTORS AND ALL MATTERS SPECIFIED IN THESE SUBSCRIPTION DOCUMENTS IN DETERMINING WHETHER OR NOT TO INVEST IN THE COMPANY AS SPECIFIED HEREIN. EACH MEMBER UNDERSTANDS THAT THE FOLLOWING FACTORS ARE NOT AN EXHASTIVE LIST OF POSSIBLE RISKS INHERENT IN THE OFFERING.

No Operating History. The Company was formed on November 7, 2014, and has no operating history. There is no assurance that we will achieve our goals or ever earn a profit or pay distributions to Members. As a new enterprise, we are likely to be subject to risks our management has not anticipated. We have limited resources and will not be able to continue operating without the proceeds from this Offering. It is possible that the proceeds from this Offering and our other resources may not be sufficient for us to finance, or continue financing, our operations.

Removal of Fulton Street Pedestrian Mall May Not Proceed As Hoped. The Company's business plan is premised largely on a belief that removal of the pedestrian mall on Fulton Street in downtown Fresno will lead to increased economic activity resulting in rising rents and property values. If the pedestrian mall is not removed, or if its removal does not lead to increased economic activity on Fulton Street, the Company may be unable to achieve its financial goals.

Revitalization of Downtown Fresno May be Slower than Expected. Even if the expected removal of the Fulton Street pedestrian mall proceeds as the Company's management hopes, any resulting revitalization

of downtown Fresno may proceed at a slower pace than is currently expected based on other downtown revitalizations in comparable cities. A slower pace of revitalization may result in lower rents and property values until economic activity increases and may impair the Company's ability to achieve its financial goals.

Investment in Real Estate Entails Risks Unique to Each Property. There are a limited number of properties that can come onto the market in any given time; each of these properties may be affected by a unique set of issues and challenges that require individualized attention and problem-solving to resolve. These issues could include historic preservation status, toxic contamination, seismic and other structural deficiencies, fire suppression needs, potential liability for injuries, damage or nonpayment of rents by tenants, zoning or code violations, and risks of flood, fire or earthquake damage.

A Change in the Local Political Environment Could Make Revitalization More Difficult. While the political environment is currently favorable to revitalization efforts in Fresno, a new mayor or city council opposed to, or merely unsupportive of, revitalization efforts could be elected, which could lead to long delays in obtaining necessary permits and other local government services. Such delays could result in a loss of revenue to the Company.

Environmental Conditions Could Impair the Company's Success. The Fresno economy is largely based on agriculture, which is uniquely vulnerable to environmental conditions such as drought, heat waves, global warming, water and air pollution, and the quality and adequacy of groundwater supplies. If any of these factors adversely affects the local agricultural industry, economic activity in downtown Fresno could decline, leading to reduced rents and property values, which could in turn cause losses to the Company.

We May Not Be Able to Compete Against Established Competitors. We will be competing with established businesses that have an operating history and greater financial resources, management experience and market share than we have. As such, there can be no assurance that we will be able to compete or capture adequate market share. We will not be profitable if we cannot compete successfully with other businesses.

We May Not Move Quickly Enough. We expect real estate prices to rise as the revitalization of downtown Fresno proceeds. If we are not able to act quickly enough when a particular property becomes available for purchase, other investors may purchase it. Our success depends in large part on our ability to take advantage of acquisition opportunities early.

Certain Factors May Affect Future Success. Any continued future success that the Company might enjoy will depend upon many factors, including factors that are beyond the control of the Company and/or unpredictable at this time. These factors may include, but are not limited to: increased levels of competition (including the entry of additional competitors and/or increased success by existing competitors); changes in general economic conditions; increases in operating costs; the ability of the Company to locate and retain key tenants; and reduced margins caused by competitive pressures. These conditions may have a material adverse effect upon the Company's business, operating results, and financial condition.

Dependence on Key Personnel. Much of the Company's success depends on the skills, experience, and performance of its key personnel. The Company currently does not have a firm plan detailing how to replace any of these persons in the case of death or disability. The Company's success also depends on the Company's ability to recruit, train, and retain additional qualified personnel. The loss of the services of any of the key members of senior management, other key personnel, or the Company's inability to

recruit, train, and retain senior management or key personnel may have a material adverse effect on the Company's business, operating results, and financial condition.

Control of the Company. Control of the Company and all of its operations is, and will remain, solely with its Manager, who is currently Craig Scharton. Members must rely upon the judgment and skills of the Manager. Preferred Members will have no vote and no control over the management and affairs of the Company.

Company May Require Additional Funds. The Company currently expects that the net proceeds of this Offering, assuming the Company sells all Preferred Interests for the entire amount of the Offering, will be sufficient to meet its anticipated needs for working capital and other cash requirements for the foreseeable future. However, the Company may need to raise additional funds in order to fund more rapid expansion, respond to competitive pressures, or acquire complementary products or businesses. There can be no assurance that additional funds will be available on terms favorable to the Company, or at all. This limitation may have a material adverse effect on the Company's business, operating results and financial condition.

No Guarantee of Return. No assurance can be given that a Member will realize a substantial return on investment, or any return at all, or that a Member will not lose a substantial portion or all of the investment. For this reason, each prospective member should carefully read this Offering Memorandum and all exhibits attached hereto and consult with an attorney, accountant, and/or business advisor prior to making any investment decision.

Tax Risks. No representation or warranty of any kind is made by the Company, its officers, managers, counsel, or any other professional advisors thereto with respect to any tax consequences of any investment in the Company. EACH PROSPECTIVE MEMBER SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

Revisions to Use of Proceeds. It is possible that the use of the proceeds will be revised by management. If proceeds from this Offering are insufficient in terms of the actual start-up costs, the Company could experience financial problems, which may adversely affect its ability to implement its business plan. Management will have significant flexibility in applying the net proceeds of this Offering. The failure of management to apply such funds effectively could have a material adverse effect on the Company's business, prospects, financial condition, and results of operations.

Transfer Restrictions. There is no market for the Preferred Interests, and none is expected to develop. The Offering will be made in reliance on the intrastate offering exemption under Section 3(a)(11) of the Securities Act and the public offering qualification under Section 25113(b)(1) of the California Securities Law and other applicable state securities laws or regulations of other appropriate jurisdictions. Therefore, an investment in the Company should be considered only as a long-term investment.

There is No Guarantee of the Success of the Company's Revitalization Efforts. The Company will invest in real property and improvements to real property that are intended to increase values, both in terms of lease income and property price. Downtowns can revitalize at varying speeds and conditions. Many factors are in play, including the re-introduction of traffic to Fulton Street, the location of a High Speed Rail Station in downtown Fresno, Bus Rapid Transit, regional and national economic conditions, rapid increases in value that make it difficult to purchase property, interest rates, and renovation costs.

Tax Treatment. The Company has not received a ruling from the IRS as to its tax status. While the Company believes it is eligible for tax treatment as a partnership, and the Company is not aware of any

circumstances that would suggest otherwise, there is a risk that the IRS could determine that the Company should be treated as a corporation, which, if such determination were upheld in court or otherwise became final, would deprive the Company and its Members of the tax benefits of tax treatment as a partnership. Any challenge to an IRS determination could be costly and would adversely impact the Company's profitability.

Members' Tax Liability. While the Company intends to distribute a sufficient portion of its profits to Members to at least cover any anticipated tax liability on account of those profits, it is possible that in certain years the Company will be unable to make such distributions and that Members' tax liability on account of Company profits may exceed the amount of distributions. In this situation, Members will be forced to cover their tax liability on account of Company profits using other resources. It is also possible that upon disposition of a Member's interest in the Company, the Member's tax obligation could exceed the amount of consideration received for such disposition. In this situation also, the Member would be forced to cover their tax liability using other resources.

Tax Audit. Insofar as the Company is eligible for pass-through tax treatment as a partnership, it is possible that a tax audit of the Company's information return could result in a tax audit of its Members.

RESTRICTIONS

Transfer Restrictions

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD. MEMBERS SHOULD BE AWARE THAT THEY ARE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE SUBSCRIPTION AGREEMENT THAT EACH MEMBER MUST SIGN ADDRESSES ADDITIONAL CAUTIONS AND RESTRICTIONS THAT ARE INCORPORATED BY THIS REFERENCE.

This Offering of Preferred Interests will be made in reliance on the intrastate offering exemption under Section 3(a)(11) of the Securities Act and the public offering qualification under Section 25113(b)(1) of the California Securities Law and other applicable state securities laws or regulations of other appropriate jurisdictions.

Other Information Is Not Authorized

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE COMPANY OR THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS OFFERING MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THE INFORMATION IN THIS OFFERING MEMORANDUM SUPERSEDES AND REPLACES IN ITS ENTIRETY ANY INFORMATION PREVIOUSLY DISTRIBUTED TO, PROVIDED TO, OR VIEWED BY ANY MEMBER.

Withdrawal, Cancellation or Modification

THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION, OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. OFFERS TO PURCHASE THESE SECURITIES MAY BE REJECTED IN WHOLE OR IN PART BY THE COMPANY AND NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO ALLOT TO ANY PROSPECTIVE MEMBER LESS THAN THE AMOUNT OF THE INTERESTS SUCH MEMBER DESIRES TO PURCHASE. THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR MEMBER IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR. THE STATEMENTS IN THIS OFFERING MEMORANDUM ARE MADE AS OF ITS EFFECTIVE DATE UNLESS OTHERWISE SPECIFIED.

No Warranty of Projections or Assumptions

Projections concerning the business or financial affairs of the Company that may be provided to prospective members, including without limitation those set forth in this Offering Memorandum and its exhibits, are for illustrative purposes only. These projections are based upon conservative assumptions that management of the Company believes to be reasonable. However, there can be no assurance that actual events will correspond to the assumptions, and the projections should be viewed merely as financial possibilities based on the assumptions stated and not as a prediction or guarantee of future performance. The assumptions upon which these projections are based should be carefully reviewed by each prospective member. Projections or conclusions regarding the financial condition of the Company, including projections regarding the profitability of the Company, may be substantially adversely affected by variances from the assumptions made by the Company.

Forward-Looking Statements

This statement is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act:

THIS OFFERING MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS. FROM TIME TO TIME, ADDITIONAL WRITTEN FORWARD-LOOKING STATEMENTS MAY BE MADE BY THE COMPANY. SUCH FORWARD-LOOKING STATEMENTS ARE WITHIN THE MEANING OF THAT TERM IN SECTION 27A OF THE SECURITIES ACT AND MAY INCLUDE PROJECTIONS OF REVENUES, INCOME OR LOSS, CAPITAL EXPENDITURES, BUSINESS RELATIONSHIPS, FINANCINGS, PROPOSED FINANCINGS OR INVESTMENTS BY THIRD PARTIES, PRODUCT DEVELOPMENT, PLANS FOR FUTURE OPERATIONS, PLANS RELATING TO PRODUCTS OF THE COMPANY, AS WELL AS ASSUMPTIONS RELATING TO THE FOREGOING. SUCH STATEMENTS ARE BASED UPON MANAGEMENT'S CURRENT EXPECTATIONS, BELIEFS, AND ASSUMPTIONS ABOUT FUTURE EVENTS, AND ARE OTHER THAN STATEMENTS OF HISTORICAL FACT AND INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES.

THE WORDS "BELIEVE", "EXPECT", "INTEND", "ANTICIPATE", "ESTIMATE", "PROJECT", "HOPE" AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THE STATEMENT WAS MADE, BUT ARE NOT THE EXCLUSIVE MEANS OF IDENTIFYING SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO RISKS AND UNCERTAINTIES, SOME OF WHICH CANNOT BE PREDICTED OR QUANTIFIED. FUTURE EVENTS AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN, CONTEMPLATED BY,

OR UNDERLYING THE FORWARD-LOOKING STATEMENTS. STATEMENTS IN THIS OFFERING MEMORANDUM, INCLUDING THOSE CONTAINED IN THE SECTION ENTITLED "RISK FACTORS", DESCRIBE FACTORS, AMONG OTHERS, THAT COULD CONTRIBUTE TO OR CAUSE SUCH DIFFERENCES.

EXHIBIT A

Subscription Agreement

[Following Page]

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "Agreement") is made and entered into by and between FULTON STREET INVESTORS LLC, a California limited liability company (the "Company"), and the undersigned investor ("Investor") as of the date on which it is accepted by the Company (the "Effective Date").

1. Subscription. Investor hereby subscribes for and agrees to invest the amount set forth on the signature page hereto (the "Purchase Price") in the Company's Preferred Membership Interests ("Interests"), subject to the terms and conditions of this Agreement. The minimum subscription amount is $500 (the "Minimum Subscription").

2. Payment. Investor will pay the aggregate Purchase Price as follows:

   a. Until the minimum offering amount of $1,000,000 (the "Minimum Offering Amount") has been raised in the offering, payment should be made directly to the following depository ("Depository"):

   United Security Bank
   Attn: Bhavneet Gill
   2126 Inyo Street
   Fresno, CA 93721

   "Fulton Street Investors LLC" should be referenced on the mail/checks.

   b. After the Minimum Offering Amount has been raised, payment should be made directly to the Company at the address indicated on the signature page below.

