
OPERATING AGREEMENT
OF
BEACHAM'S CURVE LENDING LLC

DISCLOSURE: THE LIMITED LIABILITY COMPANY INTERESTS REFERENCED HEREIN ARE SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS OPERATING AGREEMENT. THE INTERESTS HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER (1) THE NORTH CAROLINA SECURITIES ACT, AS AMENDED (THE "NORTH CAROLINA ACT"), (2) ANY OTHER STATE SECURITIES LAWS, OR (3) THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "FEDERAL ACT"). NEITHER THE INTERESTS NOR ANY PART THEREOF MAY BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE OPERATING AGREEMENT AND PURSUANT TO AN (1) EFFECTIVE REGISTRATION STATEMENT UNDER THE NORTH CAROLINA ACT OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE NORTH CAROLINA ACT OR WHICH IS OTHERWISE IN COMPLIANCE WITH THE NORTH CAROLINA ACT, (2) EFFECTIVE REGISTRATION STATEMENT UNDER ANY OTHER APPLICABLE STATE SECURITIES LAWS OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER SUCH SECURITIES LAWS OR WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH SECURITIES LAWS, (3) EFFECTIVE REGISTRATION STATEMENT UNDER THE FEDERAL ACT OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE FEDERAL ACT OR WHICH IS OTHERWISE IN COMPLIANCE WITH THE FEDERAL ACT, AND (4) EFFECTIVE REGISTRATION STATEMENT OR REQUIRED DOCUMENT UNDER APPLICABLE SYNDICATION LAWS OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION OR FILING UNDER SUCH LAWS OR WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH LAWS. THE MEMBERSHIP INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF AN INVESTMENT IN THE LIMITED LIABILITY COMPANY. A MEMBERSHIP INTEREST ALSO MAY NOT BE TRANSFERRED OR ENCUMBERED UNLESS THE PROVISIONS OF THIS AGREEMENT ARE SATISFIED.

**OPERATING AGREEMENT OF
BEACHAM'S CURVE LENDING LLC**

THIS OPERATING AGREEMENT is made as of the 30th day of March, 2018 (as amended from time to time, this "Agreement"), by and among the Persons executing the Agreement as members (collectively, the "Members") of Beacham's Curve Lending LLC (the "Company"), in consideration of the mutual covenants expressed herein.

RECITALS

WHEREAS, the organizer formed a limited liability company under the North Carolina Limited Liability Company Act on the 8th day of March, 2018 for the purposes hereinafter set forth;

WHEREAS, the organizer assigned all rights in the Company to the Members;

WHEREAS, the Members desire to enter into this Agreement to form and provide for the governance of the Company and the conduct of its business, and to specify their relative rights and obligations.

NOW THEREFORE, for the Capital Contributions (hereinafter defined), the mutual promises, covenants, and agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members agree as follows:

AGREEMENT

1. Definitions.

1.1 *Definitions.* Unless the context otherwise requires, capitalized terms used in this Agreement and not otherwise defined herein shall have the following meanings:

"Act" shall mean the North Carolina Limited Liability Company Act, as amended from time to time.

"Affiliate" shall mean (a) any Person directly or indirectly owning, controlling or holding the power to vote 10% or more of the outstanding voting securities of an identified other Person; (b) any Person who has 10% or more of its voting securities that are directly or indirectly owned, controlled, or held with power to vote, by such other Person; (c) any Person directly or indirectly controlling, controlled by, or under common control with such other Person; (d) any officer, director, member, manager or partner of such other Person; (e) if such other Person is an officer, director, member, manager or partner, any entity for which such Person acts in any such capacity; and (f) any spouse, lineal ancestor or descendant of such other Person.

"Articles of Organization" shall mean the Articles of Organization of the Company, as amended from time to time.

“Class A Members” shall mean the owners of Class A Units.

“Class A Percentage Interests” shall mean a parties’ percentage ownership of the Class A Units.

“Class A Units” shall mean those membership interests in the Company that are listed as Class A Units on Exhibit B.

“Class B Members” shall mean the owners of Class B Units.

“Class B Percentage Interest” shall mean a parties’ percentage ownership of the Class B Units.

“Class B Units” shall mean those membership interests in the Company that are listed as Class B Units on Exhibit B.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of future laws.

“Defaulted Investment Loan” shall mean a loan or promissory note under which the borrower has defaulted.

“Initial Capital Contribution” shall mean the capital contribution set forth opposite the name of each Member in Exhibit A to this Agreement.

“Interest Received on Investment Loan” shall mean interest paid by a borrower to the Company on an Investment Loan.

“Invested Funds” shall mean the aggregate principal balance of all Investment Loans.

“Investment Loan” shall mean a loan of any type made by the Company to borrowers and any promissory note owned by the Company.

“Like-Kind Exchange” shall mean, in the sole discretion of the Manager, the sale or disposition of property and the acquisition of like-kind real estate or personal property structured as a tax-deferred, like-kind exchange transaction pursuant to Section 1031 of the Internal Revenue Code of 1986.

“Loan Transaction Fee” shall have the meaning set forth in Section 12.5 hereof.

“Majority in Interest” shall mean Members owning at least sixty-seven percent (67%) of the then outstanding Class A Percentage Interests.

“Manager” shall mean the Person appointed as manager of the Company pursuant to and in accordance with Section 3.1, for so long as such Person shall serve as Manager in accordance with Section 12.2 and any replacement manager appointed in

accordance with Section 12.1. Manager is hereby designated as a “manager” within the meaning of the Act.

“Member(s)” shall mean the Persons executing this Agreement as members and each Person who may become a substituted or additional Member pursuant to the provisions hereof and applicable law, each in its capacity as a member of the Company.

“Net Cash Flow” shall mean, for each year, the Company’s gross operating receipts during such year (not including capital contributions, loans from Members to the Company, proceeds from the sale or refinancing within a twelve-month period of all or substantially all of the assets of the Company, insurance proceeds, or similar capital events) and any cash reserves to be distributed to the Members, less the sum of (a) operating expenses paid in cash during such year to the extent such expenses have not been reserved against in a prior fiscal year; (b) the aggregate of all other cash amounts expended by the Company during such year including any amounts expended to repurchase or redeem Membership Units pursuant to Section 5.3(a) and 5.3(b) and distributions made pursuant to Section 7.1 (but excepting distributions made pursuant to Sections 7.2 and Subsections 7.3(c) through 7.2(f) hereof); and (c) any increases in reasonable amounts set aside, at the discretion of the Manager, for contingencies, taxes, insurance, the repayment of loans, and similar items. The Loan Transaction Fees shall constitute expenses for the purpose of calculating Net Cash Flow, subject to the provisions of Section 12.5. Net Cash Flow shall be determined by the Manager in the exercise of good faith.

“Net Interest Income” shall mean, for each calendar month, calendar quarter, or fiscal quarter, as the case may be, the sum of Interest Received on Investment Loan actually received by the Company and the Uninvested Funds Income received by the Company during such calendar month, calendar quarter, or fiscal quarter, as the case may be, less the sum of (a) operating expenses paid in cash during such calendar month to the extent such expenses have not been reserved against in a prior calendar month, calendar quarter, or fiscal quarter, as the case may be; and (b) any increases in reasonable amounts set aside, at the discretion of the Manager, for contingencies, taxes, insurance, the repayment of loans, and similar items during that calendar month, calendar quarter, or fiscal quarter, as the case may be. Net Interest Income shall be determined by the Manager in the exercise of good faith.

“Non-Investment Property” shall mean any asset of the Company, whether tangible or intangible, personal property or real property, that is not an Investment Loan.

“Percentage Interests” shall mean, initially, the percentages set forth on Exhibit A to this Agreement, as such percentages may be adjusted from time to time pursuant to Section 5.2 and to reflect the admission of new members pursuant to the terms hereof.

“Person” shall mean a natural person, corporation, limited liability company, trust, partnership, estate, unincorporated association or other entity.

“Uninvested Funds Income” shall mean the sum of the amount of all income earned on Uninvested Funds.

“Uninvested Funds” shall mean cash and cash equivalents held by the Company from time to time pending utilization thereof pursuant to the terms of this Agreement, including reserves for contingencies, taxes, insurance, the repayment of loans, and similar items.

“Unrecovered Capital Contribution” shall mean any Capital Contribution that is made by a Class A Member and is not repaid pursuant to Section 7.2(d).

2. Organization and Purpose.

2.1 *Organization.* The Company was formed by the filing of the Articles of Organization on March 8, 2018 with the Secretary of the State of North Carolina pursuant to the Act. Rhulon Todd Fowler is hereby designated as an “organizer” within the meaning of the Act, and has executed, delivered and filed the Articles of Organization with the North Carolina Secretary of State. Upon the filing of the Articles of Organization, his powers as an “organizer” ceased. The existence of the Company as a separate legal entity shall continue until dissolution of the Company as provided in the Act.

2.2 *Company Name.* The name of this limited liability company shall be Beacham’s Curve Lending LLC.

2.3 *Place of Business.* The mailing and business office address of the Company shall be 19 Arlington St., Suite 1, Asheville, NC 28801. The Company address may be changed from time to time by Manager in its sole discretion.

2.4 *Term.* The term of the Company shall commence on the date of this Agreement and shall continue in perpetuity or until dissolution of the Company pursuant to this Agreement or as otherwise provided in the Act.

2.5 *Company’s Purpose.* The nature of the business and of the purposes to be conducted and promoted by the Company, is to engage solely in the following activities:

(a) To make a secured loan to BJE Phase II, LLC, a North Carolina limited liability company or its successors or assigns backed by real estate collateral;

(b) To purchase, own, hold, sell, assign, transfer, manage, pledge and otherwise deal with Investment Loans and to take any lawful action connected with collecting amounts due thereon, including actions to foreclose or execute upon collateral or otherwise enforce and collect on deficiency judgments.

(c) To exercise all powers enumerated in the Limited Liability Company Act of North Carolina incidental, necessary or appropriate to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

3. Membership.

3.1 *Manager.* The initial Manager of the Company shall be ALFIE

Management LLC. The Company shall have no other Managers. No Member shall be a Manager solely by virtue of being a Member. The Manager may be removed only by a unanimous vote of all Class A Units.

3.2 *Members.* The name, Capital Contribution and Percentage Interest of each of the Members is set forth on Exhibit A to this Agreement, as such Exhibit may be amended from time to time.

