

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

**AXIS GROWTH LLC**  
 a Delaware limited liability company (“The Fund”)

10,000 Class A Membership Interest Units  
 Approximately 0.010% of Total Membership Interest per Unit

**Axis Growth LLC** is offering to sell a minimum of 10,000 of its Class A Membership Interest Units for \$1,000.00 per unit (the “Offering”). The membership interest units are being offered pursuant to the exemption from registration under the Federal Securities Act of 1933 afforded by Rule 506(b) of Regulation D of the Securities and Exchange Commission. Accordingly, it may not offer this investment by means of a “general solicitation”. If Axis Growth LLC, Crest Value Management LLC, their officers, or their managing members have not had a prior relationship with you, by nature of that lack of relationship, you are not eligible to invest in Axis Growth LLC and do not read any further if that is the case.

**THIS OFFERING IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK**

	Price to Investors	Proceeds to Issuer <sup>1</sup>
Per Unit	\$1,000.00	\$1,000.00
Total 10,000 Units	\$10,000,000.00*	\$10,000,000.00*

\* cash proceeds

Confidential

The following comprises confidential information regarding the offering of securities of Axis Growth LLC, a Delaware limited liability company. Please do not disseminate any of the information provided herein or otherwise related to Axis Growth LLC without the prior written consent of Axis Growth LLC.

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**EXECUTIVE SUMMARY**

***OFFERING SUMMARY***

Axis Growth LLC (the “Fund”) is seeking to invest in secured notes backed by real estate properties situated in Southern California with a maximum loan-to-value (LTV) ratio of 65%, or backed by businesses with at least \$200,000 in revenue and personal guarantee. The goal of the Fund’s investment is to achieve return for its Members through cash flow generation by targeting a raise of \$10,000,000.00 through the sale of 10,000 Membership Interest Units (approximately 0.010% membership interest per Unit) of its membership interest for \$1,000.00 per Unit. The membership interests are being offered pursuant to the exemption from registration under the Federal Securities Act of 1933 afforded by Regulation D, Rule 506(b) of the Securities and Exchange Commission, to a limited number of investors acquiring the membership interests for investment and not for resale.

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<sup>1</sup> Before deducting expenses of the offering, payable by the Fund, as described in the section Use of Proceeds below.

The Fund will acquire assets to provide its investors with an annual targeted internal rate of return (IRR) of 8.0% - 10.0% net of fees and expenses, although Investors cannot be assured that such returns will be achieved.

Crest Value Management LLC is the sole Manager of the Fund (the “Manager” or the “Sponsor”).

Axis Growth LLC is distributing this memorandum pursuant to Rule 506(b) of Regulation D. Accordingly, it may not offer this investment by means of “general solicitation”. If Axis Growth LLC, Crest Value Management LLC, their officers or managing members have not had a prior relationship with you, by nature of that lack of relationship, you are not eligible to invest in Axis Growth LLC and do not read any further if that is the case.

***TERMS OF OFFERING.***

<b><u>The Fund</u></b>	Axis Growth LLC (the “Fund”), a Delaware limited liability company.
<b><u>The Manager</u></b>	Crest Value Management LLC (the “Manager”), a California limited liability company, with principal Hersh Choksi.
<b><u>Investment Objective</u></b>	The Fund’s objective is to provide Members with a distribution of Net Cash Flow. The Fund will endeavor to produce an annual targeted internal rate of return (IRR) of 8.0% - 10.0% net of fees and expenses, although Investors cannot be assured that such returns will be achieved.
<b><u>Offering Size</u></b>	The Fund is offered to a limited number of prospective investors. Specifically, the Offer is the opportunity to subscribe for Membership Interest Units in, and become members of, the Fund (the “Members”). The Fund is seeking total Capital Commitments of up to \$10,000,000.00.
<b><u>Eligible Investors</u></b>	Up to 35 non-accredited investors and any number of “accredited investors” (within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act), all of whom have had a pre-existing relationship with Axis Growth LLC, Crest Value Management LLC, their officers or managing members, submit a Subscription Agreement, the acceptance of which is subject to the Manager’s approval in its sole judgment. The minimum capital commitment is \$100,000.00, although the Manager may accept subscriptions for smaller amounts at its sole discretion.
<b><u>Use of Proceeds</u></b>	The Fund will invest, directly or indirectly, in the Fund’s assets. The Fund will also use the offering proceeds to pay or reimburse the Manager and its affiliates for legal, accounting, due diligence, marketing, and other expenses relating to the formation or operation of the Fund, to pay fees to the Manager as described herein, to provide working capital for the Fund and to establish reasonable reserves to meet the Fund’s obligations.
<b><u>Lock Period</u></b>	The Fund will operate for an indefinite term until dissolved and liquidated by the Manager. The Fund has a lock period of 2 Years, with a 60 day Redemption
<b><u>Capital Contributions</u></b>	Each Member will agree to make capital contributions in cash up to the aggregate

