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CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

WORCESTER FUND LLC

EXECUTIVE SUMMARY

April 2017

**1220 Washington St., Suite 200
Kansas City, MO 64105**

IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF WORCESTER FUND LLC (THE "FUND"), AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE UNITS OR DETERMINED IF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND THE FUND'S OPERATING AGREEMENT. YOU WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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SUMMARY OF THE OFFERING

The following summary is qualified, in its entirety, by information appearing elsewhere in this PPM, the Operating Agreement, the Subscription Agreement, the Notes and the Intercreditor Agreement (collectively, the "Documents"). You should read the Documents in their entirety and, in particular, focus on the risks described in the section of this PPM titled "Risk Factors." In the event of a conflict between this summary and any of the Documents, the provisions of the Documents will control.

Company: Worcester Fund LLC, a Delaware limited liability company (the "Fund" or the "Company").

Manager: Worcester Fund Manager LLC, a Delaware limited liability company (the "Manager" or "WFM"). The principals of the Manager are Paul Worcester and Joel Worcester.

The Members, upon a vote of 80% of the total Ownership Interest, may remove the Manager with Cause and, upon a vote of the Members holding a Majority, may elect a successor manager.

The Manager may resign at any time with one year's advance notice to the Members. Following the resignation of the Manager, the Members may elect a successor manager upon a vote of the Members holding a Majority.

Upon the death or permanent disability of both Paul and Joel Worcester (the "Key Persons Event"), the Fund shall cease making any new investments for one year from the date of the Key Persons Event. The Members shall have the right to appoint a replacement key person during the one year period. If no replacement key person is appointed by a vote of the Members holding a Majority within the one year following the Key Persons Event, the Fund shall permanently cease to make new investments and proceed with an orderly liquidation of its Assets.

Ownership of the Fund: The Fund shall be owned by Investors purchasing equity interests or membership shares ("Membership Units", or "Units") in the Fund, and who shall be called "Members." Members shall own 100% of the Fund, each in a percentage equal to their outstanding Units divided by the total Units outstanding (an "Ownership Interest"). There are three classes of Units available for Members: Class A Units, Class B Units and Class C Units. The Class of Units a Member owns is based on the size of the Member's investment and is tiered by dollar amount as follows: Members with a Capital Account up to \$250,000 will own Class C Units, Members with a Capital Account between \$250,000 and \$1,000,000 will own Class B Units, and Members with a Capital Account of \$1,000,000 or greater will own Class A Units. The Units are identical, with the exception of the

ratios at which Excess Distributable Cash (or "EDC") is distributed as between the Manager and the Members.

Investor Offerings:

Investors will have two investment options:

1. Membership Units of the Fund; or
2. Secured Notes from the Fund.

Minimum Investment:

\$50,000 per unique Investor, which amount may be adjusted in the sole discretion of the Manager. There is no set ceiling on the amount of investment from each Investor and will be at the discretion of the Manager.

Financial Statements and CPA Audit:

The Fund shall prepare its financial statements in accordance with Generally Accepted Accounting Principles ("GAAP") or such other methodology as determined to be appropriate for the Fund by the Manager in consultation with the Fund's CPA. The Manager shall also cause the Fund to have its financial statements audited on an annual basis by a qualified CPA once the Fund has reached \$5,000,000 in total Investment Capital, or as required by any particular federal or state regulations. These statements and audits shall be made available to Investors.

Management Fee:

The Manager will charge the Fund an annualized Management Fee of 1.5% of the total Stated Value of the Fund's investments in Fund Assets. The Management Fee will be calculated, prorated, and paid by the Fund at the end of each calendar month, regardless of the Fund's performance or whether there will be any cash available for distribution to the Members after payment of the Management Fee.

Loan Servicing Fee:

The Manager will charge the Fund an annualized Loan Servicing Fee of 0.5% of the total unpaid principal balance of any loan obligations being serviced by the Fund or on behalf of the Fund. The Loan Servicing Fee will be calculated, prorated, and paid by the Fund at the end of each calendar month, regardless of the Fund's performance or whether there will be any cash available for distribution to the Members after payment of the Management Fee.