3.3 *Admission of Additional Members.* Additional Members may be admitted to the Company only on the terms and conditions set forth in this Agreement.

3.4 *Special Provisions Regarding Class B Members.* Class B Units shall be issued only to the Manager. No person or entity may acquire a Class B Unit, whether by issuance, sale, gift, assignment, merger, acquisition or otherwise, unless such person or entity is named a Manager of the Company and executes this Agreement, agreeing to be bound thereby as a Manager.

4. Title to Company Property.

All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's interest in the Company shall be personal property for all purposes. The foregoing provisions shall govern over any contrary or inconsistent provision in this Agreement or any other document or instrument governing the affairs of the Company.

5. Capital Contributions

5.1 *Initial Capital Contributions.* The initial capital contribution of each Member is set forth in Exhibit A.

5.2 *Additional Capital Contributions.*

(a) The Members acknowledge that Manager may, from time to time, determine that an amount of additional cash capital is required by the Company for the development, improvement, maintenance and/or operation of the Property or other assets of the Company or for the payment of the Company's obligations, including funding future advances under an Investment Loan, (such amount hereinafter referred to as a "Capital Shortfall").

(b) In the event of a Capital Shortfall, Manager may arrange to obtain that capital by one or a combination of (i) borrowing from Members and/or third parties, (ii) additional capital contributions from the Members, or (iii) sale of additional Class A Units to non-Members (each, an "Additional Capital Contribution").

(c) If Manager determines that Additional Capital Contributions are required, Manager may seek additional contributions from existing Members and such contribution, when made, shall be credited to such Member's capital account and Manager

shall issue additional Class A Units to such Member. Additionally, or in the alternative, Manager may accept new subscriptions and issue additional Class A Units to new Members. The Manager's decision to seek additional capital contributions from existing Members or accept new subscriptions from new Members shall be in Manager's sole and absolute discretion, without any consideration being given to and notwithstanding the potential dilution of existing Members. Manager may seek and accept additional capital contributions from some existing Members, but not others, in Manager's sole and absolute discretion. Manager may pursue any Additional Capital Contributions or any combination of Additional Capital Contributions as Manager may find administratively or otherwise more efficient or expedient, in its sole and absolute discretion. If Manager determines that its acceptance of addition contributions from existing Members and/or its acceptance of new subscriptions from new Members did not raise all of the Additional Capital Contributions required to meet the Capital Shortfall, Manager shall give notice to ALFIE Investors LLC of the Additional Capital Contribution still needed to meet the Capital Shortfall (the "Forced Contribution Notice.") ALFIE Investors LLC shall within fifteen business (15) days transmit the Additional Capital Contribution called for in the Forced Contribution Notice by wire transfer of immediately available funds into the Company's bank account and such contribution, when made, shall be credited to ALFIE Investors LLC's capital account and Manager shall issue additional Class A Units to ALFIE Investors LLC.

5.3 *No Withdrawals.* No Member shall be entitled to resign as a Member or withdraw any part of such Member's capital contribution from the Company and no Member shall be entitled to receive any distributions from the Company except as expressly provided in this Agreement.

(a) A Member who wishes to withdraw may request the redemption of such Member's Units by providing such request in writing to the Manager. If the Manager determines, in the Manager's sole and absolute discretion, that the request will be granted in whole or in part, the Manager will (i) notify the Member, and (ii) such redemption will be effected upon such terms as the Manager deems reasonable. If more than one Member requests the redemption of such Member's Units as provided herein, the Manager may grant such requests in part rather than in whole or may grant one request, but not the other. There shall be no obligation for the Company to redeem Members requesting redemptions on a pro rata basis and Manager may choose which Member(s) to redeem based on a first-come-first-serve basis or upon any other criteria that the Manager, in its sole and absolute discretion, finds efficient or expedient or otherwise in the interests of the Company.

(b) Notwithstanding the foregoing, the Manager may redeem any Member's Units, at any time, in its sole and absolute discretion. The Manager shall provide notice to the Members of such redemption, not less than five (5) business days, and shall effect the redemptions upon such terms as the Manager deems reasonable, efficient, expedient, and/or in the interest of the Company in its sole and absolute discretion. In no event will a redemption under this subparagraph (b) be for an amount less than the sum of such affected Member's Unrecovered Capital Contribution.

5.4 *No Liability for Capital Contributions.* No Member shall be personally liable for the return of any portion of the capital contributions of the Members.

The return of the Members' capital contributions shall be made solely from the Company's assets. No Member shall have the right to demand or receive property other than cash for its interest in the Company.

5.5 *No Interest.* No Member shall receive any interest on its Capital Contributions.

6. Company Units.

6.1 *Description.* Membership in the Company shall be divided into Class A Units and Class B Units (collectively, the "Company Units"). The Members and the number of Company Units held by each such Member are set forth in Exhibit B. The voting powers and rights of the Company Units, and the qualifications, limitations or restrictions thereon, are as follows:

(a) *General.* Company Units shall not have a stated value and shall not have any rights to distributions unless Manager shall have declared such a distribution to be made pursuant to Section 7 out of funds lawfully available therefor.

(b) *Voting.* The holders of Company Units shall be entitled to one vote per Company Share.

6.2 *Compliance with Securities Laws and Other Laws and Obligations.* Each Member hereby represents and warrants to the Company and to each other Member and acknowledges that: (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed decision with respect thereto; (b) it is able to bear the economic and financial risk of investment in the Company for an indefinite period of time and understands that it has no right to withdraw and have its interest repurchased by the Company; (c) it is acquiring an interest in the Company for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof; and (d) it understands that the equity interests in the Company have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with.

6.3 *Company Units Uncertificated.* Until or unless the Manager determines in its discretion that the Company shall issue certificates for Company Units, the Company Units shall be "uncertificated" and treated as a general intangible for the purposes of the North Carolina Uniform Commercial Code.

7. Distributions.

7.1 *Distribution of Net Interest Income.* Manager, in its sole discretion, may cause the Company to distribute to the Members in accordance with this subparagraph, each calendar month, calendar quarter, or fiscal quarter, prior to dissolution of the Company, cash in the amount of the Net Interest Income for such calendar month, calendar quarter, or fiscal quarter, as the case may be, as follows:

(a) To all the Class A Members, pro rata in accordance with their Class A Percentage Interests, adjusted for the actual number of days in such calendar month, calendar quarter, or fiscal quarter, as the case may be, each Member owned Class A Percentage Interests, 86% of the Net Interest Income from such calendar month, calendar quarter, or fiscal quarter, as the case may be; and

(b) To the Class B Members, pro rata in accordance with their Class B Percentage Interests, adjusted for the actual number of days in such calendar month, calendar quarter, or fiscal quarter, as the case may be, each Member owned Class B Percentage Interests, 10% of the Net Interest Income from such calendar month, calendar quarter, or fiscal quarter, as the case may be; and

(c) To the Manager, 4% of the Net Interest Income from such calendar month, calendar quarter, or fiscal quarter, as the case may be.

7.2 Distribution of Net Cash Flow Upon Partial Prepayment of Investment Loan. If the Company receives a partial prepayment of an Investment Loan or other return of capital, Manager, in its sole discretion, may cause the Company to distribute to the Members in accordance with this subparagraph, from time to time prior to dissolution of the Company, cash or other assets or property, in such aggregate amounts as Manager shall deem appropriate, provided that any such distribution shall be made in the order of priority set forth below.

(a) First, if no distribution of Net Interest Income has been made for the calendar month, calendar quarter, or fiscal quarter, as the case may be, in which the distribution of Net Cash Flow is made, then in an amount equal to the Net Interest Income for such calendar month, calendar quarter, or fiscal quarter, as the case may be, to the Class A Members, Class B Members, and the Manager in the percentages in Section 7.1; then

(b) To the Class A Members pro rata until each of them has received its Unrecovered Capital Contribution; then

(c) Thereafter, the balance of Net Cash Flow shall be distributed fifty percent (50%) to the Class A Members, pro rata in accordance with their Class A Percentage Interests and fifty percent (50%) to the Class B Members, pro rata in accordance with their Class B Percentage Interests.

Nothing in this Section 7.2 shall be interpreted to limit the discretion of the Manager to redeem Membership Interests pursuant to Section 5.3, upon the receipt of a partial prepayment of an Investment Loan or other return of capital.

7.3 Distribution of Proceeds Upon Dissolution. Upon the dissolution of the Company, the proceeds shall be distributed in the following order of priority:

(a) To the expenses of such dissolution, and to the payment of the other debts and liabilities of the Company, except debts and liabilities owing to the Members, and to the establishment of any reserves which the Manager may deem

reasonably necessary for any contingent or unforeseen liabilities or other obligations of the Company (whether by payment or reasonable provision for the payment thereof); then

(b) To the repayment of any loans made by the Members to the Company; then

(c) To the Class A Members pro rata until each of them has received its Unrecovered Capital Contribution; then

(d) If no distribution of Net Interest Income has been made for the calendar month, calendar quarter, or fiscal quarter, as the case may be, in which the dissolution occurs, then in an amount equal to the Net Interest Income for the relevant calendar month, calendar quarter, or fiscal quarter, as the case may be, to the Class A Members, Class B Members, and the Manager in the percentages in Section 7.1; then

(e) Thereafter, the balance of the proceeds shall be distributed fifty percent (50%) to the Class A Members, pro rata in accordance with their Class A Percentage Interests and fifty percent (50%) to the Class B Members, pro rata in accordance with their Class B Percentage Interests.

8. Capital Accounts.

8.1 *Maintenance of Capital Accounts.* A capital account shall be maintained for each Member on the Company's books of account in accordance with Section 1.704- 1(b)(2)(iv) of the Treasury Regulations, and this Section 8 shall be interpreted and applied in a manner consistent with such Section of the Treasury Regulations. In the event that Manager determines it is prudent to modify the manner in which Capital Accounts are adjusted and/or maintained in order to comply with the requirements of such Regulation, Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any member upon dissolution of the Company.

8.2. *Basic Rules for Capital Account Entries.* The amount of each Member's capital account shall equal the aggregate amount of cash and the fair market value of any property contributed by that Member to the Company (less any liabilities assumed by the Company with respect to such contribution), and shall be increased by the aggregate amount of income allocated to that Member (or a predecessor) pursuant to Section 9.2 and 9.3, and decreased by (a) the aggregate amount of losses allocated to that Member (or a predecessor) pursuant to Section 9.4, and (b) the aggregate amount of cash and the fair market value of any property distributed to that Member (or a predecessor) (less any liabilities assumed by the Member with respect to such distribution).