	amount of the Member's Capital Commitment.
<b><u>Distributions</u></b>	<p>The Fund is offering to sell its Class A Membership Units at an annualized IRR rate between 8.0% - 10.0% for \$1,000.00 per unit price.</p> <p>No voting rights are associated with Class A Membership unit.</p> <p>Class A Membership Unit Investors will be entitled to receive quarterly and out of funds legally available for the payment of dividends after satisfaction of liabilities to creditors, before any distribution of assets is made to holders of Class B Units, a distribution in the amount of the annualized IRR rate between 8.0% – 10.0%. In any such distribution, if the assets of the Fund are not sufficient to pay Class A Membership Units Holder, the amounts paid to the holders of Class A Membership Units will be paid pro rata in accordance with the respective aggregate preference distribution owed to those holders.</p> <p>For purposes of this section, the merger or consolidation of the Fund with any other entity, including a merger or consolidation in which the holders of Class A Membership Units receive cash, securities or property for their Units, or the sale, lease or exchange of all or substantially all of the assets of the Fund for cash, securities or other property, shall not constitute a liquidation, dissolution or winding up of Fund.</p>
<b><u>Allocations</u></b>	Net income and net loss for each fiscal year will be allocated among the Members consistent with the described distribution provisions and the requirements of the Code to target capital accounts to match the distribution set forth above.
<b><u>Fund Expenses</u></b>	The Fund will be responsible for all out-of-pocket expenses incurred by the Manager and its affiliates in connection with the Fund's business, including: (a) all expenses of organizing the Fund and offering the Interests in the Fund, including legal, accounting, tax advice, consulting fees, and all such other reasonable and necessary fees; and (b) costs and expenses incurred in connection with the Manager's performance of its duties including (i) indemnification costs, (ii) fees and expenses of professional service providers and third-party transaction, pursuit and investigation costs (regardless of whether the transaction has been completed); (iii) legal, audit, tax preparation, investment management, administration and payment information systems and investor platforms and accounting fees and costs; (iv) marketing costs in connection with offering and selling the Membership Interests to Members, including without limitation any and all registration and filing fees, sales commissions, blue sky fees, and (v) administration, record keeping, investor relations and investor mailing and communication costs. Notwithstanding anything to the contrary contained herein, the Fund will not be responsible for the compensation of officers and employees, office overhead, or other expenses of the Manager.
<b><u>Special Purpose Vehicles</u></b>	Where the Manager deems it appropriate, the Fund shall use special purpose entities as subsidiaries, including corporations, limited liability companies, and limited partnerships to make and hold investments. The Manager may also cause the Fund to invest through corporations, limited liability companies, limited partnerships, joint

	ventures (both with third parties and affiliates of the Manager), or other arrangements in which the Fund has an economic interest and where such arrangements are reasonably expected to preserve in all material respects the overall economic relationship of the Members.
<b><u>Member Withdrawal Rights</u></b>	No Member may withdraw from the Fund without the Manager's written consent. The Manager has sole discretion to withhold consent.
<b><u>Books and Records</u></b>	Members or their authorized representatives shall at all reasonable times and for any purpose reasonably related to the business and affairs of the Fund and their interest therein have access to the Fund's books and records.
<b><u>Reports</u></b>	The Fund's books shall be on a cash basis for book purposes. Financial Statements will be prepared annually within 120 days following the close of each taxable year and will be available upon request. Reports regarding the individual investments will be periodically provided to the Members.
<b><u>Side Letters</u></b>	The Manager may, in its sole discretion, enter into agreements on behalf of the Fund that modify or supplement a Member's rights and obligations with respect to its investment in the Fund (each such agreement, a "Side Letter"). The Manager may grant concessions to any unaffiliated investor in Side Letters in its sole and absolute discretion.
<b><u>Use of Professionals and Service Providers</u></b>	The Manager may, in its sole discretion, engage affiliated professionals and service providers or outside professionals and service providers on behalf of and at the expense of the Fund on arm's-length terms. When affiliates are engaged, the transaction shall be on arm's- length terms. No professional or other service providers will be disqualified from providing services to the Fund or its affiliates because of the provision of services by such professional or service provider to the Manager or its affiliates, whether related to the Fund's business or other activities.
<b><u>Governing Law</u></b>	The Fund's Operating Agreement will be governed by the laws of the State of Delaware.

