

# Verivest Sample

## Extract from Member Subscription Booklet

3.2 Membership Units. The interest of each Member in the capital and profits of the Company will be in the form of Membership Units. Each Unit shall represent a contribution to the capital of the Company in an amount equal to the price paid per Unit. The Fund will sell Membership Units at a "Unit Price" that shall fluctuate quarterly based on the total collective Stated Value of the Fund Assets. The initial Unit Price will be \$1,000.

Investors who wish to purchase Units must complete and sign the Subscription Agreement, a signature page to the Operating Agreement, an Investor Suitability Questionnaire and other such documentation as is deemed appropriate by the Manager, and send them together with a check or wire for the purchase price of the Units to the Manager. Upon receipt of appropriate executed documents, the Fund will immediately deposit Investor funds into its holding account (the "Subscription Account"), the date of which shall be the "Deposit Date." Investors may execute the Unit Subscription documents at any time throughout a calendar quarter. However, an investment in the Units only become effective as an equity investment upon the Company's transfer of an Investor's funds into its operating account (the "Operating Account") and as of the first day of the calendar quarter (the "Effective Date") immediately following the Deposit Date. Investor funds held in the Subscription Account shall pay no interest to the Investor.

The Company may utilize a new Investor's funds for its operations between the Deposit Date and the Effective Date by transferring all or a portion of such funds as determined by the Manager (the date of which shall be the "Transfer Date") from the Subscription Account to the Operating Account. Any such amounts transferred shall be treated as a loan to the Fund for which the Investor shall receive interest at 8% (annualized) during the period between the Transfer Date and the Effective Date. The Fund will pay the accrued interest (running from the Transfer Date of any funds to the Effective Date) on any funds transferred from the Subscription Account to the Operating Account in the form of a check to the Investor to be prepared and mailed on or shortly after the Effective Date. An Investor's obligation to purchase Units with their full deposited amount shall be irrevocable during the time between the Deposit Date and the first day of the subsequent calendar quarter.

As soon after the Effective Date as is practicable (typically on or around the 15<sup>th</sup> of the first month of the quarter), the Fund shall issue Units to the Investor at the prevailing Unit Price for any and all amounts transferred into the Operating Account since the Deposit Date (i.e., funds that were treated as loaned to the Fund between the Transfer Date and the Effective Date). On the Effective Date, the Fund shall also be obligated to transfer some or all of any remaining Investor funds from the Subscription Account into the Operating Account and issue Units at the prevailing Unit Price, and/or to notify the Investor of any amounts it intends to let remain in the Subscription Account based on the Fund's financial position or projected yields at the time, or for other reasons in the Manager's sole discretion. Upon notice to the Investor of any such amounts it does not intend to transfer to the Operating Account and issue Units, the Investor shall have 10 days to decide to either leave the money with the Company in its Subscription Account, or to have the Company reimburse the remaining funds in the Subscription Account to the Investor. If an Investor chooses the reimbursement option, the Investor shall have no further right or obligation to use these remaining funds to purchase Units. If an Investor chooses to leave the remaining funds in the Subscription Account, the Investor's obligation to utilize such funds to purchase Units (and the Company's right to transfer the funds to its Operating Account) shall once again be irrevocable, and the funds shall again be treated during each successive quarter as detailed in this section.

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M#	Account	Preference	Gross Distributions	Withholdings
M1234-1111	Investor Name 1	Check	\$123.01	\$0.00
M1234-2222	Investor Name 2	Reinvest	\$1,234.02	\$0.00
M1234-3333	Investor Name 3	Reinvest	\$123.03	\$0.00

\*This distribution report may be produced by Verivest . It is included here for completion of the documents needed to support this transaction.