9. Income, Gains and Losses.

9.1 *Computation of Net Income, Gains and Losses.* Net income, gains and losses as set forth on the books of account of the Company shall be computed in the same manner as net income, gains and losses are computed for federal income tax purposes, except that items of tax exempt income and non-deductible expense shall be taken

into account.

9.2 *Gross Income and Gain.* For any fiscal year of the Company, prior to any allocation of net income or net loss, pursuant to Sections 9.3 and 9.4, as the case may be, gross income and gain of the Company shall be allocated to the Members in an amount equal to the aggregate amount distributed to such Members during such fiscal year and all prior fiscal years pursuant to Subsections 7.1(a), and 7.2(c), reduced by all amounts of gross income and gain previously allocated to such Members in all prior fiscal years pursuant to this Subsection 9.2 (the “Allocation Shortfall”). In the event that the aggregate Allocation Shortfalls of all Members exceeds the Company’s gross income and gain for the fiscal year, there shall be allocated to each Member an amount of gross income and gain equal to the product of (i) the amount of the Company’s gross income and gain and (ii) a fraction, the numerator of which is the amount of such Member’s Allocation Shortfall and the denominator of which is the aggregate amount of Allocation Shortfalls for all Members. In the event that the Company’s gross income and gain for the fiscal year exceeds the aggregate Allocation Shortfall of all holders of Company Units, prior to any allocation of capital gain, there shall first be allocated items of ordinary gross income.

9.3 *Net Income.* Net income of the Company for any fiscal year, calculated after any allocation of gross income pursuant to Subsection 9.2, shall be allocated as follows:

(a) To all Members with a deficit in their capital accounts, pro rata to the amount of such deficits; then

(b) To the Members, in each case, in an amount equal to the excess of (i)(A) such Member’s capital contributions, reduced by (B) amounts distributed to such Member pursuant to Subsections 7.2(d) (the “Entitlement Amount”) over (ii) the capital account of such Member (“Entitlement Shortfall”). In the event that the aggregate Entitlement Shortfalls of all Members exceeds the amount of net income to be allocated under this Subsection 9.3(b), there shall be allocated to each Member an amount equal to the product of (i) the Company’s net income allocable under this Subsection 9.3(b) and (ii) a fraction, the numerator of which is the amount of such Member’s Entitlement shortfall and the denominator of which is the aggregate Entitlement Shortfalls of all Members; then

(c) To the Members in such amounts and proportions as will cause the excess of the capital account balance of each Member over that Member’s Entitlement Amount (“Excess Entitlement”) to be in proportion to the percentage of Company Units owned by that Member; then

(d) The balance, fifty percent (50%) to the Class A Members pro rata in accordance with their Class A Percentage Interests, and fifty percent (50%) to the Class B Members pro rata in accordance with their Class B Percentage Interests.

9.4 *Net Loss.*

Net loss of the Company for any fiscal year, calculated after allocation of

gross income and gain pursuant to Section 9.2, shall be allocated in the following order:

(a) To the Members in such amounts and proportions as will cause the Excess Entitlement amount of each Member to be in proportion to the percentage of Company Units owned by the Member; then

(b) To the Members in an amount equal to such Member's Excess Entitlement. In the event that the aggregate Excess Entitlements of all Members exceeds the amount of net loss of the Company, there shall be allocated to each Member an amount equal to the product of (i) the Company's net loss and (ii) a fraction, the numerator of which is the amount of the Member's Excess Entitlement and the denominator of which is the aggregate Excess Entitlements of all Members; then

(c) To all Members in an amount equal to the aggregate positive capital account balances of all of them. In the event that such aggregate capital account balances exceed the amount of net loss allocable under this Subsection 9.4(a), there shall be allocated to each Member an amount of net loss equal to the product of (i) the net loss and (ii) a fraction, the numerator of which is such Member's positive capital account balance and the denominator of which is the positive capital account balances of all of them; then

(d) The balance, fifty percent (50%) to the Class A Members pro rata in accordance with their Class A Percentage Interests, and fifty percent (50%) to the Class B Members pro rata in accordance with their Class B Percentage Interests.

9.5 *Special Allocations.*

The following special allocations shall be made in the following order:

(a) *Gain Chargeback.* Notwithstanding any other provision of this Section 9, if there is a net decrease in the Company's minimum gain (as calculated in accordance with the principles of Treasury Regulation Section 1.704-2(d)(1)) during any fiscal year, each Member, but only to the extent required by Treasury Regulation Section 1.704-2(f), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to the portion of such Member's share of the net decrease in Company minimum gain, determined in accordance with Treasury Regulation Section 1.704(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j) of the Treasury Regulations. This Subsection 9.5(a) is intended to comply with the minimum gain chargeback requirement in such Sections of the Treasury Regulations and shall be interpreted consistently therewith.

(b) *Member Nonrecourse Debt Minimum Gain Chargeback.* Notwithstanding any other provision of this Section 9 except Subsection 9.5(a), if there is a net decrease in Member nonrecourse debt minimum gain (calculated in accordance with the principles of Treasury Regulation Section 1.704(2)(i)(3)) during any Company fiscal year, each Member who has a share of that Member nonrecourse debt minimum gain,

determined in accordance with the principles of Treasury Regulation Section 1.704-2(i)(5), as of the beginning of such fiscal year, but only to the extent required by Treasury Regulation Section 1.704-2(i) and not subject to the exceptions set forth in Treasury Regulation Section 1.704-2(i)(4), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member nonrecourse debt minimum gain, determined in accordance with Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with, and only to the extent required by, Sections 1.704-2(i) and 1.704-2(j) of the Regulations. This Subsection 9.5(b) is intended to comply with the minimum gain chargeback requirements in such Sections of the Treasury Regulations and shall be interpreted consistently therewith.

(c) *Qualified Income Offset.* In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6), items of Member income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the capital account deficit of such Member adjusted in the manner set forth in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) ("Adjusted Capital Account Deficit") as quickly as possible, provided that an allocation pursuant to this Subsection 9.5(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 9 have been tentatively made as if this Subsection 9.5(c) were not in the Agreement. This Subsection 9.5(c) is intended to be a qualified income offset in compliance with Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

10. Property and Fiscal Reports.

10.1 *Fiscal Year.* The Company's fiscal year shall be the calendar year unless changed by Manager.

10.2 *Books of Account.* Complete and accurate books of account shall be kept by the Company at the principal office of the Company (or at such other office as Manager may designate). The determinations of Manager with respect to the treatment of any item or its allocation for federal, state or local income tax purposes shall be binding upon the Members so long as that determination is not inconsistent with any express provision of this Agreement or applicable law.

10.3 *Financial Reports.* As soon as possible after the close of each fiscal year Manager shall furnish to each Member financial statements (which need not be audited) for that fiscal year. The financial statements shall include a balance sheet of the Company as of the end of the year and a statement of income and a statement of changes in financial position of the Company for the year, setting forth in each case in comparative form the figures as of the end of and for the previous fiscal year.

10.4 *K-1 Reports.* Within 105 days after the end of each calendar year, Manager shall furnish to each Member a copy of Schedule K-1 to the Company's federal income tax return for that year.

10.5 *Management Reports.* The Manager will provide, via email, a semi-annual written narrative report to each Member, summarizing any material change in the status of any asset in the LLC during for the previous two quarters. The report shall include an update on any changes in the composition of the assets and may contain forward looking statements on events or matters that may have a material effect on the investments of the Company. Each Member will have, on a quarterly basis, an opportunity to request an email version of the financial records kept by the Company on all assets in the LLC.

11. Tax Matters.

11.1 *Allocations.* For federal, state and local income tax purposes, all items of income, deduction and loss shall be allocated among the Members on the same basis as profits are allocated and losses are charged as provided in Section 9 and all items of credit and other items not so allocated shall be allocated among the Members in the manner provided for in the Code and the applicable Treasury Regulations issued thereunder. Notwithstanding the foregoing, tax items relating to property subject to Section 704(c) of the Code and the applicable Treasury Regulations issued thereunder shall be allocated in accordance therewith.

11.2 *Consistency.* No Member shall treat a Company item on its federal, state or local income tax returns in a manner inconsistent with the treatment of the Company item on the Company's federal, state or local income tax return.

11.3 *Elections.* Upon a transfer of Company Units described in Code Section 743(b) or upon a distribution of Company assets, Manager, in its sole discretion, may file an election pursuant to Code Section 754 to adjust the basis of Company property.

11.4 *Tax Matters Partner.* ALFIE Management LLC shall be the tax matters partner as that term is defined in Section 6231 of the Code for the Company.

11.5 *Tax Classification.* It is the intention of the Members that the Company be treated, for all federal, state and local tax purposes, as a partnership and not as an association taxable as a corporation, and the Members, and Manager on behalf of the Company, shall take all actions consistent with the foregoing.

12. Operation of Business.

12.1 *Management of Business.* In accordance with Section 3.1 of this Agreement, the Members hereby designate ALFIE Management LLC as Manager. In the event of a withdrawal of Manager, a successor Manager shall be elected by a Majority in Interest.