#### ***CONFIDENTIAL INFORMATION***

This document and its contents are confidential and proprietary and constitute legally protected information belonging to Axis Growth LLC. It is delivered based on a confidential relationship and for the limited purpose of providing investors and their representatives with information relative to an investment decision. All other uses, and all reproduction and disclosure, without the express written consent of Axis Growth LLC are strictly prohibited. In accepting delivery of this Memorandum, recipients agree to return it to Axis Growth LLC and destroy all electronic copies if they elect not to invest in the Fund.

#### ***FURTHER INFORMATION***

Copies of this offering package will be delivered to all prospective investors, and the Fund undertakes that it will make available for review by prospective investors and their respective counsel, advisors, and representatives, all information reasonably requested by them and in the Fund's possession or accessible to it without unreasonable effort or expense.

The Fund will also provide investors with the opportunity to ask questions and receive written answers concerning the terms and conditions of the Offering or necessary to verify the accuracy or evaluate the information provided herein, provided that such explanations can be provided without unreasonable effort or expense on the part of the Fund. The Fund authorizes no such explanations or information unless furnished or approved in writing by the Manager.

Prospective investors are urged to review the terms of the [\*\*Operating Agreement\*\*](#) (link). If there is any conflict between the terms described in this Private Placement Memorandum and the Operating Agreement, the Operating Agreement will prevail.

### **Investor Suitability Standards**

The Offering and sales of the Investments offered hereby will be made only to persons and/or entities who meet or exceed certain suitability standards which the Fund has adopted for the purpose of determining who will be permitted to invest. An investment in these securities is suitable only for investors who have sufficient knowledge and/or experience to evaluate the merits and risks of the investment and who have the financial means to bear the economic risks of this investment. Prospective investors may be required to make representations with respect to their net worth or income and to represent, among other things, that they are familiar with and understand the terms of this Offering and have all requisite authority to make such investment. The Manager will accept or reject Subscription Agreements from prospective Investors at its sole discretion. The Manager reserves the right to reject any Subscription Agreement for any reason.

### **Investment Options**

Investors shall acquire equity ownership in the Fund in the form of Membership Interest Units and shall become Members of the Fund, subject to the terms of the Operating Agreement, upon executing a Subscription Agreement and a joinder to the Operating Agreement, payment of all amounts set forth in the Subscription Agreement, and acceptance by Manager of each Investor's subscription.

By executing a Subscription Agreement, an Investor unconditionally and irrevocably makes a commitment to contribute capital in accordance with the terms set forth in the Subscription Agreement and Operating Agreement.

The Fund seeks to raise the Maximum Offering of up to \$10,000,000.00 in Investor capital. The Manager may or may not raise the full amount during the lifetime of the Fund. The minimum investment is \$100,000.00, which amounts may be adjusted at the sole discretion of the Manager.

### **FUND STRUCTURE**

The Manager has endeavored to structure this Fund in a way that balances the Manager's need for flexibility, autonomy, and control with respect to Fund policies and investment decisions with the Investor's natural desire for safety, oversight, and transparency. It has considered the Fund's fee structure, administrative procedures, and third-party service providers, including Fund administration and accounting services, and have attempted to create a beneficial and proper alignment of interests between the Manager and the Investors, but there is no guarantee that interests will be aligned.

The Fund is classified as a "partnership" for federal income tax purposes and organized as a Delaware limited liability company. The Fund is making an offering that is exempt from registration under Regulation D promulgated by the SEC under the Securities Act of 1933 (the "Act" or "Securities Act"). The Fund is open to both United States and non-U.S. Investors. If the Fund has non-U.S. Investors, then it will be subject to U.S. tax withholding obligations with respect to such Investors.