3. Acceptance/Rejection of Subscriptions. Notwithstanding Investor's execution and delivery to the Company of this Agreement or any payment made by Investor to the Company (or the Depository) in connection herewith, the Company may choose for any reason not to accept the investment, or to accept a portion of the investment that is less than the amount indicated on the signature page below (but not less than the Minimum Subscription). If the Company agrees to accept the investment (in full or in part), this Agreement will constitute an irrevocable commitment by Investor to invest the amount accepted by the Company; and the Company will countersign and return to Investor a copy of this Agreement. If the Company chooses to accept none of the investment, the Company will return (or cause the Depository to return) to Investor any payment made by Investor to the Company (or the Depository) in connection herewith. If the Company chooses to sell to Investor a number of Interests that is less than the number of Interests proposed to be purchased by Investor, the Company will promptly return (or cause the Depository to return) to Investor any portion of any payment made by Investor to the Company (or the Depository) in connection herewith that exceeds the aggregate Purchase Price for the number of Interests being sold to Investor hereunder.

4. Representations, Warranties, & Covenants of the Investor. Investor represents and warrants to the Company, and covenants, as follows:

   a. Offering Memorandum. Investor has received a copy of and has read the Company's offering memorandum relating to this offering, including the Company's operating agreement and all other exhibits thereto (the "Offering Memorandum"), and Investor fully understands the risks

involved with an investment in the Company and fully understands the rights, preferences, privileges and restrictions of the Interests as described in this Agreement and the Company's operating agreement (the "Operating Agreement").

b. California Resident. If Investor is an individual, his or her principal residence is in the state of California. If Investor is an entity, its principal office is within the state of California.

c. Able to Assess Risks. Investor has the requisite knowledge to assess the relative merits and risks of the investment contemplated hereby or has relied upon the advice of Investor's professional advisors with regard to the investment contemplated hereby. Investor acknowledges that the Company has made available to Investor the opportunity to ask questions of and receive answers from the Company's manager and other key personnel concerning the terms and conditions of this Agreement, the business and financial condition of the Company and the rights, preferences, privileges and restrictions of the Interests, and Investor has received to its satisfaction such information regarding such matters as Investor has requested.

d. Investor Advised to Seek Representation. Investor understands that nothing in this Agreement or any other materials presented to Investor in connection with the purchase and sale of Interests constitutes legal, tax or investment advice. The Company has advised Investor to consult with such legal, tax and investment advisors as Investor, in its sole discretion, deems necessary or appropriate in connection with its purchase of Interests.

e. No Finder's Fee. Investor is not and will not be (and, if applicable, none of Investor's officers, directors, employees or agents is or will be) obligated for any finder's or broker's fee or commission in connection with the transactions contemplated hereby.

f. Accredited Investor Status. Investor has checked the applicable representation in section k below with respect to Investor's status as an "accredited investor" as defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act").

g. Complete Information. All information provided by Investor to the Company in connection with the purchase of Interests is true, correct and complete as of the date hereof, and if there should be any change in such information, Investor will immediately provide the Company with appropriate updated information.

h. Authority; Binding Agreement. Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary actions to authorize the execution, delivery and performance of this Agreement. This Agreement, when countersigned by the Company, constitutes a valid and binding obligation of Investor, enforceable against Investor in accordance with its terms, except as enforceability may be limited by applicable law.

i. Indemnity. Investor will indemnify and hold harmless the Company and its officers, directors, employees and agents from and against any and all losses, damages, liabilities, costs or expenses, including reasonable attorney fees, arising out of any breach of Investor's representations, warranties and covenants hereunder.

j. Investor Suitability Requirements. Investor understands that the suitability standards for this offering require that the Investor either:

1. have a minimum net worth of $250,000 and minimum gross income of $65,000 AND the investment does not exceed 10 percent of that net worth; OR

2. have a minimum net worth of $500,000 AND the investment does not exceed 10 percent of that net worth; OR

3. have a minimum net worth of $75,000 AND the investment does not exceed $500 total, including any investments made during the prior 12 months; OR

4. have a minimum net worth of $30,000 and minimum gross income of $30,000 AND the investment does not exceed $500 total, including any investments made during the prior 12 months.

Net worth is determined exclusive of homes, home furnishings, and automobiles. By signing this Agreement, Investor represents and warrants that Investor meets at least one of the suitability requirements listed above.

k. Accredited Status. Investor understands that the Company will only accept a maximum of 500 (possibly fewer) investments from Investors who are not "Accredited Investors" as that term is defined in Title 17 of the United States Code of Regulations Section 230.501 ("Rule 501") ("Accredited Investors"), and not more than 2,000 total investors. The following entities and individuals constitute Accredited Investors:
   1. A bank or savings & loan;
   2. A private business development company;
   3. A 501(c)(3), corporation, business trust or partnership, not formed for the purpose of acquiring the Interests, and with total assets in excess of $5 million;
   4. Any director or executive officer of the Company;
   5. Any natural person with individual or joint net worth with that of a spouse exceeding $1 million (exclusive of home and automobiles);
   6. Any natural person with individual income in excess of $200,000 in each of the two most recent years, or joint income with that person's spouse in excess of $300,000 in each of those years, along with a reasonable expectation of reaching the same income level in the current year;
   7. Any trust with assets in excess of $5,000,000;
   8. Any entity in which all of the equity owners are Accredited Investors.

   _____ By initialing here, Investor represents and warrants that Investor is an Accredited Investor.

   _____ By initialing here, Investor represents and warrants that Investor is NOT an Accredited Investor.

5. Limitations on Transfer; Right of First Refusal. Investor understands that:

   a. No market exists for the Interests, and none is expected to develop.

   b. The Operating Agreement includes significant limitations on the transfer of Interests, including the following:

      i. Any transfer must be approved in advance by vote of the common members of the Company (the "Common Members").

ii. In the event of an intended transfer of Interests, the Company has a right of first refusal to purchase the Interests, and if the Company elects not to exercise its right, the Common Members have a right of first refusal to purchase the Interests.

c. The Interests are "restricted securities" in that the Company's sale of the Interests have not been registered under the Securities Act.

d. This offering is made pursuant to the exemption from federal registration requirements set forth in Section 3(a)(11) of the Securities Act and in accordance with Rule 147 thereunder (also known as the "intrastate exemption"). As required by Rule 147:

i. During the period in which the Company is offering and selling Interests, and for a period nine (9) months thereafter, all resales of the Interests, by any person, shall be made only to persons resident within the state of California (the "Rule 147 Resale Limitation");

ii. The Company will, in connection with any sales by it of the Interests, (A) place a legend on any certificate or other document evidencing such securities stating that such securities have not been registered under the Securities Act and setting forth the Rule 147 Resale Limitation, and (B) issue stop transfer instructions to the Company's transfer agent, if any, with respect to such securities, or, if the Company transfers its own securities, make a notation in the appropriate records of the Company ((A) and (B), collectively, the "Legending and Stop-Transfer Actions"); and

iii. The Company will, in connection with the issuance of new certificates for any Interests that are presented for transfer during the time period in which the Rule 147 Resale Limitation applies, take the Legending and Stop-Transfer Actions.

e. Investor acknowledges that no certificates representing the Interests are intended to be issued; but that if such certificates are issued in the future, any such certificate (or any notice of issuance of the Interests), including any certificate issued (or notice of issuance delivered) upon any transfer of the Interests, will bear the following legends:

i. "THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS. WITHOUT LIMITING THE FOREGOING, DURING THE PERIOD IN WHICH SECURITIES THAT ARE PART OF THE SAME ISSUE AS THE SECURITIES REFERENCED HEREIN ARE BEING OFFERED AND SOLD BY THE ISSUER OF THE SECURITIES REFERENCED HEREIN, AND FOR A PERIOD OF NINE MONTHS FROM THE DATE OF THE LAST SALE OF SUCH SECURITIES BY SUCH ISSUER, ALL RESALES OF THE SECURITIES REFERENCED HEREIN, BY ANY PERSON, MAY BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OF CALIFORNIA."

ii. "THE SECURITIES REFERENCED HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THE COMPANY'S OPERATING AGREEMENT, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."

iii. "IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE CALIFORNIA COMMISSIONER OF BUSINESS OVERSIGHT, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES. SEE 10 CALIFORNIA CODE OF REGULATIONS 260.141.11."

6. Impound Account.

   a. Any portion of the Purchase Price that is paid prior to the date on which the Company has raised the Minimum Offering Amount, such payment will be held in an impound account with the Depository and not used by the Company for any purpose until such time as the Minimum Offering Amount has been raised and the contents of the impound account have been released in accordance with instructions from the California Commissioner of Business Oversight (the "Impound Release Date").

   b. Investor will not be deemed to be a Member of the Company until the Impound Release Date; provided, however, that promptly after funds representing such payment are disbursed by the Depository to the Company following the Impound Release Date, the Company will notify Investor that Investor has become a Member.

   c. If the offering of the Interests as described in the Offering Memorandum terminates prior to the Impound Release Date, such payment will be returned to Investor (together with any interest earned thereon while such payment was held by the Depository, but less any portion of such interest used to pay fees of the Depository); and, upon return of such payment, this Agreement will be deemed terminated and of no further force or effect. For clarity, this Section 6 will have no application to the extent that any payment by Investor hereunder is made after the Impound Release Date.

7. Operating Agreement. By executing this Agreement, Investor agrees to and, upon acceptance by the Company (and, if applicable, subject to release of the Impound Account), hereby becomes a party to, the Operating Agreement as set forth in the Offering Memorandum.

8. General Provisions.

   a. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the state of California, without giving effect to principles of conflicts of law.

   b. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

   c. Amendments & Waivers. No modification of or amendment to this Agreement will be effective unless in writing signed by the parties, and no waiver of any rights under this Agreement will be effective unless in writing signed by the waiving party.

   d. Successors & Assigns. Investor may not assign this Agreement or any of Investor's rights or obligations hereunder without the prior written consent of the Company, and any attempted assignment in violation of this provision will be null and void. Subject to the foregoing and the transfer restrictions described herein, the provisions of this Agreement will inure to the

benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties.

e. Notices. Any notice, demand or request required or permitted to be given under this Agreement will be in writing and will be deemed given when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page hereto (as may be subsequently updated by written notice to the other party), or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

f. Severability. If any provision of this Agreement is held to be unenforceable under applicable law in any context, such provision will be deemed limited or modified to the minimum extent necessary to render it enforceable under applicable law in such context, and the remainder of this Agreement will remain in full force and effect.

g. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together will constitute one and the same agreement. An executed signature page of this Agreement delivered by facsimile transmission or by electronic mail in "portable document format" (".pdf") will be as effective as an original executed signature page.

h. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Agreement or any notices required by applicable law or the Company's articles of incorporation or bylaws by email or any other electronic means. Investor hereby consents to receive such documents and notices by such electronic delivery.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Total Investment: _____
(Note: the minimum is $500; see section 4(j) for the applicable maximum.)

Title to the Interests will be registered as follows: _____

Signature:
(Only one name, signature and social security number is required for a married couple)

By signing below the Investor certifies under penalty of perjury that: (1) the taxpayer ID number or social security number shown below is the correct taxpayer identification number issued to Investor; and (2) Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that it is no longer subject to backup withholding; and (3) Investor is a United States citizen or other United States person.

Investor further certifies that Investor meets the suitability standards set forth in section 4(j) above and that Investor has accurately represented in section 4(k) whether Investor is or is not an Accredited Investor.

Investor (Print name):	**Accepted by:** **Fulton Street Investors LLC** a California limited liability company
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title (if applicable): _____	Title: _____
Date: _____	Date: _____
Address: _____	Address: 710 Van Ness Ave. #263, Fresno CA 93721
_____	
Social Security Number or Taxpayer ID No:	
_____	

EXHIBIT B

California Code of Regulations Title 10 § 260.141.11
Restriction on Transfer

(a) The issuer of any security upon which a restriction on transfer has been imposed pursuant to Section 260.141.10 or 260.534 shall cause a copy of this section to be delivered to each issuee or transferee of such security at the time the certificate evidencing the security is delivered to the issuee or transferee.

(b) It is unlawful for the holder of any such security to consummate a sale or transfer of such security, or any interest therein, without the prior written consent of the Commissioner (until this condition is removed pursuant to Section 260.141.12 of these rules), except:

(1) to the issuer;

(2) pursuant to the order or process of any court;

(3) to any person described in Subdivision (i) of Section 25102 of the Code or Section 260.105.14 of these rules;

(4) to the transferor's ancestors, descendants or spouse, or any custodian or trustee for the account of the transferor or the transferor's ancestors, descendants, or spouse; or to a transferee by a trustee or custodian for the account of the transferee or the transferee's ancestors, descendants or spouse;

(5) to holders of securities of the same class of the same issuer;

(6) by way of gift or donation inter vivos or on death;

(7) by or through a broker-dealer licensed under the Code (either acting as such or as a finder) to a resident of a foreign state, territory or country who is neither domiciled in this state to the knowledge of the broker-dealer, nor actually present in this state if the sale of such securities is not in violation of any securities law of the foreign state, territory or country concerned;

(8) to a broker-dealer licensed under the Code in a principal transaction, or as an underwriter or member of an underwriting syndicate or selling group;

(9) if the interest sold or transferred is a pledge or other lien given by the purchaser to the seller upon a sale of the security for which the Commissioner's written consent is obtained or under this rule not required;

(10) by way of a sale qualified under Sections 25111, 25112, 25113, or 25121 of the Code, of the securities to be transferred, provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;

(11) by a corporation to a wholly owned subsidiary of such corporation, or by a wholly owned subsidiary of a corporation to such corporation;

(12) by way of an exchange qualified under Section 25111, 25112 or 25113 of the Code, provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;

(13) between residents of foreign states, territories or countries who are neither domiciled nor actually present in this state;

(14) to the State Controller pursuant to the Unclaimed Property Law or to the administrator of the unclaimed property law of another state; or

(15) by the State Controller pursuant to the Unclaimed Property Law or by the administrator of the unclaimed property law of another state if, in either such case, such person (i) discloses to potential purchasers at the sale that transfer of the securities is restricted under this rule, (ii) delivers to each purchaser a copy of this rule, and (iii) advises the Commissioner of the name of each purchaser;

(16) by a trustee to a successor trustee when such transfer does not involve a change in the beneficial ownership of the securities;

(17) by way of an offer and sale of outstanding securities in an issuer transaction that is subject to the qualification requirement of Section 25110 of the Code but exempt from that qualification requirement by subdivision (f) of Section 25102; provided that any such transfer is on the condition that any certificate evidencing the security issued to such transferee shall contain the legend required by this section.