12.2 *Day to Day Management.* The management of the business and affairs of the Company shall be vested exclusively in Manager, who, subject to the approval rights

of the Members set forth herein, shall have and may exercise on behalf of the Company all of its rights, powers, duties and responsibilities under Section 2 or as provided by law. Not in limitation of the foregoing, but subject to Section 12.3 hereof, Manager is hereby authorized on behalf of the Company in its individual capacity to:

(a) Negotiate, perform due diligence, determine contractual terms, including Loan Transaction Fees, and make loans to borrowers and invest in promissory notes on behalf of the Company, without the approval of the Members, including purchasing or otherwise obtaining assignments of Investment Loans to the Company from ALFIE Investments LLC on such terms as the Manager shall determine without the approval of the Members, notwithstanding that Manager is also the manager of ALFIE Investments LLC;

(b) Incur all expenditures and pay all obligations of the Company;

(c) Establish and maintain reasonable reserves for contingencies, taxes, insurance, the repayment of loans, and similar items;

(d) Execute any and all documents or instruments of any kind which Manager may deem necessary or appropriate for carrying out the purposes of the Company;

(e) Acquire real or personal property or interests therein (including any replacement property in the event Manager elects that the Company pursue a Like-Kind Exchange), and finance any such acquisitions;

(f) Purchase or lease equipment for the Company's purposes;

(g) Act on behalf of the Company in all respects in connection with any property from time to time owned by the Company, including but not limited to developing or improving any property and causing a sale, exchange, transfer, contribution, disposition, lease, financing or refinancing of all or any portion of the property of the Company (including, without limitation, a sale (or Like-Kind Exchange) of the Property);

(h) Cause the Company to borrow money from individuals, banks and other lending institutions for the Company's purpose, and pledge or mortgage any or all of the assets of the Company and the income therefrom to secure or provide for the repayment of such loans; and obtain replacements of any such loan in whole or in part, refinance, recast, modify, extend or consolidate any loan;

(i) Procure and maintain, at the expense of the Company, as applicable, with responsible companies, such insurance in such amounts and covering such risks as are appropriate in the judgment of Manager;

(j) Hold title to Company property in the name of a trustee or nominee chosen by Manager if Manager shall deem such appropriate;

(k) Receive and disburse any Net Cash Flow in accordance

with Section 7 of this Agreement;

- (j) Supervise the preparation and filing of all Company tax returns;
- (k) Make any tax elections on behalf of the Company (including, without limitation, the engagement by the Company in a Like-Kind Exchange);
- (l) Engage and terminate any attorneys, accountants, brokers, or leasing or sales agents, and determine the terms of such engagements;
- (m) Determine the Net Cash Flow amounts, in the exercise of reasonable discretion and determine the frequency of distributions in accordance with Section 7; and
- (n) Perform any and all other acts or activities customary or incident to the purpose of the Company.

12.3 *Limitation on Authority.*

(a) No Member or Manager shall have any authority to do any act prohibited by law and except as otherwise provided in this Agreement, no Member or Manager shall have any authority to:

(i) Enter into agreements between Company and themselves or any of their Affiliates for services, except (1) as expressly permitted and disclosed in this Agreement or (2) as may be reasonably necessary for the prudent operation of Company as determined by Manager, in which event the Company shall pay such persons amounts competitive with the customary fees being charged in the industry for similar services. Nothing herein shall prevent the Company from preferring and choosing an Affiliate of a Member or Manager to provide a reasonably necessary service to the Company so long as the fees charged by the Affiliate are competitive with the customary fees being charged in the relevant local market for similar services. This provision shall not apply to agreements with ALFIE Investments LLC, including, without limitation, purchases or other assignments of Investment Loans. Manager shall determine the terms of such agreements with ALFIE Investors LLC without the approval of the Members, notwithstanding that Manager is also the manager of ALFIE Investments LLC.

(ii) Permit the Company to be charged with any overhead or salaries of Manager or any of its Affiliates, except as directly related to the operations of the Company or as otherwise permitted under this Agreement.

(iii) In the case of Manager, retire as Manager, except with the prior written consent of a Majority in Interest.

(b) Notwithstanding any other provision of this Agreement or of any other document governing the formation, management or operation of the Company to the contrary, the following shall govern:

(i) Absent approval of a Majority in Interest, the Company shall only incur indebtedness (1) in an amount necessary to collect amounts due on Investment Loans, including actions to foreclose or execute upon collateral or otherwise enforce and collect on deficiency judgments enforce or collect; (2) in an amount necessary for legal or other professional representation in any contemplated, threatened, or actual lawsuit, legal action, audit, or similar occurrence; and (3) for trade payables in the ordinary course of its business.

(ii) Absent approval of a Majority in Interest, the Company shall not engage in, seek, or consent to any dissolution, winding up, liquidation, consolidation, or merger, except upon the repayment of all Investment Loans by the borrowers thereunder or the liquidation of all Investment Loans by whatever means, in which case no approval of a Majority in Interest shall be required for the Manager to engage in, seek, or consent to any dissolution, winding up, and liquidation of the Company.

(iii) Absent approval of a Majority in Interest, the Company shall not: (1) file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding; (2) institute any proceedings under any applicable insolvency law or otherwise seek any relief under any laws relating to the relief from debts or the protection of debtors generally, (3) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for itself or any other entity, (4) make an assignment of its assets for the benefit of its creditors or an assignment of the assets of another entity for the benefit of such entity's creditors, or (5) take any action in furtherance of the foregoing.

(iv) Absent approval of a Majority in Interest, the Manager shall not cause the Company to make any consumer loan.

(v) Absent approval of a Majority in Interest, the Manager shall not deposit Uninvested Funds in any bank or financial institution that is not a member of the FDIC or SIPC.

12.4 *Services of Manager; Other Activities.* Manager shall devote such time to the affairs of the Company as it may determine necessary to conduct them properly. Notwithstanding any other duty at law or in equity, Manager may engage or have an interest in other business ventures of any kind, independently or with others (which ventures may compete with the business of the Company) and neither the Company nor any other Member shall have any rights in or to those independent ventures. In addition, each of the Members and their direct or indirect owners or any other Affiliate of any Member may have other business interests and may engage in other activities in addition to those relating to the Company, whether or not such business interests or activities may be competitive with those of the Company. None of the Company, any Member or Manager shall have any right pursuant to this Agreement to share or participate in such other business interests or activities or to the income or proceeds derived therefrom.

12.5 *Company Expenses.* The Manager will be entitled to negotiate,

determine, and receive certain fees from the borrowers under loans made by the Company or promissory notes purchased by the Company. These fees may include an origination fee, a loan application fee, a closing coordination fee, a servicing fee, a default administrative fee and other fees as agreed between the Company and borrowers (collectively, "Loan Transaction Fees"). The Manager may, in its discretion, cause borrowers to pay Loan Transaction Fees to the Company or directly to the Manager. Any unpaid Loan Transaction Fees on a Defaulted Investment Loan shall only be paid as an expense of the Company from amounts recovered under the relevant Defaulted Investment Loan. The Manager may also negotiate rights of first refusal in the loan documents with borrowers to provide or arrange for construction financing or loan refinancing and the Manager shall be entitled to receive any fee obtained by the Company for assigning or otherwise arising out of such rights of first refusal. Manager and its Affiliates are specifically authorized to earn commissions and or collect other fees for services provided to the Company, so long as the Company does not pay more than it would if an independent third-party perform such services. These fees may include, without limitation, fees for: acquisitions, refinancing, disposition, collection, property management, insurance settlement, negotiation, leasing and resolving litigation. Any fees paid by the Company to the Manager or its Affiliates for such services provided to the Company will be at commercially reasonable rates customarily charged in the relevant area and shall be treated as expenses for the purposes of calculating Net Cash Flow. Notwithstanding anything in this Agreement to the contrary, if the Company acquires real estate by means of foreclosure, a deed in lieu of foreclosure, or otherwise ("REO") then the Manager shall be entitled to (i) a commission equal to twelve percent (12%) of the gross revenue collected by the Manager with respect to such property from rents; (ii) a commission equal to six percent (6%) of the gross revenue collected by the Manager with respect to such property from sales thereof; and (ii) a property management fee equal to twelve percent (12%) of expenses for repairs, replacements, maintenance, and any other construction related efforts reasonably necessary to render the REO suitable for sale or rent. The expenses of the Company, including accounting fees, shall be paid by the Company and the ordinary operating expenses of the Manager shall be paid by the Manager, except as otherwise specifically provided in this Agreement.

12.6 *Officers.* Manager may appoint such officers of the Company as it deems desirable, including, but not limited to, a president, one or more vice-presidents, a secretary, a treasurer, and one or more assistant secretaries and assistant treasurers. Except as Manager shall otherwise determine, each of the officers of the Company shall have the powers and duties that a person holding that office in a corporation customarily has.

12.7 *No Partition, Sale or Appraisal.* No Member shall have the right to require partition of any of the Company's property or to compel any sale or appraisal of the Company's assets.

12.8 *Reliance by Third Parties.* Any person dealing with the Company, Manager or any Member or any officer of the Company may rely upon a certificate signed by Manager as to: (a) the identity of Manager, any Member or officer of the Company; (b) any factual matters relevant to the affairs of the Company; (c) the persons who are authorized to execute and deliver any document on behalf of the Company; or (d) any action taken or omitted by the Company, Manager or any Member.

12.9 *Discretion.* Whenever, in this Agreement, Manager is permitted or required to make a decision in its “discretion” or “sole discretion” or under a grant of similar authority or latitude, Manager shall have no duty or obligation to consider any interest of or factors affecting some or all the Members so long as such Manager acts in good faith and in a manner which it reasonably believes is in or not opposed to the best interest of the Company. Each Member hereby agrees that any standard of care or duty imposed under the Act or any other applicable law shall be modified, waived, or limited in each case as required to permit Manager to act under this Agreement and to make any decision pursuant to the authority granted by this Agreement, so long as such action or decision does not constitute willful or wanton misconduct, gross negligence or a material breach of the terms of this Agreement and is reasonably believed by Manager to be consistent with the overall purposes and objectives of the Company.

12.10 *Like-Kind Exchange.* If, upon disposition of any real property owned by the Company, the Manager elects to avail the Company of the tax deferral benefits of a Like- Kind Exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, each Member who opposes such election shall execute any and all documents requested by Manager to effect such exchange, and otherwise assist and cooperate with Manager in effecting such exchange, provided that any additional, reasonable legal and accounting fees incurred by such opposing Member as a result of structuring such transaction as a “like-kind” exchange, as opposed to an outright sale, shall be borne by the Company.

12.11 *Separateness.* In order to preserve and ensure its separate and distinct identity, in addition to the other provisions set forth in this Agreement, the Company shall:

(a) establish and maintain an office through which its business shall be conducted and if it shares an office space with an affiliate or any other person, it shall allocate fairly and reasonably any overhead for shared office space and expenses and shall operate separate and apart from any affiliate or any other person;

(b) maintain separate records, books and accounts from those of any affiliate or any other person;

(c) not commingle funds or assets with those of any affiliate or any other person;

(d) conduct its business and hold its assets in its own name;

(e) maintain financial statements, accounting statements and prepare tax returns separate from any affiliate or any other person;

(f) pay any liabilities out of its own funds, including salaries of any employees, not funds of any affiliate, and maintain a sufficient number of employees in light of its contemplated business operations;

(g) maintain adequate capital in light of its contemplated business operations;

- (h) maintain an arm's length relationship with any affiliate;
- (i) not assume or guarantee or become obligated for the debts of any other entity, including any affiliate, or hold out its credit as being available to satisfy the obligations of others;
- (j) not have any of its obligations guaranteed by any member, general partner or affiliate;
- (k) not pledge its assets for the benefit of any other person or entity or make an advance or loan to any person or entity, including any affiliate;
- (l) not acquire obligations or securities of its partners, members or shareholders or any affiliate;
- (m) use stationery, invoices and checks separate from any affiliate or any other person; hold itself out as an entity separate and distinct from any affiliate and not as a division, department or part of any other person or entity;
- (n) not identify its members or any affiliates as a division or part of it;
- (o) correct any known misunderstanding regarding its separate identity;
- (p) maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other entity;
- (q) not share a common logo with any affiliate or any other person;
- (r) maintain its books, records, resolutions and agreements as official records;
- (s) hold regular meetings, as appropriate, to conduct its business and observe all Company level formalities and record keeping.