### **FUND MANAGEMENT**

Pursuant to the terms of the Operating Agreement, the Fund will be managed by Crest Value Management LLC, a California limited liability company (“Manager”). The Operating Agreement with the Fund provides the Manager will not be liable for any monetary damages to the Fund for any breach of duties, except for the receipt of financial benefit to which the Manager is not entitled, voting for or assenting to a distribution to Members in violation of the Operating Agreement or state law, or knowing violation of law.

#### ***MANAGEMENT TEAM***

The strategic direction and investment objectives of the Fund are the focus of the Manager’s principal, Hersh Choksi.

#### ***Exculpation: Indemnification***

Exculpation. The Manager, its affiliates, officers, employees, members, managers, and agents (the “Indemnified Parties”) shall not have any liability to the Fund or its Members for any action (or inaction) which is undertaken (or omitted) in connection with such Indemnified Party’s performance of its duties under the Operating Agreement or to the Manager or its affiliates in connection with the Fund’s business unless such act or omission was performed or omitted fraudulently or in bad faith.

Indemnification. The Indemnified Parties shall be indemnified by the Fund against losses, judgments, expenses, etc., with respect to acts and omissions taken on behalf of the Fund, unless such act or omission was primarily attributable to an act or omission constituting fraud or bad faith. All indemnities shall be paid, first, from the Fund’s assets and, if the assets of the Fund are insufficient to fully satisfy any such obligation, then from the return of member distributions (on a pari passu basis and in proportion to Member’s respective Capital Contributions). The Fund will be obligated and liable to pay indemnification obligations pursuant to the governing documents for any subsidiaries established by the Fund, and the Fund shall make disbursements (on such pro rata basis) to such subsidiaries as necessary to pay such indemnification obligations.

Expense Advancement. Indemnification expenses shall be advanced and paid when due (even if prior to a final determination of availability of indemnification), provided that (i) the claimant is not a Member (other than the Manager or any affiliate of the Manager with respect to any interest it owns as a Member) and (ii) the claimant covenants to repay such funds advanced if it is finally determined that indemnification is not available for such claimant.

Insurance. At the Fund’s expense, the Manager may cause the Fund to purchase insurance coverage for acts for which indemnification would be available, including coverage for the Indemnified Parties.

Reliance on Professionals. The Manager, its officers, and Affiliates shall have no liability for acts taken upon the advice of counsel that such acts were permissible under governing documents and applicable law. To the extent any decision or determination has been made in reliance upon such advice, such decision or determination shall be deemed to have been made without bad faith or fraud for purposes of applying the provisions of the Operating Agreement.

#### ***Amendments***

The Manager, without the approval of any Members, may amend the Operating Agreement in order to: (a) add to the Manager’s duties or surrender any right or power granted to it; (b) cure ambiguities, make corrections, comply with changes in the law, or otherwise clarify terms; (c) delete or add any provision requested by any federal or state “blue sky” agency to the extent deemed to be for the benefit or protection of some or all of the members; (d) effectuate the admission or withdrawal of Members in accordance with the Fund’s terms; or (e) improve, upon the advice of counsel, the Fund’s position in (i) satisfying 1940 Act exemptions, (ii) qualifying for ERISA plan asset exemptions, (iii) sustaining its tax positions or those of any of its members

(including with respect to UBTI), (iv) avoiding publicly traded partnership status, or (v) preventing the Members' final capital accounts from deviating from the intended priority cash distributions described in "Distributions" above.

The Manager, upon the approval of Members representing at least a majority of the Capital Commitments of the Members of the Fund, may amend the Operating Agreement in any manner other than to: (a) increase the capital commitments of a Member; or (b) alter the economic interest of a Member in the Fund from that described in "Distributions" above, unless the Manager obtains the consent of such Member.