Other Fees or Amounts Payable to the Manager or Affiliates:

The Originator will collect 50% of any loan origination fees or extension fees paid by Borrowers to the Fund with respect to Mortgage Loans. In the event the Manager originates Mortgage Loans itself, the Fund may pay the Manager a commercially reasonable loan origination fee or loan extension fee, as determined by the Manager in its sole discretion.

The Manager or Paul or Joel Worcester may, in the Manager's sole discretion, also charge the Fund a

guarantee fee in the amount of up to 2% of a Credit Facility guaranteed by the Manager or such Persons.

The Manager or an Affiliate may, in the Manager's sole discretion, also charge the Fund an acquisition fee in the amount 1% - 3% of the Stated Value of a Fund Asset acquired by the Fund, which acquisition fee shall at all times be commercially reasonable and never exceed 3% of the Stated Value of the Fund Asset.

The Manager or an Affiliate may, in the Manager's sole discretion also charge the Fund a construction fee with respect any Fund Assets under construction.

Activities of Fund:

All identification of property, due diligence, and underwriting of Assets for the Fund or any Special Purpose Vehicles (or "SPVs") owned by the Fund will be done by the Manager for the benefit of the Fund or SPVs. The Manager may subcontract due diligence functions to third parties (e.g. appraisers, inspectors, subcontractors, real estate brokers, etc.) for the benefit of the Fund, the costs of which will be considered Fund Expenses.

Fund Administration:

The Fund intends to retain the services of Fairway America as Fund Administrator to provide professional Fund administration and Investor relations functions, the cost of which shall be a Fund Expense.

Note Holders/Notes:

The Fund will borrow money from time to time from Note Holders who will be issued Notes of varying maturities as determined by the Manager. Note Holders will be lenders to the Fund on a Pari Passu basis and have a blanket secured interest in the Fund Assets. This secured interest will be in a senior position except in circumstances where individual Fund assets have been or are being pledged to any senior lender pursuant to a Credit Facility.

The Fund may have multiple tiers of rates based on the amount of money lent from a Note Holder and the duration of the maturity. These tiers may change from time to time. The interest rate for each maturity date and dollar amount combination will be set by the Manager in a Note Schedule to be published periodically. Notes may be purchased, with the consent of the Manager, at any time at the interest rate and terms defined for that period by the Manager. Accrued interest under the Notes will be paid to the Note Holders on a quarterly basis, although the Fund may make more frequent payments of accrued interest as determined by the Manager in its sole discretion. The Fund may prepay the outstanding principal and interest to any Note Holder at any time without penalty.

Investors may complete and return a Note Holder Subscription Booklet to the Fund at any time during the Offering, and the applicable interest rate identified in the Note Schedule in effect as of the Deposit Date will be the applicable interest rate for the Note ultimately purchased by the Investor. However, the purchase of the Note will only become effective as of the date upon which the Company accepts the Investor's subscription and transfers the Investor's funds from the Subscription Account into the Operating Account. The Investor's deposited funds earn no interest while held in the Subscription Account.

Note Holder Returns:

Note Holders will be paid, on a Pari Passu basis, a specific rate of return as detailed on a periodic Note Schedule published by the Fund. The returns will vary based on amount, the size of investment, the duration of the Note term, market conditions at the time of issuance, and other factors. All accrued interest under the Notes will be paid to the Note Holders on a quarterly basis, although the Fund may make more frequent payments of accrued interest as determined by the Manager in its sole discretion. See the current Note Schedule provided with the Note Holder Subscription Documents.

Membership Units:

The Fund will sell Membership Units at a "Unit Price" that will fluctuate quarterly based on the total collective "Stated Value" of the Fund Assets. The Stated Value of any individual Fund Asset will be determined on the last day of each calendar quarter by the Manager in its sole discretion. The Manager, however, will establish and follow a methodology for determining the Stated Value of the Fund Assets, which it may modify, alter, amend, or improve from time to time in its sole discretion.

Investors may complete and return a Member Subscription Booklet to the Fund at any time during the Offering. However, an investment in the Membership Units will become effective as an equity investment *only* as of the first day of the quarter (the "Effective Date") following the date the Fund receives the Investor's completed Member Subscription Booklet (including the Investor Suitability Statement and a signature page to the Operating Agreement), the Investor's payment by check or wire transfer for the total purchase price for the Units being subscribed for is transferred into the Fund's holding account (the "Subscription Account"), and the Fund receives such other documentation as is deemed appropriate by the Manager (the "Deposit Date"), *and* upon the Fund's acceptance of the subscription in the sole discretion of the Manager and the Fund's transfer of the Investor's money into its operating account (the "Operating Account"). No

interest will be earned or paid on the Investor's money while it is in the Subscription Account.