13. Meetings.

13.1 *Time and Place.* Meetings of Members shall be held not less frequently than once annually, at such time and place determined by Manager. Notwithstanding the foregoing, such meetings may be conducted by telephone conference communication.

13.2 *Quorum; Majority Vote.* A Majority in Interest entitled to vote shall constitute a quorum at the meeting of Members. Members may give proxies to Manager to vote the Class A Units or Class B Units, either with instructions specifying how to vote said units or with general authority to vote said units as Manager decides in its discretion, and such

Class A Units or Class B Units represented by such proxy shall be counted toward the quorum at the meeting of Members. If a quorum is present, the affirmative vote of the Majority in Interest of Members represented at the meeting and entitled to vote on the subject matter shall constitute the act of the Members. Except as provided below, only Class A Members shall be entitled to vote on any matters before the Members. In casting their votes, the Members shall, to the fullest extent permitted by law, take into account the interests of the Company's creditors, as well as those of the Members. Notwithstanding the foregoing, an affirmative vote or written amendment signed by Members owning two-thirds (2/3's) of both the Class A Percentage Interests and Class B Percentage Interest is required for the Company to amend the Articles of Organization or this Agreement.

14. Independent Counsel; Conflict Waiver.

14.1 Each of the Members acknowledges that the Law Office of John K. White, Jr. PLLC ("JKWPLLC") does not represent such Member in connection with the negotiation of this Agreement and all transactions contemplated herein. JKWPLLC provides legal services to the Company, Manager (and its affiliates) and certain investors in the Company (the "Representation Parties"). Each of the Members and Managers further acknowledges that JKWPLLC has not provided the Members, the Managers, or the Company with any tax law or securities law opinion and JKWPLLC's representation of the Representation Parties is limited to exclude tax law and securities law matters from the representation. The interests of the Representation Parties may be adverse to one another. Each Member hereby waives any conflict of interest of JKWPLLC or claim against JKWPLLC in connection with JKWPLLC's legal representation of the Company, Manager (and its affiliates) and any other Members. Each Member hereby waives any conflict of interest in connection with the negotiation of this Agreement whether apparent, actual or potential and agrees that it has or had the opportunity to consult with its own independent counsel (with the recommendation by Manager that it do so) and waives, releases and surrenders any and all claims or defenses pertaining to the enforcement of this Agreement that a conflict of interest exists or that it was not represented by counsel in connection with the execution of this Agreement or it entered the Agreement without understanding its legal terms or binding effect.

15. Assignment of Interest.

15.1 *General Rules.* A Member may not sell, transfer, assign, pledge, hypothecate or otherwise dispose (the foregoing collectively referred to as a "Transfer") of all or any portion of its interest in the Company without the consent of Manager. Upon the grant of such consent a transferee may become a substitute Member upon its execution of a counterpart to this Agreement. Such admission shall be deemed immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. A Transfer of an interest in the Company shall also include a sale, transfer, assignment, pledge, hypothecation or other disposition of all or any portion of a beneficial or record interest in an inter vivos or testamentary trust, stock in a corporation, partnership interest in a partnership, membership interest in a limited liability company, or an interest in any entity that owns, directly or indirectly, an interest in the Company, or owns all or any portion of an entity that owns all or any part of an interest in the Company.

15.2 *Proposed Transfers.* Any Member seeking to Transfer all or any portion of its interest in the Company (a “Proposed Transferor”) shall notify Manager in writing of the contemplated Transfer (a “Notice of Intent to Transfer”). The Notice of Intent to Transfer will include the following information: (i) the name of the Proposed Transferor; (ii) the name and address of the proposed transferee who will acquire an interest in the Company (a “Proposed Transferee”); (iii) whether the proposed transferee is a related Person or Affiliate of the Proposed Transferor; (iv) whether the proposed transferee is an Accredited Investor; and (v) the amount of the Proposed Transferor’s interest in the Company that will be transferred.

15.3 *Transfer to Related Person or Affiliate.* If the Proposed Transferee is a related Person or Affiliate of the Proposed Transferor, Manager may in its discretion consent to the Transfer after due consideration of the interests of the Company and applicable securities laws. If Manager consents to the Transfer, the Transfer may occur on those terms reached in the agreement between the Proposed Transferee and Proposed Transferor.

15.4 *Transfer to Existing Member.* If the Proposed Transferee is an existing Member of the Company, Manager may in its discretion consent to the Transfer after due consideration of the interests of the Company and applicable securities laws. If Manager consents to the Transfer, the Transfer may occur on those terms reached in the agreement between the Proposed Transferee and Proposed Transferor.

15.5 *Intentionally Deleted.*

15.6 *Transfers to Third Parties and Transfer Procedures.* Nothing herein shall require the Manager to consent to the Transfer to the Proposed Transferee. However, for all other proposed Transfers, the Manager may:

(a) in its sole and absolute discretion consent to the Transfer after due consideration of the interests of the Company and applicable securities laws and the Transfer may occur on those terms reached in the agreement between the Proposed Transferee and Proposed Transferor; or

(b) in its sole or absolute discretion impose additional or different terms or conditions on the Transfer after due consideration of the interest of the Company and applicable securities laws;

(c) in its sole or absolute discretion after due consideration of the interest of the Company and applicable securities laws, and without the approval of the Members, cause the Company to repurchase or redeem some or all of the Membership Interest proposed to be transferred at the same price as that specified in the Notice of Intent to Transfer.

15.7 *Non-Conforming Transfers.* Any Transfer or purported Transfer that does not conform to the requirements of this Section 15 shall be void and ineffective, and shall not be recognized by the Company for any propose, subject to Section 15.9. Notwithstanding the foregoing, a Transfer within the meaning of this Section 15 shall, to the fullest extent permitted by law, be deemed not to occur upon (a) a Transfer by devise or descent or by

operation of law upon the death of partner, stockholder or member of any entity owning, directly or indirectly, an interest in the Company, (b) any transfer between partners, stockholders or members of an entity which owns, directly or indirectly, an interest in the Company, (c) any transfer by an indirect beneficial owner of interest in the Company to (i) his spouse, partners or siblings, (ii) his children or grandchildren, or (iii) to a trust for the primary benefit of any of the foregoing, or (d) any Transfer by a trust to its beneficiaries (each an "Exempted Transfer"). Notwithstanding anything to the contrary in this Section 15, no Member or interest holder may Transfer any Share to an unaccredited investor, and the Company shall have no obligation to recognize any purported transfer to an unaccredited investor, except with the written consent of the Manager, which consent may be withheld by the Manager in the Manager's sole discretion. The term "unaccredited investor" as used in this Section 15.7 shall mean any person or entity who is not an "accredited investor" as that term is defined in the regulations of the Securities and Exchange Commission (17 C.F.R. 230.501(a)).

15.8 *Transfers Resulting in Default Under the Terms of a Mortgage Agreement.* Not in limitation of the foregoing, any Transfer of an interest in the Company, or in any entity holding a direct or indirect interest in the Company, which would result in a default pursuant to any mortgage agreement with respect to any Company asset, is hereby declared, to the fullest extent permitted by law, null and void ab initio.

15.9 *Transferee Not a Member.* Without limiting the generality of Section 15.1 hereof, and notwithstanding any other provision of this Agreement, no Person acquiring a Membership Interest, other than a Person who is a Member prior to the applicable Transfer, shall become substituted or admitted as a Member (a) unless such Person (i) executes a counterpart signature page to this Agreement agreeing to be bound by the terms thereof and (ii) pays all costs reasonably incurred by the Company incidental to the Transfer including, without limitation, attorneys' fees, and (b) if such substitution or admission would constitute a violation of the Securities Act or of any other applicable state or federal securities laws. In addition, in the event of an Exempted Transfer, the transferee shall not become a Member hereunder without Manager's consent. If Manager does not (or is not requested to) grant its consent to the admission of any such transferee as a Member, then such transferee shall be entitled to receive any distributions to which it would be entitled if it were a Member and shall be treated as a Member for tax purposes, but shall not have any other rights or privileges of a Member.

15.10 *Effective Date.* Any authorized Transfer of a Membership Interest or admission or substitution of a Member pursuant to this Section 15 shall be deemed effective as of the last day of the calendar quarter in which such Transfer or admission occurs or as otherwise determined by the Manager.

15.11 *Survival of Obligations.* No Transfer by any Member of all or any portion of its Membership Interest shall relieve such Member from any of the liabilities or obligations, including any indemnification obligations under Section 17, of such Member to the Company existing or arising out of actions that occurred on or prior to the date of such Transfer.

16. Dissolution; Liquidation.

16.1 *Dissolution.* The following provisions shall govern over this Agreement or any other document or instrument governing the affairs of the Company:

(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act, (ii) the entry of a decree of judicial dissolution under N.C.G.S. § 57D-6-05, or (iii) an administrative dissolution of the Company under N.C.G.S. § 57D-6-06, which is not cured by subsequent reinstatement. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution. Bankruptcy means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all of any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in the Act.

16.2 *Liquidation and Distribution of Assets.* Upon dissolution of the Company, Manager shall proceed to sell or liquidate the Company's assets within a reasonable time and, shall distribute the Company's cash and other assets in accordance with the provisions of Section 7.2 of this Agreement.

16.3 *Termination.* If all property owned by the Company has been disposed of and the assets, after payment of or provisions for liabilities to the Company's creditors, have been distributed among the Members as provided in Section 7.2 and 16.2, the Company shall terminate and articles of dissolution shall be filed pursuant to the Act.