(c) The certificates representing all such securities subject to such a restriction on transfer, whether upon initial issuance or upon any transfer thereof, shall bear on their face a legend, prominently stamped or printed thereon in capital letters of not less than 10-point size, reading as follows:

"IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES."

EXHIBIT C

Operating Agreement

[Following Page]

OPERATING AGREEMENT

OF

FULTON STREET INVESTORS LLC

A CALIFORNIA LIMITED LIABILITY COMPANY

JULY __, 2016

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THIS OPERATING AGREEMENT OR THE LIMITED LIABILITY COMPANY INTERESTS ("INTERESTS") PROVIDED FOR HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE COMPANY HAS NO OBLIGATION TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT IN THE FUTURE.

AN INTEREST MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ADDITIONAL RESTRICTIONS ON THE TRANSFER OF INTERESTS ARE CONTAINED IN THIS AGREEMENT. BASED UPON THE FOREGOING, EACH ACQUIROR OF AN INTEREST MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF INVESTMENT THEREIN FOR AN INDEFINITE PERIOD OF TIME.

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OPERATING AGREEMENT

This Operating Agreement of FULTON STREET INVESTORS LLC, a California limited liability company (this "Agreement"), is entered into as of _____, 2016 by and among the undersigned Persons (the "Members").

1. **DEFINITIONS**

1.1. **Specific Definitions.** As used in this Agreement:

Act shall mean the California Revised Uniform Limited Liability Company Act, codified in the California Corporations Code, Section 17000 et seq., as the same may be amended from time to time.

Additional Capital Contribution shall mean the total amount of cash, services, and/or property contributed by a Member to the capital of the Company pursuant to Section 3.1(b). The Additional Capital Contribution of a Member shall be set forth on Schedule A and shall be adjusted as required under this Agreement. A Member's Additional Capital Contribution shall not be deemed to have increased by virtue of any obligation to return amounts to the Company pursuant to Section 3.5 or the making of any other payments not specifically identified in this Agreement as contributions to the capital of the Company.

Additional Member shall mean any Person admitted to the Company as a Member after the date first above written.

Adjusted Capital Account Deficit shall mean the deficit balance, if any, in an Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments: **(i)** the deficit shall be decreased by any amounts that the Interest Holder is obligated to restore pursuant to Treasury Regulation Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g), and 1.704-2(i)(5); and **(ii)** the deficit shall be increased by the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

Agreement shall mean this Operating Agreement of Fulton Street Investors LLC, a California limited liability company, including all schedules, appendices, and exhibits hereto, as amended in accordance with the terms hereof.

Assignee shall mean a Person that has acquired all or any portion of an Interest in the Company but that has not been admitted as a Member.

Bankruptcy shall mean, with respect to an Interest Holder: **(i)** an assignment of all or substantially all of the assets of such Interest Holder for the benefit of his/her/its creditors generally; **(ii)** the commencement of any bankruptcy or insolvency case or proceeding against such Interest Holder that shall continue and remain unstayed and in effect for a period of sixty (60) consecutive days; **(iii)** the filing by such Interest Holder of a petition, answer, or consent seeking relief under any bankruptcy, insolvency, or similar law; or **(iv)** the occurrence of any other event that is deemed to constitute bankruptcy for purposes of the Act.

Business shall mean the actions, operations and activities of Fulton Street Investors LLC.

Capital Account shall mean, for each Interest Holder, a separate account that is: **(1)** Increased by: **(i)** the amount of such Person's Capital Contribution and **(ii)** allocations of Profit to such Person pursuant to Section 4; **(2)** Decreased by: **(i)** the amount of cash distributed to such Person by the Company, **(ii)** the Fair Market Value

of any other property distributed to such Person by the Company (determined as of the time of distribution, without regard to Section 7701(g) of the Code, and net of liabilities secured by such property that the Person assumes or to which the Person's ownership of the property is subject) and **(iii)** allocations of Loss to such Person pursuant to Section 4; **(3)** Revalued in connection with any event described in Treasury Regulation Section 1.704-1(b)(2)(iv)(f); and **(4)** Otherwise adjusted so as to conform to the requirements of Sections 704(b) and (c) of the Code and the Treasury Regulations issued thereunder.

Capital Contribution shall mean, for any Member, the sum of the net amount of cash and the Fair Market Value of any other property and/or services (determined as of the time of contribution, without regard to Section 7701(g) of the Code, and net of liabilities secured by such property that the Company assumes or to which the Company's ownership of the property is subject) contributed by such Member to the capital of the Company. The term "capital contribution" (where not capitalized) shall mean any contribution to the capital of the Company valued in accordance with the rules set forth in the preceding sentence. For purposes of this Agreement, each capital contribution shall be deemed to have been made at the later of: **(i)** the Close of Business on the due date of such capital contribution as determined in accordance with this Agreement; or **(ii)** the Close of Business on the date on which such capital contribution is actually received by the Company.

Close of Business shall mean 5:00 p.m., local time, in California.

Code shall mean the United States Internal Revenue Code of 1986, as amended.

Common Member shall mean the Initial Member and any other person explicitly admitted as a Common Member but in each case only if such Person has not become a Withdrawn Member. The Interest held by the Common Members shall be an Interest in the Company that is an interest in the capital of the Company that would permit its holder to receive a portion of the net proceeds from the sale of the Company's assets if those assets were sold at fair market value and then the proceeds were distributed in a complete liquidation of the Company, with such hypothetical sale and distribution occurring as of the date of this Agreement. The Common Members shall have voting rights.

Company shall mean Fulton Street Investors LLC, a California limited liability company.

Defaulting Member shall have the meaning set forth in Section 3.3.

Derivative Company Interest shall mean any actual, notional or constructive interest in, or right in respect of, the Company (other than an Interest Holder's total Interest in the capital, profits and management of the Company) that, under Treasury Regulation Section 1.7704-1(a)(2), is treated as an interest in the Company for purposes of Section 7704 of the Code.

Dispute Notice shall have the meaning set forth in Section 6.9(b).

Dissolution shall mean, with respect to a legal entity other than a natural person, that such entity has "dissolved" within the meaning of the partnership, corporation, limited liability company, trust or other statute under which such entity was organized.

Distributable Cash shall mean, as of any date, the Company's cash on hand, exclusive of the Members' Capital Contributions, net of all current expenses and reasonable reserves for future expenses of the Company, membership redemptions, and property acquisitions, as determined by the Manager(s) in his/her/their sole discretion.

Fair Market Value shall have the meaning set forth in Section 6.9.

Fiscal Year shall mean the period from January 1 through December 31 of each year (unless otherwise required by law).

Initial Capital Contribution shall mean, for any Member, the total amount of cash, services, and/or property contributed by such Member to the capital of the Company pursuant to Section 3.1(a). The Initial Capital Contribution of a Member shall be set forth on Schedule A and shall be adjusted as required under this Agreement. A Member's Initial Capital Contribution shall not be deemed to have increased by virtue of any obligation to return amounts to the Company pursuant to Section 3.5 or the making of any other payments not specifically identified in this Agreement as contributions to the capital of the Company.

Initial Member shall mean Craig Scharton.

Interest shall mean, for each Interest Holder, such Person's rights, duties, and interest with respect to the Company in such Person's capacity as Interest Holder (as distinguished from any other capacity such as employee, debtor, or creditor) and shall include such Person's right, if any, to vote on Company matters or receive distributions as well as such Person's obligation, if any, to provide services, make capital contributions, or take any other action. In the case of an Interest held by an Assignee, such Interest shall be limited in the manner set forth in Section 7.4.

Interest Holder shall mean any Person that is either a Member or an Assignee.

Liquidator shall mean the Person or Persons identified as such, from time to time, by a Majority of the Members, and charged with winding up and/or liquidating the business, affairs, and/or assets of the Company in accordance with the provisions hereof, each of which Persons shall be deemed to be a "liquidating trustee" within the meaning of the Act.

Losses – see "Profits and Losses."

Majority of the Members shall mean a Common Member or Common Members whose Percentage Interests represent more than 50 percent of the Percentage Interests of all the Common Members.

Majority of All Members shall mean a Member or Members whose Percentage Interests represent more than two-thirds of the Percentage Interests of all the Members.

Manager or **Managers** shall mean the Person(s) named as such in Section 6.1(a) or the Person(s) who from time to time are selected as required under Section 6.1(c) of this Agreement.

Member shall mean any Person **(i)** who is an Initial Member or **(ii)** who is admitted to the Company pursuant to the terms of this Agreement as an Additional Member, but in each case only if such Person has not become a Withdrawn Member. Except where the context requires otherwise, a reference in this Agreement to "the Members" shall mean all of the Members (taken together or acting unanimously, as appropriate).

Member Loan Nonrecourse Deductions shall mean any Company deductions that would be Nonrecourse Deductions if they were not attributable to a loan made or guaranteed by a Member within the meaning of Treasury Regulation Section 1.704-2(i).

Member Nonrecourse Debt Minimum Gain has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2) (determined by substituting "Member" for "partner").

Minimum Gain has the meaning set forth in Treasury Regulation Section 1.704-2(d).

Nonrecourse Deductions has the meaning set forth in Treasury Regulation Section 1.704-2(b)(1), determined according to the provisions of Treasury Regulation Section 1.704-2(c).

Nonrecourse Liability has the meaning set forth in Treasury Regulation Section 1.704-2(b)(3).

Non-Permitted Withdrawal shall have the meaning set forth in Section 7.2(b).

Objecting Member shall have the meaning set forth in Section 6.9(b).

Percentage Interest shall mean a fraction, expressed as a percentage, the numerator of which is the total of an Interest Holder's Capital Account and the denominator of which is the total of all Capital Accounts of all Interest Holders.

Permanent Incapacity shall mean, with respect to an individual, that such individual suffers a mental or physical disability that, as of the time of determination, renders such individual incapable of performing such individual's duties under this Agreement and is substantially certain to continue to render such individual incapable of performing such duties for a continuous period of at least six (6) months following the date of determination.

Permitted Withdrawal shall have the meaning set forth in Section 7.2(a).

Person shall mean an individual, partnership, corporation, limited liability company, unincorporated organization, trust, joint venture, governmental agency, or other entity, whether domestic or foreign.

Preferred Member shall mean any person who is admitted to the Company pursuant to the terms of this Agreement as a Preferred Member, but in each case only if such Person has not become a Withdrawn Member. The Interest held by the Preferred Member shall be an Interest in the Company that is an interest in the capital of the Company, effective as of the date of this Agreement, that would permit its holder to receive a portion of the net proceeds from the sale of the Company's assets if those assets were sold at fair market value and then the proceeds were distributed in a complete liquidation of the Company, with such hypothetical sale and distribution occurring as of the date of this Agreement. The Preferred Members shall have only the voting rights specifically provided in this Agreement or otherwise required by applicable law.

Principal Office shall have the meaning set forth in Section 2.4.

Profits and Losses shall mean, for any period, the Company's items of income and gain (including items not subject to federal income tax) as well as items of loss, expense, and deduction (including items not deductible, depreciable, amortizable, or otherwise excludable from income for federal income tax purposes), respectively, as determined under federal income tax principles; *provided, however*, that Profits and Losses attributable to assets with a book value that differs from tax basis (as determined under federal income tax rules) shall be determined with regard to such book value in the manner required under Treasury Regulation Section 1.704-1(b).

Securities Act shall mean the United States Securities Act of 1933, as amended, including the rules and regulations promulgated thereunder.

State shall mean any constituent state of the United States, as well as the District of Columbia.

Tax Matters Partner shall mean the Person identified as such, from time to time, by a Majority of the Members. The Tax Matters Partner initially shall be Craig Scharton.

Term shall have the meaning set forth in Section 2.2. Where not capitalized, "term" shall mean the entire period of the Company's existence, including any period of winding-up and liquidation following the Dissolution of the Company pursuant to Section 8.

Termination shall mean, with respect to a legal entity other than a natural person, that such entity has Dissolved, completed its process of winding-up and liquidation, and otherwise ceased to exist.

Transfer shall mean any sale, exchange, transfer, gift, encumbrance, assignment, pledge, mortgage, hypothecation, or other disposition, whether voluntary or involuntary.

Treasury Regulation shall mean a regulation issued by the United States Treasury Department and relating to a matter arising under the Code.