## **GENERAL INFORMATION**

### ***REQUIREMENTS FOR HOLDERS OF LLC INTERESTS***

The limited liability company membership interests (the "Units") offered by the Fund will be offered and sold pursuant to exemptions from registration under the Securities Act of 1933, as amended, and under state securities laws. The Units will therefore be sold to a limited number of purchasers who are acquiring such Unit(s) for investment and not with a view to resale. To be eligible to purchase any Unit, an investor must warrant and represent that he or she is acquiring the Unit for his or her own account and that the Unit will not be resold without registration under applicable state and federal securities laws or pursuant to an exemption from such laws. Any transfer shall be conditioned upon the proposed transferor furnishing the Fund with an opinion of legal counsel, acceptable to the Fund, relative to compliance with or exemption from such state and federal laws as may be applicable to such resale. Purchasers acquiring Units hereunder will be required to execute a Subscription Agreement agreeing to such conditions and restrictions. (See "Subscription Agreement".)

Unitholders have no right to require registration of their Units under state or federal securities laws, and the Fund does not contemplate such registration now or at a future date. Further, the requirements for the transfer of Units in accordance with Rule 144 under the Securities Act of 1933 will not be satisfied. Potential investors should therefore review the significance of these limitations on transfer with their legal and investment counsel.

**THE COMPANY SHALL INCUR NO LIABILITY NOR BE RESPONSIBLE TO ANY UNITHOLDER FOR ERRORS OR OMISSIONS MADE IN ANY SUBSCRIPTION AGREEMENT OR PURCHASER QUESTIONNAIRE SUBMITTED BY A PROSPECTIVE INVESTOR.**

### ***RESTRICTION ON TRANSFER OR ASSIGNMENT OF RIGHTS***

There are substantial restrictions on the transfer of Units. The Units are being offered and sold pursuant to an exemption from registration under the Securities Act of 1933, as amended, provided by Rule 506(b) of Regulation D promulgated thereunder. The Units are not registered under the Securities Act of 1933 or under state law. Purchasers of the Units shall not sell, assign, donate or transfer to any person or entity all or any portion of the Units unless:

- 1) The Fund has received a favorable opinion of its counsel and/or such evidence as may be satisfactory to counsel for the Fund to the effect that any such transfer will not be in violation of the Securities Act of 1933, the rules and regulations promulgated thereunder or any state securities laws; or
- 2) The sale of such Units is registered with the Securities and Exchange Commission and under any applicable state securities laws.

The Fund does not contemplate registration of the Units, and the holders of the Units will have no right to require registration.

### ***INVESTMENT SUITABILITY***

A prospective investor in determining whether the Units are a suitable investment should consider such investment to be illiquid and should not utilize funds that are required to be converted into cash in the near term. There will be a limited number of Units sold, and the transferability thereof will be limited. No public or secondary market will develop for the Units. The Units have not been registered under the Act and accordingly cannot be resold unless each is so registered or an exemption from such registration requirement is available, and the consent of the Manager is obtained. The Fund will not undertake to register the Units for resale under the Act or to issue public information in such form as to make available the use of Rule 144 under the Act to resell the Units.

The primary benefits of an investment in the Fund are expected to be (i) distributions of cash and (ii) capital appreciation of real estate owned by the Fund. It is the intention of the Manager to make quarterly cash distributions to investors. There is no assurance that the expected benefits will be achieved by the Fund.

#### **TAX CONSIDERATIONS**

##### ***PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN TAX COUNSEL***

The following summary of the tax considerations relating to an investment in the Fund is based upon the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury Regulations (the "Regulations"), currently published administrative positions of the Internal Revenue Service (the "Service") and existing judicial decisions. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming that would significantly modify the statements in this summary.

Moreover, a prospective investor should note that the discussion below is necessarily general, and the applicability or effect of matters discussed below may vary depending on an investor's individual circumstances. It is impractical to comment definitively on all aspects of federal, state, or local tax law, which may affect each prospective investor with respect to his ownership of a Unit and participation as a member of the Fund. **THEREFORE, EACH PROSPECTIVE INVESTOR SHOULD SATISFY HIMSELF AS TO THE INCOME AND OTHER TAX CONSEQUENCES OF HIS PARTICIPATION IN THE COMPANY BY OBTAINING ADVICE FROM HIS OWN TAX COUNSEL – EACH PROSPECTIVE INVESTOR SHOULD NOT RELY ON THE TAX INFORMATION IN THIS SECTION.** The following discussion, however, may be useful to a prospective investor with respect to his evaluation of an investment in the Fund.