17. Exculpation, Indemnification, Limitation of Liability of Members.

17.1 *Liability of Members and Manager.* No Member or Manager shall have any liability for the obligations or liabilities of the Company except to the extent provided in the Act and other applicable law. A Member and/or Manager shall not be personally liable for any indebtedness, liability or obligation of the Company, except as otherwise set forth under the Act and any other applicable law. Without limiting the generality of the preceding sentence, a Member or Manager does not in any way guaranty the return of any Capital Contribution to any other Member or a profit for the Members from the operations of the Company. No Member shall be obligated to restore by way of Capital Contribution or otherwise any deficit in its Capital Account or the Capital Account of any Member (if such deficits occur). Except as may otherwise be specifically provided in this Agreement, each Member's and Manager's personal liability shall be limited to the fullest extent under the Act and other applicable law.

17.2 *No Binding Authority of Members.* No Member is an agent of the Company solely by virtue of being a Member, and no Member has authority to act for the Company solely by virtue of being a Member. Any Member that takes any action or binds the Company in violation of this Agreement shall be solely responsible for, and indemnify the Company and each other Member against, any losses that the Company, or such other Member, as the case may be, may at any time become subject to or liable for by reason of the actions specified above.

17.3 *Indemnification by the Company.* Subject to the standards and restrictions, if any, set forth in this Agreement, the Company shall, to the fullest extent permitted by law, indemnify and hold harmless each Member of the Company, or any executor or administrator of the estate of such Member, that is made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, by reason of the fact that such Person is or was a Member of the Company, against amounts paid in settlement and reasonable expenses, including attorneys' fees, actually or necessarily incurred by it in connection with the defense or settlement of such action, or in connection with an appeal therein; *provided, however*, that no indemnification shall be made to or on behalf of any Member (a) if a judgment or other final adjudication adverse to such Person establishes (i) that its acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or (ii) that it personally gained in fact a financial profit or other advantage to which such person was not legally entitled or (b) in connection with any dispute between or among the Members.

17.4 *Indemnification by Members.* Subject to the terms of this Agreement and the Act, each Member hereby indemnifies each and every other Member from and against all losses resulting from the breach by any such first Member of any of terms or

conditions of this Agreement. Without limiting the generality of the foregoing, any Member who or which engages in a Transfer of any Membership Interest or any interest therein or associated rights relating thereto, or who or which permits any Person owning an Equity Interest in such Member to engage in a Transfer of such equity interest or part thereof, agrees to indemnify and hold harmless the Company and the other Members from any federal, state or local income taxes, or transfer taxes arising from any such Transfer.

17.5 *Indemnification of Manager.* The Company shall indemnify, defend, and hold harmless Manager and its respective employees, agents, shareholders, directors, officers, representatives, and attorneys and any officers or agents of the Company (each, an “Indemnified Person”), on demand of and to the reasonable satisfaction of the Indemnified Person, from and against any and all liabilities, obligations, losses, damages, penalties, actions, suits, proceedings, judgments, costs, expenses, and disbursements of any kind or nature whatsoever including, without limitation, all costs and expenses of investigation, defense, appeal and settlement (“Indemnity Damages”), which may be incurred by or asserted against the Indemnified Person in any way relating to or arising out of, or alleged to relate or arise out of any action or inaction on the part of the Indemnified Person, other than the portion of the Indemnity Damages resulting from the Indemnified Person’s actions taken in bad faith, with willful or wanton misconduct, or out of gross negligence.

18. Other Action.

Each Member shall execute and deliver such additional documents and instruments, and shall perform such additional acts, as may be necessary or appropriate to carry out the terms of this Agreement.

19. Admission of Additional Members.

19.1 *Consent required.* No Person may be admitted to the Company as a Member without the prior written consent of Manager.

19.2 *Manager to set Criteria.* Manager shall determine the financial and other criteria for entry of new Members into the Company and shall have the authority to accept all new subscriptions on behalf of the Company and to issue Units upon such terms as the Manager shall deem reasonable. The authority to issue new Units of any class in any amount shall be vested in the manager.

20. Miscellaneous.

20.1 *Entire Agreement; Amendment.* This Agreement contains a complete statement of the arrangements among the Members with respect to the Company, and supersedes all prior agreements and understandings among them with respect to the Company. This Agreement and the Articles of Organization may be modified or amended by a written amendment adopted by the Members pursuant to Section 13.2 of this Agreement or without a meeting of the Members, by a written amendment signed by Members owning two-thirds (2/3’s) of both the Class A Percentage Interests and Class B Percentage Interest.

20.2 *Notices.* Any notice or other communications under this Agreement

shall be in writing and shall be considered given when delivered in person or mailed by certified mail, postage prepaid and return receipt requested, addressed to the party intended as the recipient at the address listed on the Company's records or at such other address as a Member may designate by written notice to the other Members. Notwithstanding the foregoing, each Member hereby authorize the Manager and the Company to give any notice or other communication under this Agreement to such Member by electronic mail at an address specified by Member. Any such notices and communications given by electronic mail shall be deemed delivered for all purposes under this Agreement when the Member replies by electronic mail acknowledging that such notice or other communication was received.

20.3 *Severability.* If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

20.4 *Descriptive Headings.* The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Members or Manager.

20.5 *Construction.* The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.

20.6 *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the law of the State of North Carolina applicable to agreements made and to be performed in the State of North Carolina.

20.7 *Counterparts; Facsimile and PDF Signatures.* This Agreement may be executed in multiple counterparts with separate signature pages, each such counterpart shall be considered an original, but all of which together shall constitute one and the same instrument. For purposes of execution of this Agreement, signatures transmitted via facsimile or Portable Document Format (or "PDF") shall be deemed original ink signatures.

* * * * *

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned Member executes this Agreement
as of the date first above written.

ALFIE Management LLC,
as Member

By: _____

Name and Title: _____

IN WITNESS WHEREOF, the undersigned Member executes this Agreement
as of the date first above written.

_____, as Member

By: _____

Name and Title: _____

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

Acknowledged and Agreed this
____ day of March, 2018.

ALFIE Management LLC, as Manager

By: _____
_____, Manager

Exhibit A

BEACHAM'S CURVE LENDING LLC

(as of March __, 2018)

[illegible]

****Manager shall complete this Exhibit after all funds from Members are received and accepted, without further approval of the Class A Members.**

Exhibit B

BEACHAM'S CURVE LENDING LLC

(as of March ___, 2018)

Class A Members	Class A Units
ALFIE Investors LLC	
Total Outstanding Class A Units:	1,854,000
Class B Members	
ALFIE Management LLC	100%

****Manager shall complete this Exhibit after all funds from Members are received and accepted, without further approval of the Class A Members.**

The Membership Interest being subscribed for herein is subject to the Company raising capital in the future which could lead to the dilution of the Membership Interest (see item 3(j)(iv)).

Subscription Agreement

BEACHAM'S CURVE LENDING LLC

Beacham's Curve Lending LLC
c/o ALFIE Management LLC
19 Arlington St., Suite 1
Asheville, NC 28801

Gentlemen and Ladies:

I, the undersigned ("Subscriber"), wish to subscribe for the purchase of a membership interest, as a member in Beacham's Curve Lending LLC, a North Carolina limited liability company (the "Company"), which has been organized for the purpose of making a secured loan to BJE Phase II, LLC, a North Carolina limited liability company, its successors or assigns, backed by real estate collateral located in Asheville, North Carolina and Charlotte, North Carolina.

1. Subscription. Subscriber, wishing to become a member of the Company, hereby agrees to purchase the membership interest (the "Membership Interest") set forth on the signature page of this Subscription Agreement. (The Membership Interest being acquired by Subscriber is expressed in terms of Subscriber's percentage interest in Company profits and losses, as may be adjusted from time to time in accordance with the Operating Agreement (as defined below).) Subscriber has delivered herewith to the Company at the above address the following:

- (a) two (2) copies of this Subscription Agreement signed by Subscriber, including indicating under which Item of Exhibit A that the Subscriber qualifies as Accredited Investor;
- (b) two (2) copies of the signature page of the Operating Agreement of the Company attached hereto as Exhibit C (as amended and/or restated from time to time, the "Operating Agreement") signed by Subscriber; and
- (c) a wire transfer in the amount of the Purchase Price to the account listed on Schedule I attached hereto. Subscriber has also completed and delivered herewith to the Company the "Accredited Investor" Certification attached hereto as Exhibit A.

If Subscriber checked box (e) on Exhibit A, each of the direct and indirect equity owners of the Subscriber has also confirmed its qualification as an "accredited investor" by completing a duplicate copy of the "Accredited Investor" Certification attached hereto as Exhibit A and all such certifications by Subscriber's direct and indirect equity owners have been delivered herewith.

2. Conditions. Subscriber acknowledges that the Company has the right to accept or reject this subscription, in whole or in part, for any reason whatsoever, including, but not limited to, the Company's belief that the Subscriber is not an "accredited investor" (as such term is defined in Rule 501 of Regulation D ("Regulation D") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act")). Subscriber agrees to comply with the Operating Agreement and this Subscription Agreement and to execute and deliver any and all additional documents necessary or appropriate in connection with the admission of Subscriber as a member of the Company (a "Member"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Operating Agreement. At the closing of the offering, the Company will date the Operating Agreement as appropriate.

Subscriber understands that the execution and delivery of this Subscription Agreement will not constitute an agreement between Subscriber and the Company or the Manager, and the funds paid by Subscriber pursuant hereto will be held by the ALFIE Management LLC (the "Escrow Agent") in escrow for the benefit of Subscriber until this Subscription Agreement is executed and accepted by the Company, which has the right, in its sole discretion, to accept or reject the subscription tendered herewith in whole or in part.

Subscriber understands that the Company will advise him or her whether this subscription has been accepted and that, if rejected, Subscriber's cash payment will be returned promptly after such rejection, without interest. If Subscriber's subscription is accepted in whole or in part, the Subscriber hereby directs the Escrow Agent to transfer the cash payment to the Company's account and/or otherwise follow the transfer instructions provided by the Company.

3. Representations and Warranties. Subscriber, in order to induce the Company to accept this subscription, hereby represents and warrants the following:

(a) Subscriber: (i) has received and read the Operating Agreement and the Confidential Investment Summary regarding the Property, which has been delivered to Subscriber with this Subscription Agreement (the "Investment Summary") and understands the contents of the Operating Agreement and the Investment Summary; (ii) has not been furnished with any other offering literature or prospectus with respect to the Company or the Property; (iii) has relied only upon the information and representations which are set forth in the Operating Agreement and the Investment Summary; (iv) has not relied upon any other information or representations with regard to the Company or the Property; (v) acknowledges that no oral or written representations have been made regarding the Company or the investment described herein other than as stated in this Subscription Agreement or the Investment Summary; (vi) is not subscribing for the Membership Interest as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation of a subscription by a person other than a representative of the Company; and (vii) has had full and complete access to all material information known to or requested by Subscriber and Subscriber's advisors. By subscribing for Subscriber's Membership Interest and signing the Operating Agreement, Subscriber agrees to all of the terms thereof.