United States shall mean the United States of America.

Updated Capital Account shall mean, with respect to an Interest Holder, such Interest Holder's Capital Account determined as if, immediately prior to the time of determination, all of the Company's assets had been sold for fair market value and any previously unallocated Profits or Losses had been allocated pursuant to Section 4.

Valuation Notice shall have the meaning set forth in Section 6.9(a).

Withdrawn Member shall mean a Member that has withdrawn or been removed from the Company pursuant to the provisions of this Agreement.

1.2. **General Usage**. The Section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. Except where the context clearly requires to the contrary: **(i)** each reference in this Agreement to a designated "Section," "Schedule," "Exhibit," or "Appendix" is to the corresponding Section, Schedule, Exhibit, or Appendix of or to this Agreement; **(ii)** instances of gender or entity-specific usage (e.g., "his" "her" "its" "person" or "individual") shall not be interpreted to preclude the application of any provision of this Agreement to any individual or entity; **(iii)** the word "or" shall not be applied in its exclusive sense; **(iv)** "including" shall mean "including, without limitation;" **(v)** references to laws, regulations and other governmental rules, as well as to contracts, agreements, and other instruments, shall mean such rules and instruments as in effect at the time of determination (taking into account any amendments thereto effective at such time without regard to whether such amendments were enacted or adopted after the effective date of this Agreement) and shall include all successor rules and instruments thereto; **(vi)** references to "Federal" or "federal" shall be to laws, agencies, or other attributes of the United States (and not to any State or locality thereof); **(vii)** references to "days" shall mean calendar days; references to "business days" shall mean all days other than Saturdays, Sundays and days that are legal holidays in the State of California; **(viii)** references to months or years shall be to the actual calendar months or years at issue (taking into account the actual number of days in any such month or year); and **(ix)** days, business days, and times of day shall be determined by reference to local time in California.

2. ORGANIZATION

2.1. Formation and Name.

(a) The Initial Members hereby form the Company as a limited liability company in accordance with the Act.

(b) The name of the Company shall be "Fulton Street Investors LLC."

2.2. **Term.** The "Term" of the Company shall commence on the effective date of the filing of the Articles of Organization and shall continue until terminated as provided under this Agreement or by law.

2.3. **Purpose and Scope.** Within the meaning and for purposes of the Act, the purpose and scope of the Company shall include any lawful action or activity permitted to a limited liability company under the Act.

2.4. **Principal Office.** The Company shall have a single Principal Office which shall at all times be located within the United States. The Principal Office initially shall be located at 710 Van Ness Ave. #263, Fresno CA 93721 and may thereafter be changed from time to time with the approval of the Majority of the Members.

2.5. **Agent for Service of Process.** The initial agent for service of process shall be Craig Scharton, 710 Van Ness Ave. #263, Fresno CA 93721.

2.6. **Designation of Members.**

(a) The Initial Member is hereby admitted as a Member.

(b) On Schedule A shall be set forth the name of each Member and the appropriate contact information for such Member (including, without limitation, such Member's mailing address, telephone number, and email address as well as, in the case of a Member that is an entity, the name and title of an individual to whom notices and other correspondence should be directed), and the Member's membership class. Each Member shall promptly provide the Company with the information required to be set forth for such Member on Schedule A, as well as the Member's social security number or employer identification number, and shall thereafter promptly notify the Company of any change to such information.

(c) Additional Members may be admitted, from time to time, at the discretion of a Majority of the Members. Upon such consent and (i) the prospective Additional Member's execution of this Agreement, as amended to reflect the terms of his/her/its membership, and any current loans of the Company required to be executed by the prospective Additional Member and (ii) the prospective Additional Member paying in full his/her/its Initial Capital Contribution (the amount of which shall be determined by the Majority of the Members), such prospective Additional Member shall be admitted as a Member.

(d) A Person shall not be admitted as a Member prior to the execution by such Person of this Agreement and the making of the full Initial Capital Contribution by such Person.

(e) The Percentage Interest of each Additional Member shall dilute the Percentage Interests of the previously admitted Interest Holders in proportion to their respective Percentage Interests as in effect immediately prior to such dilution. Prior to each new round of equity investment in the Company, the Interests of existing Interest Holders shall be "booked up" in accordance with the Code.

2.7. **Additional Documents.** Each Interest Holder shall cause to be executed, filed, recorded, published, or amended any documents necessary or advisable (i) in connection with the formation, operation, Dissolution, winding-up, or Termination of the Company pursuant to applicable law or (ii) to otherwise give effect to the terms of this Agreement. The terms and provisions of each document described in the preceding sentence shall be initially established and shall be amended as necessary to cause such terms and provisions to be consistent with the terms and provisions of this Agreement.

2.8. **Title to Property.** Title to all Company property, both real and personal, shall be held in the name of the Company.

3. CAPITALIZATION

3.1. Capital Contributions

(a) **Initial Capital Contributions.** Each Member hereby agrees to make an Initial Capital Contribution equal to the amount set forth as such Member's Initial Capital Contribution on Schedule A. Except as specifically provided in this Agreement, the Initial Capital Contribution of a Member shall represent the maximum aggregate amount of cash, services, and property that such Member shall be required to contribute to the capital of the Company and shall not be changed during the term of the Company.

(i) Concurrently with the execution of this Agreement, the Initial Members shall contribute their Initial Capital Contribution set forth on Schedule A.

(ii) The Initial Capital Contribution of each Additional Member shall be paid pursuant to Section 2.6(c).

(b) **Obligation to Pay.** The obligation of a Member to make his/her/its Capital Contribution shall be without interest (other than in the case of default as provided in Section 3.3).

(c) **Admission to Membership.** Notwithstanding anything contained herein to the contrary, admission of any new Member will comply with the requirements of 10 California Code of Regulations section 260.140.116.5.

3.2. **Limitation on Capital Contributions.** Except as specifically provided in this Section 3 or Section 4.4(c), no Person shall be required or permitted to make a contribution to the capital of the Company without the approval of a Majority of the Members.

3.3. **Withdrawal and Return of Capital.** Except as provided in this Agreement, no Interest Holder may withdraw any portion of his/her/its Capital Contribution or Capital Account balance and no Interest Holder shall be entitled to the return of such Interest Holder's Capital Contribution, a distribution in respect of such Interest Holder's Capital Account balance, or any other distribution in respect of such Interest Holder's Interest. Notwithstanding anything contained herein to the contrary, any withdrawal will comply with the requirements of 10 California Code of Regulations section 260.140.116.6.

3.4. **Limitation of Liability; Return of Certain Distributions.**

(a) Except as otherwise required by applicable law or as provided in this Agreement, an Interest Holder shall have no personal liability for the debts and obligations of the Company.

(b) An Interest Holder that receives a distribution **(i)** in violation of this Agreement or **(ii)** that is required to be returned to the Company under applicable law shall return such distribution within thirty (30) days after demand therefor by any Member. The Company may elect to withhold from any distributions otherwise payable to an Interest Holder amounts due to the Company from such Interest Holder.

(c) Nothing in this Section 3.4 shall be applied to release any Interest Holder from **(i)** his/her/its obligation to make Capital Contributions or other payments specifically required under this Agreement or **(ii)** his/her/its obligations pursuant to any relationship between the Company and such Interest Holder acting in a capacity other than as an Interest Holder (including, for example, as a borrower or independent contractor).

3.5. **Interest on Capital.** No Interest Holder shall be entitled to interest on such Interest Holder's Capital Contribution, Capital Account balance, or share of unallocated Profits.

3.6. **Contributed Property.** With respect to any property contributed by a Member to the Company, such Member shall provide to the Company any information reasonably requested by the Company for purposes of determining the Company's tax basis in such property.

3.7 **Capital Account Maintenance.** An individual Capital Account will be maintained for each Interest Holder in accordance with applicable Treasury Regulations.

4. PROFITS & LOSSES

4.1. **Allocations of Company Profits and Losses; Limitation on Loss Allocations.** Except as otherwise provided in this Section 4, the items of Profit and Loss of the Company for each fiscal quarter (or other period selected by the Manager(s)) shall be allocated among the Members as follows: 90% of the Profits and Losses shall be allocated to the Preferred Members in proportion to their respective Percentage Interests and 10% of the Profits and Losses shall be allocated to the Common Members in proportion to their respective Percentage Interests until such time as the total Profits allocated to each Preferred Member equals such Preferred Member's Initial Capital Contribution multiplied by two; after the Profits allocated to each Preferred Member equals two times such Preferred Member's Initial Capital Contribution, Profits shall be allocated in proportion to the Members' (Common and Preferred) respective Percentage Interests. The allocation of Losses shall be limited as required by Section 6.8(a) below.

4.2. **Members' Intent Concerning Allocations of Profits and Losses.** The Members intend that the allocations of Profit and Loss pursuant to this Section 4 correspond with and follow, to the extent possible, the allocations of cash distributions in Section 5, both on an annual basis and on a cumulative basis. The Members also intend that allocations of Profits and Losses pursuant to this Section 4 comply with the requirements of Section 704 of the Code and any Treasury Regulations promulgated thereunder, including, but not limited to, those provisions of said Regulations respecting minimum gain chargebacks, which provisions are incorporated herein by this reference. Profits and Losses shall be allocated accordingly and in a manner which will cause such allocations to have substantial economic effect. The allocation of Profits and Losses pursuant to this Section 4 shall be subject to the provisions of Section 6.8(a) below.

4.3. **Modifications to Preserve Underlying Economic Objectives.** If, in the opinion of counsel to the Company, there is a change in the Federal income tax law (including the Code as well as the Treasury Regulations, rulings, and administrative practices thereunder) or other unanticipated event which makes it necessary or prudent to modify the allocation provisions of this Section 4 in order to preserve the underlying economic objectives of the Interest Holders as reflected in this Agreement, the Manager(s) shall make the minimum modification necessary to achieve such purpose.

4.4. **Withholding Taxes.**

(a) The Company shall withhold taxes from distributions to, and allocations among, the Interest Holders to the extent required by law (as determined by the Manager(s) in his/her/their reasonable discretion). Except as otherwise provided in this Section 4.4, any amount so withheld by the Company with regard to an Interest Holder shall be treated for purposes of this Agreement as an amount actually distributed to such Interest Holder pursuant to Section 5.1. An amount shall be considered withheld by the Company if remitted to a governmental agency without regard to whether such remittance occurs at the same time as the distribution or allocation to which it relates; *provided, however*, that an amount actually withheld from a specific distribution or designated as withheld from a specific allocation shall be treated as if distributed at the time such distribution or allocation occurs.

(b) To the extent that the operation of Section 4.4(a) would create a negative balance in an Interest Holder's Updated Capital Account or increase the amount by which such Updated Capital Account

balance is negative, the amount of the deemed distribution shall instead be treated as a loan by the Company to such Interest Holder, which loan shall be payable upon demand by the Company and shall bear interest at a floating rate equal to the prime rate publicly quoted by commercial banks in San Francisco, California, from time to time, with adjustments in that varying rate to be made on the same date as any change in that rate.

(c) In the event that the Manager(s) determine in his/her/their reasonable discretion that the Company lacks sufficient cash available to pay withholding taxes in respect of an Interest Holder, that Interest Holder shall contribute the funds necessary to satisfy the withholding obligation. If such Interest Holder does not contribute the necessary funds, one or more of the Members may, in their sole and absolute discretion (but only with the consent of a Majority of the Members), make a loan or capital contribution to the Company to enable the Company to pay such taxes. Any such loan shall be full-recourse to the Company and shall bear interest at a floating rate equal to the prime rate publicly quoted by commercial banks in San Francisco, California, from time to time, with adjustments in that varying rate to be made on the same date as any change in that rate. Notwithstanding any provision of this Agreement to the contrary, any loan (including interest accrued thereon) or Capital Contribution made to the Company by a Member pursuant to this Section 4.4(c) shall be repaid or returned as promptly as is reasonably possible.

(d) Each Interest Holder hereby agrees to indemnify the Company and the other Interest Holders for any liability they may incur for failure to properly withhold taxes in respect of such Interest Holder; moreover, each Interest Holder hereby agrees that neither the Company nor any other Interest Holder shall be liable for any excess taxes withheld in respect of such Interest Holder's Interest and that, in the event of overwithholding, an Interest Holder's sole recourse shall be to apply for a refund from the appropriate governmental authority.

(e) Taxes withheld by third parties from payments to the Company shall be treated as if withheld by the Company for purposes of this Section 4.4. Such withholding shall be deemed to have been made in respect of all the Interest Holders in proportion to their respective allocative shares under this Section 4 of the underlying items of Profit to which such third party payments are attributable. In the event that the Company receives a refund of taxes previously withheld by a third party from one or more payments to the Company, the economic benefit of such refund shall be apportioned among the Interest Holders in a manner reasonably determined by the Manager(s) to offset the prior operation of this Section 4.4(e) in respect of such withheld taxes.

(f) In the event that the Company is required to recognize income or gain for income tax purposes under Section 684 of the Code (or a similar provision of State or local law) in respect of an in-kind distribution to an Interest Holder, then, solely for such income tax purposes, to the maximum extent permitted by applicable law (as determined by the Manager(s)), the income or gain shall be allocated entirely to such Interest Holder.