The Fund may use the Investor's money between the Deposit Date and the Effective Date, provided that any amounts drawn by the Fund from the Subscription Account into the Operating Account will be treated as a loan to the Fund for which the Investor will receive interest at 8% (annualized) during the period between the Deposit Date and the Effective Date, and for which the Investor will receive a 1099 Statement for passive interest income. The Investor will become a Member of the Fund *only* after the Effective Date *and* upon acceptance of the subscription by the Manager, and only upon acceptance of the Investor as a Member will the investment, or portions drawn from the Subscription Account, be treated as an equity investment in the Fund. The Fund may refund amounts in the Subscription Account at any time.

Target Overall Return:

The Fund's objective is to produce an overall return to Members in the range of 9% to 12% annually. Subject to performance of the Fund and after paying all Fund Expenses, including the Management Fee, the Loan Servicing Fee, and the other fees and amounts payable to the Manager, Affiliates, and other third parties as further described in this PPM, the Members may receive on a quarterly basis a Preferred Return of 8% and a portion of the Excess Distributable Cash, as apportioned between the Members and the Manager, and as further apportioned among the Members according to their class of Units and their respective Ownership Interests.

Should the Fund meet its financial models and achieve its objectives, these Distributions would equate to an overall return for the Members in an expected range of 9% to 12% annually. **However, an investment in the Fund is inherently speculative and no specific return on Investor Capital or even return of Investor Capital can be promised or guaranteed.**

Distributable Cash:

The Manager will determine whether there is any Distributable Cash available for distribution to the Members on a quarterly basis. The Manager reserves the right to determine in its sole discretion whether there is any Distributable Cash or whether to make a Distribution or not. Generally speaking, Distributable Cash will be any cash left over in the Fund after (i) paying interest or principal on any Credit Facilities, any Redemptions or early repayment of Notes as determined by the Manager, Fund Expenses, and any interest payments on the Notes or repayment of any maturing Notes, and (ii) reserving any cash for future, contingent, or unknown liabilities of the Fund or any other purposes of the Fund.

Preferred Return:

First, from any Distributable Cash Members will receive a **preferred return of 8%** (the "Preferred Return") of their contributed but unreturned Capital on a quarterly basis according to their respective positive Capital Account balances. The Preferred Return is not guaranteed, meaning that the Preferred Return will not be paid in any particular quarter if the Fund does not have sufficient capital available to pay it, as determined by the Manager in its sole discretion. The Preferred Return is also noncumulative, meaning that any Preferred Return not paid to the Members in full in any given quarter shall not be compounded or otherwise carried forward, except for the Clawback provided in the Operating Agreement.

Excess Distributable Cash (EDC):

Second, from any Distributable Cash, any EDC available at the end of each quarter will be apportioned to the Members according to their respective Ownership Interests as of such date, and then further reapportioned and distributed between each Member and the Manager (subject to the Manager EDC Clawback) on a Pari Passu basis as follows:

1. With respect to a Class C Member, 50% of the EDC initially apportioned to the Class C Members shall be distributed to the Class C Member and 50% of the EDC shall be paid to the Manager;
2. With respect to a Class B Member, 60% of the EDC initially apportioned to the Class B Members shall be distributed to the Class B Member and 40% of the EDC shall be paid to the Manager; and
3. With respect to a Class A Member, 70% of the EDC initially apportioned to the Class A Members shall be distributed to the Class A Member and 30% of the EDC shall be paid to the Manager.

In addition to the foregoing, in order to create an incentive to invest in the early stages of the Fund, the Manager has agreed to forego 10% of the EDC to be initially apportioned to it and, instead, will apportion the 10% of EDC to those Members that contribute the first \$3,000,000 of Investment Capital to the Fund. For example, a Class C Member that contributes a portion of the Fund's first \$3,000,000 in Investment Capital will receive 60% of the EDC initially apportioned to the Class C Members, instead of 50%, with respect solely to those Units acquired by the Class C Member with the Investor Capital contributed by the Class C Member as part of the Fund's first \$3,000,000 in Investment Capital, and the Manager will receive 40% of EDC initially apportioned to it instead of 50%.