(b) Subscriber's principal residence is at the address set forth in the signature page hereto.

(c) If an individual, Subscriber has reached the age of majority in the state in which Subscriber resides.

(d) In the case of an individual, Subscriber has the full capacity to enter into this Subscription Agreement, to perform his or her obligations hereunder and to consummate the transactions contemplated hereby.

(e) In the case of a corporation, partnership, limited liability company, or other legal entity, the Subscriber has all required power and authority to execute and deliver this Subscription Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Subscriber of this Subscription Agreement and the consummation hereby have been duly and validly authorized by all necessary action of Subscriber and no other action on the part of the Subscriber or its shareholders, members or partners, as applicable, is necessary to authorize the execution, delivery and performance of this Subscription Agreement and the transactions contemplated hereby.

(f) The Subscriber, if executing this Subscription Agreement in a representative or fiduciary capacity, has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or other entity for whom or which the Subscriber is executing this Subscription Agreement, and such individual, ward, partnership, trust, estate, corporation, or other entity has full right and power to perform its obligations pursuant to this Subscription Agreement and make an investment in the Company.

(g) The execution and delivery of this Subscription Agreement, the performance of the Subscriber's obligations hereunder and the consummation of the transactions contemplated hereby do not and will not (i) conflict with or result in a violation or breach of, (ii) constitute a default under, (iii) require Subscriber to obtain any consent, approval or action of, make any filing with or give any notice to any person as a result or under the terms of, (iv) result in or give to any person any right of termination, cancellation, acceleration or modification in or with respect to, (v) result in or give to any person any additional rights or entitlement to increased, additional, accelerated or guaranteed payments under, or (vi) result in the creation or imposition of any lien upon any of Subscriber's assets and properties under, any law or order applicable to Subscriber or any contract or license to which Subscriber is a party or by which any of Subscriber's assets and properties is bound.

(h) If Subscriber is a legal entity, the performance of Subscriber's obligations hereunder and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a violation or breach of the terms, conditions or provisions of the organizational documents of such legal entity.

(i) Subscriber has had an opportunity to consult with legal counsel and other advisors as he or she has considered appropriate in connection with evaluation of the investment in the Company.

(j) Subscriber acknowledges that:

i. There are substantial risks inherent in investing in the Company, including, without limitation: (1) the Company may lose money on any loan it makes; (2) the Company may incur significant costs associated with enforcing

its security in collateral and in maintaining property obtained through foreclosure or other enforcement proceedings; and (3) the Company's loan investments may be illiquid and there may be no market for the promissory note and/or loan agreement the Company receives as part of any loan the Company makes.

ii. For the above reasons, the results of the Company's operations may differ from, and be inferior to, the Members' expectations, including those shown in the Investment Summary. Consequently, an investment in the Company may be deemed highly speculative.

iii. Because the Company's sole investment is expected to be in one loan with future advances backed by collateral primarily in Asheville, North Carolina, and Charlotte, North Carolina, it will not offer the diversification of other investment vehicles, which may have interests in a variety of different types of assets or engaging in other income-producing activities over a larger or different geographic area.

iv. ***It is anticipated that the Company will be obligated to make future advances under the loan agreement it enters with the borrower(s). The Manager may also determine that the Company needs additional funds to cover operations or meet capital expenditures. This will require the Company to sell additional Membership Interests in the future. Existing Members may have the option of purchasing the additional Membership Interests to maintain their percentage interest and failure to purchase additional Membership Interests when offered may dilute the Member's interest. The Manager will also have the discretion to accept new subscriptions and accept new Members to the Company, rather than offering additional Membership Interest to existing Members, which may dilute the Member's interest. The Manager will also have the discretion to redeem some or all of a Member's Membership Interests upon notice to the affected Member(s).***

v. No market will develop for the Membership Interests, and they are otherwise subject to substantial restrictions on their transferability, both under the Operating Agreement and under state and federal securities laws. Subscriber may be precluded from reselling or otherwise transferring or disposing of his or her Membership Interests, or any portion thereof, at any particular time and for an indefinite period of time.

vi. The income tax consequences of an investment in the Company may be materially and adversely affected by reason of current or future interpretations of statutes and regulations or the adoption of new laws or the promulgation of new regulations and/or amendment of existing laws or regulations.

vii. Projections and other similar forward looking statements set forth in the Investment Summary represent a prediction of future events based on certain assumptions and estimations. There is a risk that projected outcomes may not occur and, therefore, the Subscriber should not rely on projections as an indicator of what will actually occur in the future.

viii. The Manager is entitled to negotiate, determine, and receive certain fees from the borrower(s) under the loan made by the Company. These fees will increase the costs of the loan to the borrowers and may include an origination fee, a loan application fee, a closing coordination fee, a servicing fee, and/or a default administrative fee.

ix. It is anticipated that the Company will have a right of first refusal under the loan agreement with the borrower(s) to provide construction financing to the borrower(s) at a time to be set in the loan agreement and that such right of first refusal shall be assignable. The Manager shall be entitled to receive any fee obtained by the Company for assigning or otherwise arising out of this right of first refusal.

x. The principals of the Manager advanced funds to pay legal fees and to pay certain costs in connection with organizing the Company. A portion of the proceeds of the sale of Membership Interests will be used to reimburse the principals of the Manager for their share of such advances.

xi. Subscriber is acquiring his or her Membership Interest as a Member. Under the terms of the Operating Agreement, Members' rights to participate in the management of the business and operations of the Company are severely limited. As a result, Subscriber and the other Members will be relying to a very great extent on the management and financial skills of the Manager.

xii. Under the terms of the Operating Agreement, ALFIE Management LLC is designated as the Manager and the sole Class B interest holder. The Manager of the Company will manage the day-to-day affairs of the Company.

xiii. The Law Office of John K. White, Jr. PLLC provides legal services to the Company, to the Manager and to certain Class A Members. Each Subscriber hereby waives any conflict of interest in connection with the negotiation of this Agreement whether apparent, actual or potential and agrees that it has or had the opportunity to consult with its own counsel (with the recommendation by the Manager that it do so) and waives, releases and surrenders any and all claims or defenses pertaining to the enforcement of this Agreement that a conflict of interest exists or that it was not represented by counsel in connection with the execution of this Agreement or it entered the Agreement without understanding its legal terms or binding effect.

(k) Subscriber understands that the transactions contemplated by this Subscription Agreement and the acquisition by the Subscriber of his or her Membership Interest involve substantial risks, including loss of the entire amount of such investment, and has taken full cognizance of and understands all of the risks related to the purchase of the Membership Interest.

(l) Subscriber is an "accredited investor" as such term is defined in Regulation D of the Act and, if Subscriber is an entity formed for the specific purpose of acquiring the Membership Interest with total assets less than \$5,000,000, each direct and indirect equity owner of Subscriber, meets the requirements of one or more of the subparagraphs listed on Exhibit A hereto as of the date of this Subscription Agreement as

indicated thereon, and if there is any material change in such status prior to the sale of the Membership Interests, the Subscriber will immediately furnish such revised or corrected information to the Company.

(m) Subscriber has such knowledge and experience in financial, tax and business matters that he or she is capable of evaluating his or her own interests in connection with this investment in the Company.

(n) The commitment of Subscriber to investments which are not readily marketable is not disproportionate to his or her net worth, and Subscriber's investment in the Company will not cause his or her overall commitment to become excessive.

(o) Subscriber has adequate means of providing for current needs and contingencies, is able to bear the substantial economic risks of an investment in the Company for a substantial period of time, has no need for liquidity in the investment in the Membership Interest and, at the present time, could afford a complete loss of such investment.

(p) Subscriber and his or her representatives and advisors have been given the opportunity to ask questions of and receive answers from the Manager or persons acting on the Manager's behalf concerning the investment, the Company, the Property and to obtain any additional information which the Company or the Manager possesses or can obtain without unreasonable effort or expense. Subscriber, or his or her representative, has had an opportunity to review the Operating Agreement. Subscriber has availed himself or herself of such opportunity to the extent that Subscriber or Subscriber's advisors or his or her representative considered appropriate in connection with a proposed investment in the Company.

(q) The Subscriber is not relying on the Company or the Manager with respect to tax and other economic considerations of an investment.

(r) Subscriber further acknowledges that:

(i) the Membership Interests have not been registered under the Securities Act or under the securities laws of any state or other jurisdiction;

(ii) there is currently no market for the Membership Interests;

(iii) in making an investment decision, the Subscriber has relied on the Subscriber's own examination of the Company, including the merits and risks involved and no federal or state authority has approved or disapproved the Membership Interests or the offering thereof, passed upon the accuracy or adequacy of the Investment Summary, endorsed the merits of the offering of the Membership Interests or made any determination as to the fairness of the offering;

(iv) the Company has no obligation, and does not intend, to register any offering of the Membership Interests under the Act or under the securities laws of any state or other jurisdiction; and

(v) the Company has not set a minimum amount of proceeds from its sale of Membership Interests.

(s) Subscriber's Membership Interest is being acquired solely for the account of Subscriber, for investment, and not with a view to, or for resale in connection with,

any distribution thereof. No person has a beneficial or other interest in such Membership Interest, or has furnished or guaranteed or will furnish or guarantee, directly or indirectly, any part of the purchase price thereof. Subscriber does not presently intend to dispose of all or any part of such Membership Interest.

(t) The representations, warranties and agreements of the Subscriber contained in this Subscription Agreement including, without limitation, this Section 3, and in any other writing delivered by Subscriber in connection with the transactions contemplated hereby shall be true and correct in all respects on and as of the date of the sale of the Membership Interests as if made on and as of such date and shall survive the execution and delivery of this Subscription Agreement and the purchase of the Membership Interests.

(u) The Subscriber has not been represented by independent counsel in connection with the preparation of this Subscription Agreement, the Operating Agreement and the other documents referred to herein or in establishing the terms of this offering. The attorneys and others who have performed services in connection with this offering have been employed by the Manager, may continue to represent the Manager or its affiliates, and do not represent the Subscriber. Attorneys, accountants and others who will perform services for the Company in the future will be selected by the Manager and may also perform services for the Manager or its affiliates. A dispute might arise in the future between the Company and the Manager or its affiliates or there might be a necessity in the future to negotiate and prepare contracts or agreements between the Company and the Manager or its affiliates, other than those existing on the effective date of this offering.