(g) In the event that the Company is required to remit cash to a governmental agency in respect of a withholding obligation arising from an in-kind distribution by the Company or the Company's receipt of an in-kind payment, the Manager(s) may cause the Company to sell an appropriate portion of the property at issue and, to the extent permitted by applicable law (as determined by the Manager(s)), any resulting income or gain shall be allocated solely for income tax purposes entirely to the Interest Holders in respect of whom such withholding obligation arises.

5. DISTRIBUTIONS

5.1. **Operating Distributions.** Except as otherwise provided in this Agreement, distributions prior to the commencement of the liquidation and Dissolution of the Company shall be made in accordance with the provisions of this Section 5.1. All Distributable Cash from the Company's ongoing operations (prior to the

commencement of the liquidation and Dissolution of the Company) shall be distributed among the Members in the same manner as Profits are allocated.

5.2. **Liquidating Distributions.** Notwithstanding the provisions of Section 5.1, cash or property of the Company available for distribution upon the commencement of the liquidation and Dissolution of the Company (including cash or property received upon the sale or other disposition of assets in anticipation of or in connection with such liquidation and Dissolution) shall be distributed in accordance with the provisions of Section 8.2.

5.3. **Limitation on Distributions.** No distribution shall be made to an Interest Holder if and to the extent that such distribution would: (i) create a negative balance in the Updated Capital Account of such Interest Holder or increase the amount by which such Updated Capital Account balance is negative (in each case determined as if, immediately prior to such distribution, all of the Company's assets had been sold for fair market value (as determined in accordance with Section 7701(g) of the Code), and the Profit and Loss attributable thereto had been allocated among the Interest Holders pursuant to Section 4.1); (ii) cause the Company to be insolvent; or (iii) render the Interest Holder liable for a return of such distribution under applicable law.

5.4. **Distributions of Property.** Except as otherwise provided in this Agreement, an Interest Holder shall have no right to require that distributions to such Interest Holder consist of any specific item or items of property. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their Fair Market Value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled.

6. ADMINISTRATIVE PROVISIONS

6.1. **Management of the Company Generally.** Except as otherwise specifically provided in this Agreement:

(a) **Manager Managed.** The business of the Company shall be managed by the Manager named below, or any successor(s) or with additional Manager(s) selected in the manner provided in Section 6.1(c). Except as otherwise set forth in this Agreement or applicable law, all decisions concerning the management of the Company shall me made by the Manager(s), including actions outside of the ordinary course of business. If there is more than one Manager, decisions shall be made by a vote of the majority, by number, of the Managers, either at a meeting or by written consent. The initial Manager of the Company is Craig Scharton.

(b) **Member Action; Voting Rights.** When actions are to be taken by the Members, each Member shall vote in proportion to the Member's Percentage Interest as of the record date determined in accordance with this Section. The record date shall be the date set by a Majority of the Members; provided that such record date shall not be more than 60 or less than ten calendar days before the date of the meeting at which the vote is taken.

(c) **Appointment and Removal of Manager(s).** Each Manager shall serve until the earlier of **(i)** the Manager's resignation, retirement, death, or Permanent Incapacity and **(ii)** the Manager's removal by a vote of the Majority of All Members. Each Manager shall be appointed by a Majority of All Members.

(d) **Actions that May Only Be Taken by a Majority of the Members.** Notwithstanding the foregoing, the Manager(s) shall not take any of the following actions on behalf of the Company unless a Majority of the Members has consented to the taking of such action:

(i) any act that would make it impossible to carry on the ordinary business of the Company;

(ii) any confession of a judgment against the Company;

(iii) the dissolution, merger, or sale of the Company;

(iv) the disposition of all or a substantial part of the Company's assets not in the ordinary course of business;

(v) the incurring of any debt not in the ordinary course of business;

(vi) the filing of a petition in bankruptcy or the entering into of an arrangement among creditors; and

(vii) the entering into, on behalf of the Company, of any transaction constituting a "reorganization" within the meaning of the Act.

(e) **Fiduciary Duty.** The Manager shall have fiduciary responsibility for the safekeeping and use of all funds and assets of Company, whether or not in the Manager's possession or control. The Manager shall not employ, or permit another to employ such funds or assets in any manner except for the exclusive benefit of the Company. This fiduciary duty may not be contracted away.

(f) **Prohibitions.**

(i) In accordance with 10 California Code of Regulations section 260.140.114.7, the Manager may not receive any rebate or give-up, nor participate in any reciprocal business arrangement that would circumvent this prohibition; and neither the Manager nor anyone acting on behalf of the Company may pay an award or finder's fee to an investment advisor engaged by a potential investor for the purpose of inducing the investment advisor to recommend an investment in the Company (other than normal sales commissions, if applicable).

(ii) In accordance with 10 California Code of Regulations section 260.140.114.8, funds of the Company may not be commingled with the funds of any other person.

(iii) In accordance with 10 California Code of Regulations section 260.140.114.9, the Company may not invest in or with other real estate programs except in accordance with such section.

(iv) In accordance with 10 California Code of Regulations section 260.140.114.10, the Company may not pay interest or other financing expenses to the Manager except in accordance with such section.

(v) In accordance with 10 California Code of Regulations section 260.140.117.1, the Company may not conduct sales or promotional efforts for any offering of securities except in accordance with such section.

(g) **Actions that May Only Be Taken by a Majority of All Members.** Notwithstanding the foregoing, to the extent required by and subject to the conditions provided in 10 California Code of Regulations section 260.140.116.2(a)(2), the Manager(s) shall not take any of the following actions on behalf of the Company unless a Majority of All Members has consented to the taking of such action:

(i) amend this agreement except for those amendments which do not adversely affect the rights of the Preferred Members;

(ii) voluntarily withdraw as a Manager;

(iii) appoint a new Manager(s);

(iv) sell all or substantially all of the assets of the Company other than in the ordinary course of the Company's business;

(v) cause the merger or other reorganization of the Company; or

(vi) dissolve the Company.

(h) **Actions that May Be Taken by a Majority of All Members Without Consent of the Manager(s).** Notwithstanding the foregoing, to the extent required by and subject to the conditions provided in 10 California Code of Regulations section 260.140.116.2(a)(1), a Majority of All Members may take any of the following actions on behalf of the Company without the consent of the Manager(s):

(i) amend this Agreement, except for those amendments which adversely affect the rights of the Common Members;

(ii) remove the Manager(s);

(iii) elect a new Manager(s);

(iv) approve or disapprove the sale of all or substantially all of the assets of the Company other than in the ordinary course of its business; or

(v) dissolve the Company.

6.2. **Records and Financial Statements.**

(a) The Company shall maintain true and proper books, records, reports, and accounts in which shall be entered all transactions of the Company. The Company shall also maintain all schedules to this Agreement and shall update such schedules promptly upon receipt of new information relating thereto. Copies of such books, records, reports, accounts, and schedules shall be located at the Principal Office and shall be available to any Member for inspection, upon at least two business days' notice, during reasonable business hours; provided, however, that items of highly confidential Company information may be withheld from a Member to the extent reasonably necessary to protect Company interests as determined by a Majority of the Members.

(b) Within sixty (60) days after the end of each Fiscal Year, the Company shall furnish to each Interest Holder an unaudited statement of: **(i)** the assets and liabilities of the Company, **(ii)** the net Profit or Loss of the Company, and **(iii)** the Capital Account balance of such Interest Holder. In addition, within ninety (90) days after the end of each Fiscal Year, the Company shall supply all information reasonably necessary to enable the Interest Holders to prepare their Federal and State income tax returns and (upon request therefor) to comply with other reporting requirements imposed by law.

6.3. **Confidentiality.** The Interest Holders acknowledge and agree that all information provided to them by or on behalf of the Company concerning the business or assets of the Company or any Interest Holder

shall be deemed strictly confidential and shall not, without the prior consent of the Manager(s) and, in the case of information pertaining to an Interest Holder, the Interest Holder to which such information relates, be (i) disclosed to any Person (other than a Member) or (ii) used by an Interest Holder other than for a Company purpose or a purpose reasonably related to protecting such Interest Holder's Interest (in a manner not inconsistent with the interests of the Company). The Interest Holders hereby consent to the disclosure by each Interest Holder of Company information to such Interest Holder's accountants, attorneys, and similar advisors bound by a duty of confidentiality. Moreover, the foregoing requirements of this Section 6.3 shall not apply to an Interest Holder with regard to any information that is currently or becomes: (i) required to be disclosed pursuant to applicable law (but only to the extent of such requirement); (ii) required to be disclosed in order to protect such Interest Holder's Interest (but only to the extent of such requirement); (iii) publicly known or available in the absence of any improper or unlawful action on the part of such Interest Holder; or (iv) known or available to such Interest Holder other than through or on behalf of the Company. For purposes of this Section 6.3, Company information provided by one Interest Holder to another shall be deemed to have been provided on behalf of the Company.

6.4. **Disclosures.** Each Interest Holder shall furnish to the Company upon request any information with respect to such Interest Holder reasonably determined by the Manager(s) or the Company's accountants, attorneys, or other agents charged with carrying out such function, to be necessary or convenient for the formation, operation, Dissolution, winding-up, or Termination of the Company.

6.5. **Member Compensation.** The Company shall not be obligated to pay a salary, bonus, or similar compensation to any Interest Holder in respect of services provided to the Company by such Interest Holder in his/her/its capacity as such.

6.6. **Duties to the Company.** An Interest Holder shall not utilize any assets or confidential information of the Company other than for the exclusive benefit of the Company, a purpose reasonably related to protecting such Interest Holder's Interest (in a manner not inconsistent with the interests of the Company), or to comply with the requirements of applicable law. For purposes of the preceding sentence, a business opportunity within the scope of the Business which is made available to an Interest Holder solely or principally in consequence of such Person's status as such shall be deemed an asset of the Company.

6.7. **Tax Matters Partner.**

(a) **General.** The Tax Matters Partner is hereby designated the "tax matters partner" of the Company within the meaning of Section 6231(a)(7) of the Code. Except to the extent specifically provided in the Code or the Treasury Regulations (or the laws of relevant non-Federal taxing jurisdictions), the Tax Matters Partner (acting with the approval of a Majority of the Members) shall have exclusive authority to act for or on behalf of the Company with regard to tax matters, including the authority to make (or decline to make) any available tax elections.

(b) **Partnership Classification for Tax Purposes.** Except to the extent otherwise required by applicable law (disregarding for this purpose any requirement that can be avoided through the filing of an election or similar administrative procedure), the Tax Matters Partner shall cause the Company to take the position that the Company is a "partnership" for Federal, State, and local income tax purposes and shall cause to be filed with the appropriate tax authorities any elections or other documents necessary to give due legal effect to such position. No Interest Holder shall file (and each Interest Holder hereby represents that it has not filed) any income tax election or other document that is inconsistent with the Company's position regarding its classification as a "partnership" for applicable Federal, State, and local income tax purposes.

(c) **Notice of Inconsistent Treatment of Company Item.** No Interest Holder shall file a notice with the United States Internal Revenue Service under Section 6222(b) of the Code in connection with such Interest Holder's intention to treat an item on such Interest Holder's Federal income tax return in a manner

which is inconsistent with the treatment of such item on the Company's Federal income tax return unless such Interest Holder has, not less than thirty (30) days prior to the filing of such notice, provided the Tax Matters Partner with a copy of the notice and thereafter in a timely manner provides such other information related thereto as the Tax Matters Partner may reasonably request.

(d) **Notice of Settlement Agreement.** Any Interest Holder entering into a settlement agreement with the United States Department of the Treasury which concerns a Company item shall notify the Tax Matters Partner of such settlement agreement and its terms within sixty (60) days after the date thereof.

6.8. **Tax Provisions.**

(a) **Impermissible Deficits and Qualified Income Offset.** No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit; instead, such items shall be allocated to the other Interest Holders in proportion to their respective Adjusted Capital Account balances. If Losses are reallocated under this Section, subsequent allocations of Profit and Loss shall be made so that, to the extent possible, the net amount allocated pursuant to this Section equals the net amount that would have been allocated to each Interest Holder if no reallocation had occurred. If an Interest Holder for any reason (whether or not expected) receives **(i)** an allocation of Loss or deduction (or item thereof) or **(ii)** any distribution, which causes the Interest Holder to have an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year shall be allocated to that Interest Holder, before any other allocation is made of Company items for that taxable year, in the amount and in proportions required to eliminate the excess as quickly as possible. This Section is intended to comply with, and shall be interpreted consistently with, the "alternate test for economic effect" and "qualified income offset" provisions of the Treasury Regulations promulgated under Code Section 704(b).

(b) **Minimum Gain Chargebacks.** In order to comply with the "minimum gain chargeback" requirements of Treasury Regulation Sections 1.704- 2(f)(1) and 1.704-2(i)(4), and notwithstanding any other provision of this Agreement to the contrary, in the event there is a net decrease in an Interest Holder's share of Minimum Gain and/or Member Nonrecourse Debt Minimum Gain during a Company taxable year, such Interest Holder shall be allocated items of income and gain for that year (and if necessary, other years) as required by and in accordance with Treasury Regulation Sections 1.704-2(f)(1) and 1.704-2(i)(4) before any other allocation is made. It is the intent of the parties hereto that any allocation pursuant to this Section shall constitute a "minimum gain chargeback" under Treasury Regulation Section 1.704-2(f) and 1.704-2(i)(4).