##### ***MEMBERS, NOT FUND, SUBJECT TO TAX***

Under the Code, the Fund, as an entity, is not subject to federal income taxes. The Fund will file federal partnership information tax returns reporting its operations on the accrual basis for each calendar year. Each member will report on his federal income tax return his distributive share, as determined by the Operating Agreement and specified in the federal information return, of income and losses realized by the Fund, whether or not any cash distributions are made to the member during the taxable year. Accordingly, a member may be subject to tax on his distributive share of Fund income whether or not any cash distribution is made to such member. The characterization of any item of income and loss (as capital gain or ordinary income and as capital loss or ordinary loss) will be the same to the member as it is to the Fund. A member is generally entitled to deduct from income his allocable share of any Fund losses to the extent of his basis in his interest at the end of the Fund year in which such loss occurs.

##### ***MEMBER'S BASIS IN MEMBERSHIP INTEREST***

The adjusted basis for a member's membership interest is important for several reasons: it determines the amount of Fund losses, if any, which a member may deduct, the treatment of cash distributions, and measures the taxable gain or loss on a sale or exchange of such interest. Generally, each member's tax basis for his interest will be equal to the price paid for his interest, plus his share of Fund liabilities. Each partner will increase the tax basis of his interest by (i) his cash contributions to the Fund; (ii) the amount of his allocable share of the Fund's taxable income and gain; and (iii) any increase in the member's allocable share of Fund liabilities,

and will reduce the tax basis of his membership interest (but not below zero) by (i) the member's allocable share of the Fund's deductions and losses; (ii) the amount of any distributions of the Fund to such member; and (iii) any reduction in his allocable share of Fund liabilities. A member may include in the basis of his interest in the Fund his share of the principal amount of non-recourse indebtedness equal to his allocable share of profits under the Operating Agreement and his share of the principal amount of recourse indebtedness equal to his allocable share of Fund losses, but not to exceed the amount of his actual capital contributions credited to him by the Fund and the total contribution which the member is obligated to make under the terms of the Operating Agreement.

#### ***DEDUCTIBILITY OF LOSSES***

The deductibility of losses from passive activities, which include losses from the Fund, is limited to the income generated from passive activities (exclusive of portfolio income). It would appear that net income from the Fund would constitute passive income to a member (unless a member can establish the material participation in the business of the Fund required by the service to avoid passive treatment) and would be available for offset against passive losses from other sources, including other limited liability company investments. Credits from passive activities will generally be allowed only to the extent of the tax attributable to income from passive activities in succeeding years. In addition, suspended losses from an activity are allowed in full when the taxpayer disposes of his entire interest in the activity in a taxable transaction. The passive loss limitation applies to individuals, estates, trusts, and certain closely held corporations.

A member may not deduct from taxable income his share of the Fund's losses to the extent that such losses exceed the lesser of (a) the adjusted tax basis of his interest at the end of the Fund's taxable year in which the loss occurs, or (b) the amount the member is considered "at-risk" under Section 465 of the Code at the end of that year. In general, a member is initially "at-risk" to the extent of the amount of cash paid for his interest. A member's "at-risk" amount increases or decreases as his adjusted basis in his interest increases or decreases, except that only non-recourse financing, except in special circumstances, does not increase the "at-risk" amount. Losses disallowed to a member as a result of these limitations will carry forward and will be allowable to a member to the extent that his adjusted basis or "at-risk" amount (whichever was the limiting factor) is increased. The "at-risk" limitation applies to an individual member, a shareholder of a corporate member that is an electing S corporation, and a corporate member if fifty percent (50%) or more of the value of its stock is owned directly or indirectly by five or fewer individuals.

#### ***UNRELATED BUSINESS TAXABLE INCOME***

The Fund's activities would probably cause Investors who are tax-exempt entities (including pension plans, 401 (k) plans, IRAs, etc.) to realize and be taxed on unrelated business taxable income ("UBTI"). For example, since the Fund intends to leverage its properties, a portion of the income or gain attributable to such properties will be debt-financed income and consequently taxed as UBTI. Also, any gains attributable to property deemed held primarily for sale in the ordinary course of business will constitute UBTI. The rules applicable to UBTI are complex, and their application to certain types of transactions is uncertain. Members that are otherwise exempt from state and local income taxes may be subject to such taxes on their share of the Fund's UBTI. Investment in the Fund by tax-exempt entities, including pension funds, may require a portion of the assets of the Fund to be depreciated for Federal income tax purposes over a longer period of time than would otherwise be applicable. Accordingly, prospective Investors who are tax-exempt should consider the effect of UBTI on an investment in the Fund.