4. Indemnification. Subscriber recognizes that the Membership Interests are being offered without registration or qualification under the Securities Act or the securities laws of any state in reliance on certain exemptions therefrom. Subscriber further understands that the availability of such exemptions is, in part, dependent on the truth and accuracy of the representations, warranties and undertakings of Subscriber in this Subscription Agreement and that the Manager and the Company will rely upon such representations, warranties and undertakings in deciding whether to accept Subscriber's subscription. The Subscriber agrees to indemnify and hold harmless the Company, the Manager and their respective officers, directors, members, employees, agents, representatives, professional advisors and affiliates against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty by the Subscriber or any of its direct or indirect equity owners or breach or failure by the Subscriber or any of its direct or indirect equity owners to comply with any covenant or agreement made by the Subscriber or such direct or indirect equity owner herein or in any other document furnished by the Subscriber or any of its direct or indirect equity owners in connection with this transaction.

5. Transferability. Subscriber agrees not to transfer or assign this Subscription Agreement or any interest herein.

6. Revocation. Subscriber hereby acknowledges and agrees that Subscriber is not entitled to cancel, terminate or revoke this subscription, or any agreement hereunder, and that this subscription and all such agreements shall survive the death, disability or incapacity of Subscriber.

7. Survival of Agreement. The provisions of this Subscription Agreement including, without limitation, all representations and warranties, shall survive the sale of the Membership Interests and the closing of the offering.

8. Governing Law. This Subscription Agreement and all rights hereunder shall be governed and interpreted in accordance with the laws of the State of North Carolina.

9. State Securities Laws. Subscriber also agrees, acknowledges and represents that:

IN MAKING AN INVESTMENT DECISION PROSPECTIVE MEMBERS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PROSPECTIVE MEMBERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE INVESTMENT SUMMARY HAS NOT BEEN REVIEWED BY EITHER THE ATTORNEY GENERAL OF THE STATE OF NORTH CAROLINA OR THE NORTH CAROLINA SECRETARY OF STATE PRIOR TO ITS ISSUANCE AND USE. CONSEQUENTLY, NEITHER THE ATTORNEY GENERAL OF THE STATE OF NORTH CAROLINA NOR THE NORTH CAROLINA SECRETARY OF STATE HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

10. Interpretation. All pronouns contained herein and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the case may be and as the context may require.

11. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail with return receipt requested, by a nationally recognized overnight delivery service or by hand (a) if to the Company or the Manager, at the address set forth above, or (b) if to the Subscriber, at the address set forth on the signature page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 11). Any notice or other communications given by certified mail shall be deemed given at the time mailed, except for a notice changing a party's address, which shall be deemed given at the time of receipt thereof.

12. Modification. Neither this Subscription Agreement nor any provisions hereof shall be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom any such waiver, modification, discharge or termination is sought.

13. Nature of Subscriber. The Subscriber is (check one):

<input type="checkbox"/> (a) One or more individuals	<input type="checkbox"/> (e) A limited liability company
<input type="checkbox"/> (b) A corporation	<input type="checkbox"/> (f) Another entity or organization, namely
<input type="checkbox"/> (c) A partnership	(please specify): _____
<input type="checkbox"/> (d) A trust	

IN WITNESS WHEREOF, Subscriber has executed this Subscription Agreement this ____ day of _____, 2018.

Number of CLASS A UNITS:

SUBSCRIBER:

Total Contribution Amount

\$ _____

By:

Form of Contribution: Cash by Wire Transfer

Address:

Telephone(s):

Email Address:

Social Sec. or Tax ID No.:

Subscriber hereby represents that Subscriber is capable of evaluating the merits and risks of Subscriber's investment in the Securities, is able to bear the economic risk of the investment and is prepared to hold the Interests for an indefinite period of time.

Subscriber hereby represents that Subscriber is an Accredited Investor by Reason of Item ____ of **Exhibit A**.

Subscriber hereby represents that neither Subscriber nor any Covered Person associated with Subscriber is a **Bad Actor** as described in **Exhibit B** and Subscriber hereby agrees to the Company's repurchase rights if Subscriber or a Covered Person associated with Subscriber is or becomes a Bad Actor as described in **Exhibit B**.

Pursuant to the Operating Agreement, any notice permitted or required under the Operating Agreement may be given to the Subscriber as a Member of the Company by email at the email address specified above.

ACCEPTANCE

The foregoing Subscription Agreement is accepted on this the ____ day of _____, 2018.

Beacham's Curve Lending LLC,
a North Carolina limited liability company

By: _____, as manager
of ALFIE Management, LLC, the Manager
of Beacham's Curve Lending LLC

EXHIBIT A TO SUBSCRIPTION AGREEMENT –
“ACCREDITED INVESTOR” CERTIFICATION

Please check the appropriate box(es) to the left of the description(s) applicable to you.

☐ (a) A natural person who had individual income of more than \$200,000 in each of the most recent two years, or joint income with that person's spouse in excess of \$300,000 in each of the most recent two years and who reasonably expects to reach that same income level for the current year. For this purpose, “individual income” means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, (A) increased by the individual's share (and not a spouse's share) of: (i) the amount of any tax exempt interest income received, (ii) amounts contributed to an IRA or Keogh retirement plan, (iii) alimony paid, and (iv) the excluded portion of any long-term capital gains, and (B) adjusted, plus or minus, for any non-cash loss or gain, respectively, reported for federal income;

☐ (b) A natural person whose individual net worth is in excess of \$1,000,000. For this purpose, “net worth” means the excess of total assets at fair market value, including home and personal property, over total liabilities, provided, however, for the purpose of determining a person's net worth, the principal residence owned by an individual shall be valued at cost, including the cost of improvements, net of current encumbrances upon the property or valued on the basis of a written appraisal used by an institutional lender making a loan secured by the property. For the purposes of this provision, “institutional lender” means a bank, savings and loan company, industrial loan company, credit union, personal property broker or a company whose principal business is as a lender upon loans secured by real property and which has such loans receivable in the amount of \$2,000,000 or more;

☐ (c) A trust, with total assets in excess of \$5,000,000, which is not formed for the purpose of acquiring the Membership Interest and whose purchase is directed by a person who has such knowledge and experience in financial business matters that such person is capable of evaluating the risks and merits of an investment in the Company;

☐ (d) A corporation, a partnership, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or a Massachusetts or similar business trust, not formed for the specific purpose of acquiring the Membership Interest, with total assets in excess of \$5,000,000; or

☐ (e) An entity in which all of the equity owners meet the requirements of at least one of the above subparagraphs for accredited investors.

IN WITNESS WHEREOF, the undersigned hereby certifies that it is an “accredited investor” as that term is defined in Regulation D under the Act, inasmuch as the undersigned meets the requirements of one or more of the subparagraphs listed above as indicated thereon as of the date of the Subscription Agreement to which this certification relates.

Entities

Individuals

(Name of corporation or
other Entity)

Signature of Individual

By _____
Signature

Name (Please Print)

Name of above Signatory
(Please Print)

Social Security Number

President
Title of Signatory

Signature of Co-Investor
(If Applicable)

Taxpayer Identification
Number

Name of Co-Investor
(If Applicable)

Social Security Number of
Co-Investor (If Applicable)

EXHIBIT B TO SUBSCRIPTION AGREEMENT

DEFINITION OF "BAD ACTOR"

The term, "Bad Actor" includes any person or entity about which any of the following are true. The person or entity:

- (1) Has been convicted, within ten years before the sale of securities contemplated by this Agreement (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:
 - (a) In connection with the purchase or sale of any security;
 - (b) Involving the making of any false filing with the Commission; or
 - (c) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;
- (2) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:
 - (a) In connection with the purchase or sale of any security;
 - (b) Involving the making of any false filing with the Commission; or
 - (c) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;
- (3) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U. S. Commodity Futures Trading Commission; or the National Credit Union Administration that:
 - (a) At the time of such sale, bars the person from:
 - (i) Association with an entity regulated by such commission, authority, agency, or officer;
 - (ii) Engaging in the business of securities, insurance or banking; or
 - (iii) Engaging in savings association or credit union activities; or
 - (b) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

- (4) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:
 - (a) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;
 - (b) Places limitations on the activities, functions or operations of such person; or
 - (c) Bars such person from being associated with any entity or from participating in the offering of any penny stock;
- (5) Is subject to any order of the Commission entered within five years before the sale of securities contemplated by this Agreement that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:
 - (a) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78 o (c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or
 - (b) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).
- (6) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;
- (7) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before the sale of securities contemplated by this Agreement, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of the sale of securities contemplated by this Agreement, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or
- (8) Is subject to a United States Postal Service false representation order entered within five years before the sale of securities contemplated by this Agreement, or is, at the time of the sale of securities contemplated by this Agreement, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

DEFINITION OF "COVERED PERSON"

The term "Covered Person" includes:

- (1) The issuer of securities being sold, including its predecessors and affiliated issuers.
- (2) Any Executive director, officer, general partner or managing member of the issuer.
- (3) Any officer of the issuer who is participating in this offering of securities contemplated by this

Agreement.

(3) Any beneficial owner of twenty (20%) percent or more of any class of the issuer's outstanding voting equity securities (calculated on the basis of voting power).

(4) Any promoter connected with the issuer in any capacity at the time of the sale of securities contemplated by this Agreement.

(5) Any investment manager of an issuer that is a pooled investment fund.

(6) Any person who has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sales of securities in the offering contemplated by this Agreement.

(7) Any general partner or managing member of any such investment manager or solicitor.

(8) Any director, executive officer or other officer participating in the offering contemplated by this Agreement of any such investment manager or solicitor or general partner or managing member of such investment manager or solicitor.

EXHIBIT C TO SUBSCRIPTION AGREEMENT

**FORM OF LIMITED LIABILITY COMPANY AGREEMENT
OF THE COMPANY**

Schedule I

WIRING INSTRUCTIONS

Name of Receiving Account : ALFIE Management Escrow

Receiving Bank : TD Bank
2000 College St.
Asheville, NC 28801

Account No. : 4338900479

ABA/Routing No. : 053902197

Memo Line/Special Instruction: For the Benefit of [Subscriber Name],
Beacham's Curve Lending LLC