(c) **Contributed Property and Book-Ups.** In accordance with Code Section 704(c) and the Treasury Regulations thereunder, including Treasury Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution). If the adjusted book value of any Company asset is adjusted under Treasury Regulation Section 1.704-1(b)(2)(iv)(f), subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Treasury Regulations thereunder. The Manager(s) shall determine the proper method of making such allocations under Treasury Regulation Section 1.704-3.

(d) **Nonrecourse Deductions.** Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentage Interests.

(e) **Member Loan Nonrecourse Deductions.** Any Member Loan Nonrecourse Deductions for any taxable year or other period shall be specially allocated to the Interest Holder that bears the risk of loss with

respect to the loan to which the Member Loan Nonrecourse Deduction is attributable in accordance with Treasury Regulation Section 1.704-2(i).

(f) **Nonrecourse Liabilities.** Solely for purposes of determining an Interest Holder's proportion of "excess nonrecourse liabilities" of the Company within the meaning of Treasury Regulation Section 1.752-3(a)(3), the Interest Holder's interest in Company profits shall be based on their respective Percentage Interests.

6.9. Valuation of Company Assets and Interests.

(a) **General.** In the event that the fair market value of a Company asset or Interest must be determined, such value shall be determined by a Majority of the Members, each acting in good faith. Within ninety (90) days after such determination, the Company shall provide notice thereof to all Members (a "Valuation Notice").

(b) **Dispute.** In the event that, within thirty (30) days after having been given a Valuation Notice, any Member (an "Objecting Member") provides notice to the Company asserting that the value set forth in such Valuation Notice is materially inaccurate due to manifest error (a "Dispute Notice"), the Company and the Objecting Member shall undertake reasonable efforts to resolve their differences regarding such valuation through consultation and negotiation. In the event that the Company and the Objecting Member agree upon a revised value, such revised value shall be set forth in a new Valuation Notice to all the Members. In the event that the Company and the Objecting Member do not reach agreement within sixty (60) days after the date of the Dispute Notice, the Objecting Member may, by notice to the Company within thirty (30) days after the end of such sixty (60)-day period, require that the matter be submitted to arbitration pursuant to Section 9.13; provided, however, that the arbitrator shall determine a value for the asset or Interest in question only if the arbitrator first determines that the value described in the Valuation Notice is materially inaccurate due to manifest error.

(c) **Binding Effect.** The value of any Company asset or Interest determined pursuant to this Section 6.9 shall be binding upon the Company and the Interest Holders and shall establish the "Fair Market Value" of such asset or Interest for all purposes under this Agreement. Unless and until such time as the value of an asset or Interest is determined pursuant to arbitration as described in Section 6.9(b), the value determined by the Company pursuant to Section 6.9(a) and 6.9(b) shall be deemed the Fair Market Value of such asset or Interest.

7. TRANSFERS & WITHDRAWALS

7.1. Transfers of Interests.

(a) A Member shall not Transfer all or any portion of his/her/its Interest except as provided herein. Each Member hereby acknowledges the reasonableness of this provision in view of the nature of the Company. A Member that wishes to Transfer all or any portion of its Interest shall first give written notice to the Company of such intent ("Offer Notice"). The Offer Notice shall be accompanied by a copy of any document of Transfer, and must include the name and address of the proposed transferee and specify the Interest to be Transferred, the price, and the terms of payment. Promptly on receipt of the Offer Notice, the Company shall forward a copy of the Offer Notice to all Managers of the Company, and within 20 days thereafter the Managers shall consider the proposed transfer. For 45 days following receipt of the Offer Notice, the Company shall have the option but not the obligation to purchase all or any part of the Interest at the price and on the terms stated in the Offer Notice or at a price determined in accordance with Section 6.8, whichever price is lower. If the Company does not choose to exercise its purchase option on the entire Interest proposed to be Transferred within the 45 day period, notice of the proposed Transfer in the same form as the notice given to the Company shall be given immediately to all of the Members whose Percentage Interest is at least 5% in accordance with Section 9.10. Each such Member shall have an option but not the obligation to purchase all or any part of the Interest not purchased by the Company at the price and on the terms stated in the Offer Notice or at a price determined in

accordance with Section 6.8, whichever price is lower. Within 20 days after the completion of the Company's 45 day option period, any such Member desiring to acquire any part or all of the Interest offered shall deliver to the Managers of the Company a written election to purchase the Interest or a specified portion of it. If the elections specify an Interest in the Company that exceeds the Interest proposed to be Transferred, each such Member shall have priority, up to the amount specified in its election, to purchase the available portion in the same proportion as its Percentage Interest in the Company. Any portion of the Interest proposed to be Transferred not purchased after all Members who so wish have exercised their option to purchase on this priority basis shall be allocated to those Members electing to purchase a greater portion than that to which they have a priority right, up to the amount specified in their respective elections, in the same proportion as their Percentage Interests. Members that have exercised the purchase option shall meet the terms and conditions of the purchase within ten days after the end of the 20 day option period. If the Interest proposed to be Transferred, or any portion thereof, remains unpurchased 75 days after the Company receives the Offer Notice, such Interest or portion thereof may be Transferred to the proposed transferee on the terms specified in the Offer Notice and in accordance with Section 7.1(b) below within 30 days after the expiration of the Members' option to purchase. No Transfer of the Interest or any portion thereof shall be made after the completion of this 30 day period nor shall any change in the terms of the Transfer be permitted without a new Offer Notice and compliance with the requirements of this Section 7.1(a).

(b) Any Transfer of all or any portion of a Member's Interest shall be subject to the following conditions: (i) the transferee delivers to the Company a written agreement to be bound by the terms of this Agreement; (ii) a Majority of the Members provide written consent to such Transfer, which consent may be withheld in their sole and absolute discretion; and (iii) the transferee delivers to the Company his/her/its taxpayer identification number or social security number and identification of his/her/its initial basis in the transferred Interest. Should the transferee wish to become a Member, a Majority of the Members shall determine in their sole and absolute discretion whether such transferee shall be admitted as a Member or Assignee.

(c) Notwithstanding any provision of this Agreement to the contrary, a Member or Withdrawn Member shall not, by virtue of having Transferred all or any portion of his/her/its Interest, be relieved of any obligations arising under this Agreement; *provided, however*, that a Member or Withdrawn Member shall be relieved of such obligations to the extent that: (i) such relief is approved by a Majority of the Members (which approval may be withheld by them in their sole and absolute discretion); and (ii) such obligations are assumed by another Interest Holder.

(d) Notwithstanding any provision of this Agreement to the contrary, there shall be no Transfer of an Interest unless such Transfer will not: (i) give rise to a requirement that the Company register under the Securities Act or state securities regulations; (ii) otherwise subject the Company; a Member; or any equityholder, director, officer, or employee of a Member to additional regulatory requirements under Federal, State, local, or foreign law, compliance with which would subject the Company or such other Person to material expense or burden (unless each such affected Person consents to such Transfer); (iii) constitute a transaction effected through an "established securities market" within the meaning of Treasury Regulation Section 1.7704-1(b) or otherwise cause the Company to be a "publicly traded partnership" within the meaning of Section 7704 of the Code or subject to the Investment Company Act of 1940, as amended; (iv) effect a termination of the Company under Section 708 of the Code; or (v) violate any law, regulation, or other governmental rule, or result in a violation thereof by the Company; a Member; an Assignee; or any equityholder, director, officer, or employee of an Interest Holder.

(e) Notwithstanding any other provision of this Agreement to the contrary, a Member who is a natural person may, without complying with the provisions of Section 7.1(a), transfer all or any portion of his or her Interest to any revocable trust created for the benefit of the Member, or any combination of the Member, the Member's spouse, and the Member's issue if the Member retains a beneficial interest in the trust. A transfer of a Member's entire beneficial interest in the trust will be deemed a Transfer subject to the provisions of Section

7.1(a). When a Member transfers his or her interest to a trust as described in this paragraph, the Member, and not the trust, shall be the Member for all purposes under this Agreement.

(f) Any Transfer in violation of this Section 7.1: (i) shall be null and void as against the Company and the other Interest Holders; and (ii) shall not be recognized or permitted by, or duly reflected in the official books and records of, the Company. The preceding sentence shall not be applied to prevent the Company from enforcing any rights it may have in respect of a transferee arising under this Agreement or otherwise (including any rights arising under Section 9.7).

(g) Solely for purposes of this Section 7.1, an Interest shall be deemed to include any Derivative Company Interest held, issued, or created by a Member, Assignee, or other Person.

7.2. **Withdrawal/Removal of a Member.**

(a) A Member who wishes to withdraw may, with consent of a Majority of the Members, elect to withdraw from the Company upon thirty (30) days' prior written notice to the Company (a "Permitted Withdrawal"). The following shall also constitute Permitted Withdrawal: a Member's death or Permanent Incapacity.

(b) The following events shall be deemed a "Non-Permitted Withdrawal:" **(i)** failure to comply with the foregoing requirements of Section 7.2(a), (ii) the withdrawal of a Member as provided in Section 3.3, and (iii) (except as otherwise determined by the Manager(s) in his/her/their sole and absolute discretion) a Member's Bankruptcy, Dissolution, or Termination.

(c) The Manager(s) may require the complete or partial withdrawal of a Member if he/she/they determine in his/her/their reasonable discretion that continued undiminished membership of the Member in the Company would (i) constitute or give rise to a violation of applicable law or (ii) otherwise subject the Company to material onerous legal, tax, or other regulatory requirements that cannot reasonably be avoided without material adverse consequences to the Company or any other Member. Such withdrawals shall be deemed Permitted Withdrawals, except when such withdrawals result from the Member's breach of this Agreement or violation of any applicable law, in which case the withdrawal shall be deemed a Non-Permitted Withdrawal.

7.3. **Procedures Following Member Withdrawal/Removal.**

(a) Following a withdrawal, the Withdrawn Member shall be treated as an Assignee until such time as such Withdrawn Member's Interest has been re-purchased pursuant to this Agreement.

(b) Provided that none of the consequences described in Section 7.1(d) shall result, the Company shall repurchase the Interest of a Withdrawn Member following a Permitted Withdrawal for an amount of cash equal to the Fair Market Value of such Member's Interest. Payments hereunder may, in the sole discretion of the Company, be made in installments over a period not to exceed sixty (60) months. All amounts payable under this Section 7.3(b) shall be subject to the Company's rights to, and reduced on a dollar-for-dollar basis by, any payments due from a Withdrawn Member pursuant to this Agreement.

(c) Provided that none of the consequences described in Section 7.1(d) shall result, the Company may elect to repurchase the Interest of a Withdrawn Member following a Non-Permitted Withdrawal for an amount agreed upon between the Company and the Withdrawn Member. Payments hereunder may, in the sole discretion of the Company, be made in installments over a period not to exceed sixty (60) months. All amounts payable under this Section 7.3(c) shall be subject to the Company's rights to, and reduced on a dollar-for-dollar basis by, any payments due from a Withdrawn Member pursuant to this Agreement. If the Company does not elect to purchase the Withdrawn Member's Interest, the Withdrawn Member shall be treated as an Assignee.

7.4. **Status of Assignees.**

(a) All rights and privileges associated with an Assignee Interest in the Company shall be derived solely from the Member Interest of which such rights and privileges were previously a component part. No Assignee shall hold, by virtue of such Assignee's Interest in the Company, any rights and privileges that were not specifically transferred to such Assignee by the prior holder of such Interest. No rights or privileges arising under this Agreement or the Act shall apply with respect to a notional or constructive interest in the Company, without regard to whether such interest constitutes a Derivative Company Interest.

(b) An Assignee that holds an Interest in the Company shall be entitled to receive the allocations attributable to such Interest pursuant to Section 4, and to receive the distributions attributable to such Interest pursuant to Sections 5 and 8.

(c) To the extent otherwise applicable to the Interest in the Company that has been transferred to an Assignee, the Assignee shall be subject to, and bound by, all of the terms and provisions of this Agreement that inure to the benefit of the Company or any Member. Without limitation on the preceding sentence, an Assignee that holds an Interest in the Company shall be responsible for any unpaid Capital Contribution and obligation to return distributions or make other payments to the Company associated with such Interest.

(d) An Assignee shall not, solely by virtue of his/her/its status as such, hold any non-economic rights in respect of the Company. Without limitation on the preceding sentence, an Assignee's Interest in the Company shall not entitle such Assignee to participate in the management, control, or operation of the Company or its business, act for the Company, bind the Company under agreements or arrangements with third parties, or vote on Company matters. An Assignee shall not have any right to receive or review Company books, records, reports, or other information; provided, however, that an Assignee may, at his/her/its own expense, require that an independent public accounting firm reasonably acceptable to the Company review (not more than once per Fiscal Year) the Company's financial statements for purposes of determining that such Assignee has received from the Company all distributions to which it is entitled in respect of his/her/its economic interest in the Company. An Assignee shall not hold him/her/itself out as a Member in any forum or for any purpose; provided, however, that, to the extent necessary to maintain consistency with the Company's income tax returns, reports, and other filings, an Assignee shall take the position that he/she/it is a Member (or "partner") solely for income tax purposes.

(e) Set forth below the name of each Assignee on Schedule B shall be appropriate contact information for such Assignee (including such Assignee's mailing address, telephone number, and facsimile number as well as, in the case of a Assignee that is an entity, the name and title of an individual to whom correspondence should be directed). Each Assignee shall promptly provide the Company with the information required to be set forth for such Assignee on Schedule B and shall thereafter promptly notify the Company of any change to such information.