#### ***TAX CONSIDERATIONS DISCLAIMER***

THE FOREGOING ANALYSIS CANNOT BE AND IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. CERTAIN OF THE TAX ASPECTS OF THE OFFERING WILL NOT BE THE SAME FOR ALL INVESTORS. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR OWN TAX SITUATION AND THE EFFECTS OF THEIR INVESTMENT AS TO FEDERAL, STATE, AND LOCAL TAXES.

THIS OFFERING MEMORANDUM MAKES NO ATTEMPT TO SUMMARIZE THE STATE AND LOCAL TAX CONSEQUENCES TO A MEMBER.

#### **ADDITIONAL INFORMATION**

##### ***FORWARD-LOOKING STATEMENTS***

This Memorandum contains forward-looking statements and forecasts concerning the Fund's plans, intentions, strategies, expectations, predictions, and financial forecasts concerning their future investment activities and results of operations and other future events or conditions. These statements and forecasts are based on the views and opinions of the Manager. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "believes," "may," "will," "could," "intends," "estimate," "might," or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. Additionally, certain sections of this Memorandum, such as "Risks of Investment," may contain such forward-looking statements, even though such modifying terminology is absent.

It is important to note that the Fund's actual results or activities or actual events or conditions could differ materially from those estimated or forecasted in such forward-looking statements due to a variety of factors, some of which may be beyond the control of the Fund or the Manager. See "[\*\*Risks of Investment\*\*](#)" for a discussion of certain other factors that could cause the Fund's actual results or activities or actual events or conditions to differ from those anticipated. Although estimates and assumptions concerning the growth of the portfolio are believed by Manager to be reasonable, such estimates and assumptions are uncertain and unpredictable. To the extent that actual events differ materially from the Manager's assumptions and estimates, actual results will differ from those forecasted.

These statements include, among other things, statements regarding the Fund's intent, belief, or expectations with respect to:

- the type and quality of the properties the Fund may acquire;
- the target returns, internal rate of return, multiple and distributions to Members; and
- the markets in which the Fund may acquire and operate real estate.

Members should not rely on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond the Fund's control and may cause its actual results, performance, or achievements to differ materially from anticipated future results, or the performance or achievements expressed or implied by such forward-looking statements. Among the important factors that could adversely affect the Fund's performance are:

- changes in general economic conditions;
- changes in government policies or tax rates;
- the Fund's ability to acquire and operate suitable properties;
- changes in financial markets and interest rates;
- the effect of increased or unexpected competition; and
- each of the other matters described in the "Risks of Investment" sections of this Memorandum.

While forward-looking statements in this Memorandum reflect the Fund's estimates and beliefs, they are not guarantees of future performance. The Fund does not promise to update any forward-looking statements to reflect changes in the underlying assumptions or factors, new information, future events, or other changes.

##### ***FUND FINANCIAL STATEMENTS AND REPORTS***

The Fund's fiscal year will be the calendar year, and the Fund will maintain its books and accounts on a cash basis. All Members will be provided with a statement of income and a balance sheet semi-annually and within 75 days of the end of the fiscal year necessary tax information and tax returns, prepared by the Fund's accountant. Any material matters will be reported as they occur.

The books and records of the Fund will be maintained at its principal office and will be available upon reasonable notice for inspection by any Member or a representative of the Members, reasonable hours during the business day.

#### ***CAPITALIZED TERMS***

Capitalized terms not defined herein have the meanings ascribed to such terms in the Fund's Operating Agreement governing the respective rights and obligations of the Members and Manager of the Fund and the Interests issued thereunder (the "Operating Agreement").

#### ***LITIGATION***

There is no litigation pending or threatened against the Fund. The Manager believes that there is no litigation pending or threatened, which might materially adversely affect the benefits of ownership of real estate by the Fund.