8. DISSOLUTION & LIQUIDATION

8.1. **Dissolving Events.** The Company shall be Dissolved upon the occurrence of any of the following events:

(a) Permanent cessation of the Company's Business;

(b) An election to dissolve the Company by a Majority of All Members; or

(c) Any other event which results in a mandatory Dissolution of the Company under the Act.

8.2. **Winding Up & Liquidation.**

(a) Upon Dissolution of the Company, the Liquidator shall promptly wind up the affairs of, liquidate, and Terminate the Company. In furtherance thereof, the Liquidator shall: (i) have all of the administrative and management rights and powers of the Manager(s) and Members (including the power to bind the Company); and (ii) be reimbursed for Company expenses it incurs. Following Dissolution, the Company shall sell or otherwise dispose of assets determined by the Liquidator to be unsuitable for distribution to the Members, but shall engage in no other business activities except as may be necessary, in the reasonable discretion of the Liquidator, to preserve the value of the Company's assets during the period of winding up and liquidation. In any event, the Liquidator shall use his/her/its reasonable best efforts to prevent the period of winding up and liquidation of the Company from extending beyond the date which is two years after the Company's date of Dissolution. At the conclusion of the winding up and liquidation of the Company, the Liquidator shall: (i) designate one or more Persons to hold the books and records of the Company (and to make such books and records available to the Members on a reasonable basis) for not less than six years following the Termination of the Company under the Act; and (ii) execute, file, and record, as necessary, a certificate of dissolution or similar document to effect the Termination of the Company under the Act and other applicable laws.

(b) Distributions to the Members in liquidation may be made in cash or in kind, or partly in cash and partly in kind, as determined by the Liquidator. Distributions in kind shall be valued at Fair Market Value as determined in accordance with the provisions of Section 6.9 and shall be subject to such conditions and restrictions as may be necessary or advisable in the reasonable discretion of the Liquidator to preserve the value of the property so distributed or to comply with applicable law, including but not limited to Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

(c) The Profits and Losses of the Company during the period of winding up and liquidation shall be allocated among the Members in accordance with the provisions of Section 4. If any property is to be distributed in kind, the Capital Accounts of the Members shall be adjusted with regard to such property in accordance with the provisions of Section 4.

(d) The assets of the Company (including proceeds from the sale or other disposition of any assets during the period of winding-up and liquidation) shall be applied as follows:

(i) *First*, to repay any indebtedness of the Company, whether to third parties or the Members, in the order of priority required by law;

(ii) *Second*, the balance, if any, to any reserves which the Liquidator reasonably deems necessary for contingent or unforeseen liabilities or obligations of the Company (which reserves when they become unnecessary shall be distributed in accordance with the provisions of clauses (iii) and (iv) below); and

(iii) *Third*, the balance, if any, up to a maximum of each such Member's current Capital Account balance, to the Preferred Members in proportion to their Capital Accounts (after taking into account all adjustments to the Interest Holders' Capital Accounts required under Section 8.2(c)).

(iv) *Fourth*, the balance, if any, to the Common Members in proportion to their Capital Accounts (after taking into account all adjustments to the Interest Holders' Capital Accounts required under Section 8.2(c)).

(e) Except as otherwise specifically provided in this Agreement, a Member shall have no liability to the Company or to any other Member in respect of a negative balance in such Member's Capital Account during the term of the Company or at the conclusion of the Company's Termination.

9. GENERAL PROVISIONS

9.1. **Meetings.** Meetings of the Members shall be held at a reasonable time and place on not less than ten (10) nor more than sixty (60) days notice. A waiver in writing signed by the person entitled to the notice, whether made before or after the time for notice to be given, is equivalent to the giving of notice. Reasonable accommodation shall be made for any Member that elects to attend a meeting via telephonic or similar means pursuant to which all Persons attending the meeting can hear one another. No action may be taken at a meeting of the Members without the consent of that number or percentage of the Members whose consent is otherwise required for such action under this Agreement. Except as specifically provided in this Agreement, there shall be no requirement of annual or periodic meetings of the Company's Members within the meaning of the Act.

9.2. **Action Without a Meeting of All Members.**

(a) Any action of the Members (or a subset thereof) may be taken by written consent of that number or percentage of the Members whose consent is otherwise required for such action under this Agreement. The fact that a Member has not received notice of an action taken by written consent, or taken at a meeting actually held, shall not invalidate such action so long as it was taken with the consent of that number or percentage of the Members whose consent is otherwise required for such action under this Agreement.

(b) A Member may authorize another Person to vote or otherwise act on his behalf through a written proxy or power of attorney.

9.3. **Entire Agreement.** This Agreement contains the entire understanding among the Members and supersedes any prior written or oral agreement between them respecting the Company. There are no representations, agreements, arrangements, or understandings, oral or written, among the Members relating to the Company which are not fully expressed in this Agreement.

9.4. **Amendments.**

(a) Except as otherwise provided in this Section 9.4, this Agreement may be amended, in whole or in part, only through a written amendment approved by a Majority of the Members, subject, however, to the approval provisions of Sections 6.1(g) and 6.1(h). Each Member shall be promptly notified of any amendment to this Agreement made pursuant to this Section 9.4; provided, however, that a duly adopted amendment shall be effective as of the date and time specified therein without regard to whether any other Members have been given notice thereof.

(b) An amendment to any provision of this Agreement that calls for a higher level of approval of the Members shall, in addition to the requirements set forth in Section 9.4(a), require the same form of approval as is set forth in such provision. Any amendment to this Section 9.4 shall require the unanimous consent of the Members.

(c) Except with regard to amendments otherwise specifically required under this Agreement, there shall be no amendment to this Agreement which would have a material adverse effect upon a Member unless the amendment: (i) is consented to by such Member or (ii) by its terms applies to all Members.

(d) If an Assignee holds an economic interest in the Company in respect of which there are (but for the operation of this Section 9.4(d)) no corresponding amendment consent rights held by any Person (e.g., in the case of an economic interest acquired by the Assignee pursuant to a transaction or event in which amendment consent rights are extinguished, such as upon the death, Dissolution or Termination of a Member), then, solely with regard to an amendment to this Agreement that would materially reduce or diminish such economic interest, the Assignee shall have the same consent rights in respect of such amendment as would have been held

by the assignor Member of such economic interest if the assignor Member had continued as a Member and continued to hold such economic interest (but no other Interest in the Company). Except as set forth in this Section 9.4(d), an Assignee shall not, solely by virtue of his/her/its status as such, have any right to consent or withhold consent in respect of an amendment to this Agreement.

9.5. **Governing Law.** The interpretation and enforceability of this Agreement and the rights and liabilities of the Interest Holders shall be governed by the laws of the State of California, as such laws are applied in connection with limited liability company operating agreements entered into and wholly performed upon in California by residents of California, and by applicable United States federal law. To the extent permitted by the Act and other applicable law, the provisions of this Agreement shall supersede any contrary provisions of the Act or other applicable law.

9.6. **Severability.** In the event that any provision of this Agreement is determined to be invalid or unenforceable, such provision shall be deemed severed from the remainder of this Agreement and replaced with a valid and enforceable provision as similar in intent as reasonably possible to the provision so severed, and shall not cause the invalidity or unenforceability of the remainder of this Agreement.

9.7. **Counterparts; Binding upon Members and Assignees.** This Agreement may be executed in any number of counterparts and, when so executed, all of such counterparts shall constitute a single instrument binding upon all parties notwithstanding the fact that all parties are not signatories to the original or to the same counterpart. In addition, to the maximum extent permitted by applicable law and without limitation on any other rights of the Members or the Company, a non-Member shall become bound as an Assignee under this Agreement if such Person holds an Interest in the Company and seeks to exercise, assert, confirm or enforce any of his/her/its rights as an Assignee under this Agreement or the Act.

9.8. **Survival of Certain Obligations.** Except as specifically provided in this Agreement, or to the extent specifically approved by a Majority of the Members (which approval may be withheld in their sole and absolute discretion), an Interest Holder shall continue to be subject to all of his/her/its obligations to make Capital Contributions or other payments arising under this Agreement (including obligations attributable to a breach of this Agreement), as well as his/her/its obligations to maintain the confidentiality of information pursuant to Section 6.3 and to provide information pursuant to Section 6.4, without regard to any Transfer of all or any portion of such Interest Holder's Interest or any event that terminates such Interest Holder's status as such. Each Member's obligation to make Capital Contributions shall terminate at the time of the final termination of the Company under the Act, but such termination shall not release a Defaulting Member from obligations arising under Section 3.3. In addition, Sections 6.5, 6.6, 9.5, 9.6, 9.8, 9.9, 9.10, 9.11, 9.13, 9.14, and 9.15 shall survive termination of this Agreement.

9.9. **No Third Party Beneficiaries.** Except as otherwise specifically provided in this Agreement, the provisions of this Agreement are not intended to be for the benefit of or enforceable by any third party and shall not give rise to a right on the part of any third party to (i) enforce or demand enforcement of a Member's obligation to make a Capital Contribution, obligation to return distributions, or obligation to make other payments to the Company as set forth in this Agreement or (ii) demand that the Company issue any capital call.

9.10. **Notices, Consents, Elections, Etc.** Subject to the provisions of Section 9.7, all notices, consents, agreements, elections, amendments, and approvals provided for or permitted by this Agreement or otherwise relating to the Company shall be in writing and signed copies thereof shall be retained with the books and records of the Company.

(a) **Notice to Members.** Except as otherwise specifically provided in this Agreement, notice to a Member shall be deemed duly given upon the earliest to occur of the following: (i) personal delivery to such Member, to the address set forth on Schedule A for such Member, or to any other address which such Member has provided to the Company for purposes of this Section 9.10(a); (ii) the Close of Business on the third day

after being deposited in the United States mail, registered or certified, postage prepaid and addressed to such Member at the address set forth on Schedule A for such Member, or at any other address which such Member has provided to the Company for purposes of this Section 9.10(a); (iii) the Close of Business on the first business day after being deposited in the United States with a nationally recognized overnight delivery service, with delivery charges prepaid and addressed to such Member at the address set forth on Schedule A for such Member, or to any other address which such Member has provided to the Company for purposes of this Section 9.10(a); or (iv) actual receipt by such Member via any other means (including public or private mail, electronic mail, facsimile, telex or telegram with confirmation of receipt); provided, however, that notice sent via electronic mail, facsimile, telex, or telegram shall be deemed duly given only when actually received and opened by the Member to whom it is addressed.

(b) **Notice to the Company.** Notice to the Company shall be deemed duly given when clearly identified as such and duly given to the Members in accordance with the procedures set forth in **Section 9.10(a)**.

9.11. **Representations and Covenants.**

(a) Each Interest Holder hereby represents that, with respect to his/her/its Interest: **(i)** he/she/it is acquiring or has acquired such Interest for purposes of investment only, for his/her/its own account (or a trust account if such Interest Holder is a trustee), and not with a view to resell or distribute the same or any part thereof; and **(ii)** no other Person has any interest in such Interest or in the rights of such Interest Holder under this Agreement other than a spouse having a community property or similar interest under applicable law. Each Interest Holder also represents that he/she/it has the business and financial knowledge and experience necessary to acquire his/her/its Interest on the terms contemplated herein and that he/she/it has the ability to bear the risks of such investment (including the risk of sustaining a complete loss of all his/her/its capital contributions) without the need for the investor protections provided by the registration requirements of the Securities Act.

(b) Except to the extent set forth in a notice provided to the Company, each Interest Holder hereby represents that allocations, distributions, and other payments to such Interest Holder by the Company are not subject to tax withholding under the Code. Each Interest Holder hereby agrees to promptly notify the Company in the event that any allocation, distribution, or other payment previously exempt from such withholding becomes or is anticipated to become subject thereto.

9.12. **No Usury.** Notwithstanding any provision of this Agreement to the contrary, the rate of interest charged by the Company to any Interest Holder in connection with any obligation of the Interest Holder to the Company shall not exceed the maximum rate permitted by applicable law. To the extent that any interest otherwise paid or payable by an Interest Holder to the Company shall have been finally adjudicated to exceed the maximum amount permitted by applicable law, such interest shall be retroactively deemed to have been a required repayment of principal (and any such amount paid in excess of the outstanding principal amount shall be promptly returned to the payor).

9.13. **Dispute Resolution.**

(a) **Form and Venue.** Except as otherwise specifically provided in this Agreement, any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon an award arising in connection therewith may be entered in any court of competent jurisdiction. Any arbitration, mediation, court action, or other adjudicative proceeding arising out of or relating to this Agreement shall be held in Fresno County, California, or, if such proceeding cannot be lawfully held in such location, as near thereto as applicable law permits.

(b) **Fees and Costs.** The prevailing party or parties in any arbitration, mediation, court action, or other adjudicative proceeding arising out of or relating to this Agreement shall be reimbursed by the party or parties who do not prevail for their reasonable attorneys, accountants, and experts fees and related expenses

(including reasonable charges for in-house legal counsel and related personnel) and for the costs of such proceeding. In the event that two or more parties are deemed liable for a specific amount payable or reimbursable under this Section 9.13(b), such parties shall be jointly and severally liable therefor.

9.14. **Remedies for Breach of this Agreement.**

(a) **General.** Except as otherwise specifically provided in this Agreement, the remedies set forth in this Agreement are cumulative and shall not exclude any other remedies to which a Person may be lawfully entitled.

(b) **Specific Performance.** Without limiting the rights and remedies otherwise available to the Company or any Member, each Interest Holder hereby**:** (i) acknowledges that the remedy at law for damages resulting from his/her/its default under Sections 3, 6.3, 6.4, 6.5, 6.6, 9.11, or 9.13 is inadequate; and (ii) consents to the institution of an action for specific performance of his/her/its obligations in the event of such a default.

(c) **Liquidated Damages.** Each Interest Holder hereby acknowledges that certain provisions of this Agreement provide for specified penalties in the event of a breach of this Agreement by an Interest Holder. Each Interest Holder hereby agrees that such provisions of this Agreement are fair and reasonable and, in light of the difficulty of determining actual damages, represent a prior agreement among the Interest Holders as to appropriate liquidated damages.

9.15. **Miscellaneous.** No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; any actual waiver shall be contained in a writing signed by the party against whom enforcement of such waiver is sought. This Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provisions hereof or by reason of the status of the respective parties. Each Member hereby specifically consents to the selection of all other Members admitted to the Company pursuant to the terms of this Agreement. This Agreement supersedes and replaces any prior agreement with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.
MEMBER:

_____ Craig Scharton

SCHEDULE A

MEMBER INFORMATION

Name and Contact Information	Initial Capital Contribution	Class of Membership	Additional Capital Contribution	Percentage Interest	Percentage of Class
Craig Scharton	Start-up expenses and services	Common		100%	100%

SCHEDULE B

ASSIGNEE INFORMATION

Name and Contact Information	**Date of Assignment**	**Initial Capital Contribution**	**Additional Capital Contribution**	**Percentage Interest**
[Name] [Address] [Attn:] Telephone: Facsimile:		$_____	$_____	
[Name] [Address] [Attn:] Telephone: Facsimile:		$_____	$_____	

EXHIBIT D

Budget Narrative and Frequently Asked Questions

The Company's financial model is straightforward. We will raise money through a Direct Public Offering (defined below) to buy and renovate property on or near Fulton Street in downtown Fresno and will focus on properties with strong ground floor retail potential. While some properties may have upstairs uses for residential or office, our model is to promote revitalization by leasing to foot traffic-generating businesses involving entertainment, dining and retail.

To be conservative and, we hope, to protect the Company and its Members, we will not leverage our properties with loans for acquisitions. Instead, we will purchase and renovate with cash. This way, we hope to better weather ups and downs in the real estate and commercial leasing cycles, an approach we hope will also afford greater protection against risks and delays in the revitalization process.

Members are expected to have the opportunity to earn a return on investment through net income generated by lease activity and the appreciated value of the property portfolio, as well as through any future sales of their Interests. We will keep management costs as low as possible so that more return will flow to Members and be reinvested in the Company.

What is a Direct Public Offering?

A Direct Public Offering ("DPO") is a term for a public offering of securities by a business or nonprofit to both accredited and non-accredited investors in one or more states. Using a DPO (also known as investment crowdfunding), a business or nonprofit can market and advertise its offering publicly by any means it chooses: through advertising in newspapers and magazines; at public events and private meetings; and on the Internet and through social media channels. (From Cutting Edge Capital's Website)

What is Cutting Edge Capital?

The Company has been advised in this DPO by Cutting Edge Capital, a firm specializing in raising funds via DPOs. Through their sister law firm, Cutting Edge Counsel, they have done our legal work and our application to the State, and will be our experienced guides through this process.

How do we propose that Members will have a return?

We will report the increased or decreased value of the overall property due to appreciation/depreciation to Members in an annual report that will quantify the current value of the Company’s assets. Should a Member wish to sell their Interests to another Member or to another individual or entity with approval of the Common Members, the value would be established by the Common Members based on the value of the Company’s assets.

How do we reduce risk to Members?

There are two primary ways that we believe our approach reduces risk to our Members. First, we are investing in real property, not businesses, so even if something were to go wrong with this model, there are hard assets that can be liquidated and returned to Members after liabilities are met. Second, we are purchasing and renovating with cash: while we could stretch the real estate portfolio by taking out loans to buy and renovate more properties, that route does not appeal to us because we have all witnessed how markets can change, resulting in foreclosures. We know that we will have fewer properties with our strategy, but by doing so we hope to protect the Company and its Members from deteriorating market conditions.

Why do we believe now is the time to invest?

Investing in a downtown prior to its revitalization has the potential to capture increased property values, which are partially achieved through rising rents. Downtown Fresno is on course for a major renovation with the reintroduction of traffic to Fulton Street, its historic thoroughfare. Around the United States, downtowns that have reintroduced traffic to a pedestrian mall have seen dramatic increases in foot traffic, lease rates, building occupancy statistics, and property values. Additionally, current downtown Fresno housing has strong rental and occupancy rates. Property owners in downtown Fresno have recently united their efforts and assessed themselves through a Property and Business Improvement District. Moreover, the City of Fresno has set the stage for private and public investment through the Fulton Corridor Specific Plan and Downtown Zoning Code. Looking further into the future, the first high speed rail station is designated within our targeted area.

Who is going to determine which buildings get purchased?

The Manager, Craig Scharton, has the decision-making responsibility for the purchase, management and sale of the Company's properties. Craig has been engaged in urban revitalization for 29 years. He has been the revitalization director for two cities and the first California Main Street Alliance president, has assembled investors and managed two downtown landmark buildings, lives downtown, has worked for the City of Fresno as a Councilmember and Director of Downtown and Community Revitalization, and owns Peeve's Public House on the Fulton Mall.

How will profits and losses be allocated?

Distributions will be allocated as follows: 90% to Preferred Members based on their respective proportional investments and 10% to Common Members.

How are we going to report activity?

We will provide quarterly updates to Members, as well as a comprehensive annual report. Members will also be invited to grand openings and other Company activities.

How will decisions be made?

Decision-making responsibility resides with the Manager and Common Members.

Is the success of the Company dependent on the Fulton Street Project, High Speed Rail, the Downtown Specific Plan or any other project on the drawing board?

The speed at which revitalization occurs is tied to multiple factors. Revitalization can happen very quickly if many pieces of the puzzle come together at once. Or, revitalization can take longer if projects are stalled or fail to materialize. The speed at which revitalization occurs will affect the value of our projects.

Will the Manager be able to buy properties in the targeted area outside of the Company?

No, the Manager will not be able to buy real property in our targeted area outside of the Company. The Manager's interest in the revitalization of downtown Fresno will be focused specifically on the activities of this Company.

What happens to our investment if the Company doesn't raise the minimum?

Members will receive their investments back less any expenses associated with the impound account.

What happens when the Company raises enough to begin activity?

Members will be notified that the Company has become active. Negotiations for the purchase of property will begin immediately.

How will properties be selected by the Company?

(1) Location: In a downtown, every street and block is different. We will select property with the greatest ability to secure great tenants who will attract customers.

(2) Price/Cost: We will also purchase based on the price of the property and the cost of renovation, as well as how these factors relate to leasability, lease rates and a return for Members.

(3) Revitalization: We want to invest in property that can contribute to the revitalization of our downtown. The right tenants can attract more people, who in turn support more downtown businesses. This phenomenon means that our activities can raise the value of our surrounding area, not just our specific properties.

How much of the Company's assets will be allocated to property purchase vs. renovation?

This will vary by property. Some property will be more expensive to acquire but will need relatively little renovation. Others will be the reverse. Purchase price plus renovation cost should not exceed replacement value. Additionally, good renovations can increase rent rates and reduce tenant turnover, as well as cut down on maintenance problems.

How do we expect to get rents that are over today's market? What happens if this is not achieved?

Downtown Fresno has been in a depressed state. Because of extremely low foot traffic, current downtown businesses have low sales, which ultimately determine rent rates. As traffic circulation, visibility and investment occur, we expect to see foot traffic increase incrementally with each new business. We envision this ultimately leading to stronger rent rates.

How will Members capture the potential increased value of property?

The properties held by the Company will be appraised annually, and each Member's capital account may be adjusted accordingly. As each capital account increases, the value of the corresponding Interests will also increase. The will help establish a value if Interests are sold or purchased.

Who regulates this type of investment offering?

The State of California Department of Business Oversight is the regulatory agency for DPOs in California.

Is my personal liability limited to my investment or could there be a cash call?

Yes, your liability is limited to your investment in the Company. There will be no cash calls.

Can I invest more in the future?

There are two potential opportunities to invest more into the Company.

(1) Additional investment may be made if the Company has not reached the maximum offering amount or if it renews the DPO for another year. For example, if we have not raised the $4.5 million upper limit yet, you can still invest more, subject to applicable limitations. Or, if this Offering expires, we may renew the offering in subsequent years. For example, if we raise all of our $4.5 million this year, we might decide to renew the DPO to raise, say, another $5 million next year.

(2) If a Member would like to sell their Preferred Interests, and if the Company itself does not redeem them, then other Members may have certain rights to purchase them, subject to applicable limitations.

Can I invest as much as I'd like or are there limits?
The State of California imposes certain limits on individual investment into a DPO. Please read the Offering Memorandum to see how those limits apply to your circumstances.

EXHIBIT E

Consumer Guide to Small Business Investments

State laws have been relaxed to make it easier for small businesses to raise start-up and growth financing from the public. Many investors view this as an opportunity to "get in on the ground floor" of emerging businesses and to "hit it big" as these small businesses grow into large ones.

Statistically, most small businesses fail within a few years. Small business investments are among the most risky that investors can make. This guide suggests items to consider for determining whether you should make a small business investment.

Risks and Investment Strategy

A basic principle of investing in a small business is: NEVER MAKE A SMALL BUSINESS INVESTMENT THAT YOU CANNOT AFFORD TO LOSE ENTIRELY. Never use funds that might be needed for other purposes, such as college education, retirement, loan repayment or medical expenses. Instead, use funds that would otherwise be used for a consumer purchase, such as a vacation or a down payment on a boat or RV.

Above all, never let a commissioned securities salesperson or an officer or director of a company convince you that the investment is not risky. Any such assurance is almost always inaccurate. Small business investments are generally highly illiquid even though the securities may technically be freely transferable. Thus, you will usually be unable to sell your securities if the company takes a turn for the worse.

Also, just because the state has registered the offering does not mean the particular investment will be successful. The state does not evaluate or endorse the investment. (If anyone suggests otherwise to you, it is unlawful.)

If you plan to invest a large amounts of money in a small business, you should consider investing smaller amounts in several small businesses. A few highly successful investments can offset the unsuccessful ones. Even when using this strategy, DO NOT INVEST FUNDS YOU CANNOT AFFORD TO LOSE ENTIRELY.

Analyzing the Investment

Although there is no magic formula for making successful investment decisions, certain factors are often considered particularly important by professional venture investors. Some questions to consider are as follows:

1. How long has the company been in business? If it is a start up or has only a brief operating history, are you being asked to pay more than the shares are worth?

2. Consider whether management is dealing unfairly with investors by taking salaries or other benefits that are too large in view of the company`s stage of development or by retaining an inordinate amount of the equity of the company compared with the amount investors will receive. For example, is the public putting up 80% of the money but only receiving 10% of the company shares?

3. How much experience does management have in the industry and in a small business? How successful were the managers in previous businesses?

4. Do you know enough about the industry to be able to evaluate the company and make a wise investment?

5. Does the company have a realistic marketing plan and do they have the resources to market the product or service successfully?

There are many other question to be answered, but you should be able to answer these before you consider investing.

Making Money on Your Investment

The two classic methods for making money on an investment in a small business are resale in the public securities markets following a public offering and receiving cash or marketable securities in a merger or other acquisition of the company.

If the company is the type that is not likely to go public or be sold out within a reasonable time (i.e., a family owned or closely held corporation), it may not be a good investment for you irrespective of its prospects for success because of the lack of opportunity to cash in on the investment. Management of a successful private company may receive a good return indefinitely through salaries and bonuses but it is unlikely that there will be profits sufficient to pay dividends commensurate with the risk of the investment.

Other Suggestions

The Disclosure Document usually used in public venture offerings is the "Form U-7," which has a question and answer format. The questions are designed to bring out particular factors that may be crucial to the proper assessment of the offering. Read each question and answer carefully. If an answer does not adequately address the issues raised by the question, reflect on the importance of the issue in the context of the particular company.

Even the best venture offerings are highly risky. If you have a nagging sense of doubt, there is probably a good reason for it. Good investments are based on sound business criteria and not emotions. If you are not entirely comfortable, the best approach is usually not to invest. There will be many other opportunities. Do not let a securities salesperson pressure you into making a premature decision.

It is generally a good idea to see management of the company face-to-face to size them up. Focus on experience and track record rather than a smooth sales presentation. If at all possible, take a sophisticated business person with you to help in your analysis.

Beware of information that is different from that in the Disclosure Document or not contained in the Disclosure Document. If it is significant, it must be in the Disclosure Document or the offering will be illegal.

Conclusion

Greater numbers of public investors are "getting in on the ground floor" by investing in small businesses. When successful, these enterprises enhance the economy and provide jobs for its citizens. They can also provide new investment opportunities, but that must be balanced against the inherently risky nature of small business investments.In considering a small business investment, you should proceed with caution, and above all, never invest more than you can lose.

Adopted by NASAA, October 9, 1994