#### ***COMMON COUNSEL***

The Company and the Manager have been represented in certain matters limited to this Offering by common PPM counsel, Moschetti Law Group, PC. Moschetti Law Group, PC has not been engaged to issue any form of opinion of counsel relating to this offering. Moschetti Law Group, PC may also represent the Manager in connection with other matters, including, without limitation, other investment vehicles affiliated with the Manager. Consequently, investors should not consider the firm of Moschetti Law Group, PC to be their independent counsel and should consult with their own legal counsel on all matters concerning the Company or any investments therein. If the independent counsel should have any questions of Moschetti Law Group, PC, they may call (818) 696-5007. Investors themselves should refrain from contacting Moschetti Law Group about this offering and instead contact the Manager should they have any questions.

#### ***NOTICE TO INVESTORS***

Copies of this offering package will be delivered to all prospective investors, and the Fund undertakes that it will make available for review by prospective investors and their respective counsel, advisors, and representatives, all information reasonably requested by them and in the Fund's possession or accessible to it without unreasonable effort or expense.

The Interests have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any State or foreign jurisdiction, and neither the SEC nor any such authority has passed upon the accuracy or adequacy of this Memorandum nor is it intended that the SEC or any such authority will do so. The Interests have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any State or foreign jurisdiction and may be sold only in transactions exempt from the registration requirements of such laws under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D under the Securities Act. The Interests may not be resold except under limited circumstances in compliance with applicable laws and other restrictions described herein.

Furthermore, the Fund will not be registered as an investment company under the Investment Fund Act of 1940 (the "1940 Act") because the Fund does not meet the definition of "investment company" provided in the 1940 Act. In addition, neither the Fund nor its affiliates will be registered as an investment advisor under the Investment Advisers Act of 1940. Consequently, Investors will not be afforded many of the protections available to investors under those laws and regulations.

Any projections or other estimates in this Memorandum, including estimates of returns or performance, are forward-looking statements and are based upon certain assumptions that the Fund and the Manager consider to be reasonable. Other events, which were not considered, may occur and may significantly affect performance. Any assumptions, projections, or estimates should not be construed to be indicative of the actual events that will occur. Actual events are difficult to predict and depend upon factors that are beyond the Fund's control. Certain assumptions have been made to simplify the presentation and, accordingly, actual results will differ and may differ significantly from those presented. Some important factors which could cause actual results to differ materially from those projected or estimated in any forward-looking statements include, but are not limited to, the following: changes in interest rates and financial, market, economic or legal conditions. In addition, the degree of risk may be increased because of the leveraging of the Fund's investments. These and other risks are described under "Risks of Investment" and elsewhere in this Memorandum, in each case, which Investors are urged to read and consider prior to investing in the Interests. Accordingly, there can be no assurance that targeted returns or projections will be realized. Such targeted returns and projections should be viewed as hypothetical and do not represent the actual returns that will be achieved by an Investor. Investors should conduct their own analysis, using such assumptions as they deem appropriate, and should fully consider other available information, including the information described in "Risks of Investment," in making an investment decision. Due to the numerous risks inherent in the investment, investors must be prepared to bear the economic risk of their investment for an indefinite period and be able to withstand a total loss of their investment.

Investors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve results comparable with similar funds' past performance or results comparable with the performance of other funds managed by the Manager.

There is no public market for Interests, and no such market is expected to develop in the future. The Interests may not be resold or transferred (i) except as permitted under the Operating Agreement, and under the Fund's subscription agreement, and (ii) unless such resale is made in accordance with an exemption from the registration requirements of applicable securities laws.

The Interests are also subject to further restrictions on transfer described herein. Because of such restrictions, it is unlikely that a secondary trading market for Interests will ever develop, and Investors will bear the risk of their investments for an indefinite period. Investors should note their limited withdrawal and governance rights described in the Operating Agreement.

The Fund will also provide investors with the opportunity to ask questions and receive written answers concerning the terms and conditions of the Offering or necessary to verify the accuracy or evaluate the information provided herein, provided that such answers can be provided without unreasonable effort or expense on the part of the Fund. The Fund authorizes no such answers or information unless furnished or approved in writing by the Manager.

Any questions or requests for additional information should be directed to:

*Axis Growth LLC*  
**13337 South St #351, Cerritos, CA 90703**  
**(562) 650-6534**