The Members' portion of EDC shall be considered distributions for accounting and tax purposes and the Manager's portion of EDC shall be considered additional

compensation paid to the Manager for tax purposes and as a Fund Expense for accounting purposes.

Manager EDC Clawback:

The Manager's portion of any EDC shall be subject to forfeiture to the Members if the Fund fails to pay the Members their Preferred Return in full for any of the prior consecutive four quarters (the "Manager EDC Clawback" or "Clawback"). The amount of the Clawback shall not exceed the lesser of (i) the total amount of the Preferred Return not paid to the Members in full over the prior four consecutive quarters and (ii) the entire amount of EDC that would otherwise be paid to the Manager in the given quarter.

Distributions:

The following outlines the general priority for the Distributions from the Fund:

1. Interest and principal payments on any Credit Facility;
2. Interest on or repayments of any amounts borrowed by the Fund from the Subscription Account;
3. Interest on Notes and repayment of any maturing Notes;
4. Any early repayment of Notes;
5. Any eligible Redemptions of Units;
6. All Fund Expenses (including the Management Fee, the Loan Servicing Fee, any guarantee fees, and the other fees or amounts paid to the Manager, Affiliates, or other third parties);
7. The Preferred Return to the Members; and
8. Any EDC distributable to the Members and the Manager (subject to the Clawback).

This order of priority is expected, but changes to the order of priority may occur as a result of court order, administrative ruling, change in the law, or agreement of the affected parties.

In connection with the liquidation of the Fund, all accrued interest and outstanding principal of the Notes will be paid in full prior to any Distributions to the Members and the Investment Capital will be returned to the Members after the Preferred Return for the given quarter is paid in full and prior to any Distributions of EDC.

In all cases, the Manager has the right, in its sole discretion, to withhold any Distribution, including the Preferred Return or EDC, if such Distribution would not, in the Manager's discretion, be in the best interests of the Fund. The Manager also has the right, in its sole discretion, to withhold a Distribution and use the withheld funds as reserves for future liabilities or expenses or to acquire Fund Assets.

Fund Expenses:

Fund Expenses (including SPV expenses) shall include, but not necessarily be limited to the following: fund organizational costs, costs to acquire or dispose of Fund Assets, accounting and related costs for tax return preparation, financial statement preparation, or audits, legal fees and costs, filing, licensing, or other governmental fees, other third-party audits, the Management Fee payable to the Manager, the Loan Servicing Fee payable to the Manager, any guarantee fees payable to the Manager or Joel or Paul Worcester, the other fees and amounts payable to the Manager or Affiliates as further described in this PPM, fund administration costs, capital acquisition fees and costs, loan origination fees or other fees or costs associated with any Credit Facilities, costs associated with ownership of real property (e.g., property improvement and rehabilitation costs not otherwise capitalized, sales commissions, property taxes, property management, hazard insurance, and utilities), and any other expenses associated with operation of the Fund or management of its Assets.

The Fund may incur fees to eligible third parties for raising capital on its behalf in the discretion of the Manager. Any such fees shall be borne by the Fund as part of the Fund Expenses.

The Manager shall be reimbursed for all reasonable out of pocket expenses incurred on behalf of the Fund which shall be considered Fund Expenses.

Minimum Offering:

The Fund shall begin making its investments as summarized herein immediately upon receipt of Investment Capital, or as soon thereafter as is practicable in the judgment of the Manager. The Fund expects to raise capital on an ongoing basis and thus shall begin making investments immediately.

Maximum Offering:

The Fund seeks up to \$50,000,000 in contributed Investment Capital from Members and Note Holders combined (the "Maximum Offering Amount") over the lifetime of the Fund, which amount may be increased in the sole discretion of the Manager. The Manager may or may not raise the full amount during the lifetime of the Fund. The Manager will be entitled to sell additional Membership Units or Notes at any time and on an ongoing basis so long as the Fund's Investment Capital does not exceed the Maximum Offering Amount, which may be increased as described above. Upon reaching the Maximum Offering Amount, if there are Redemption requests that are granted or Note Repayments that bring the Fund's total net Investment Capital raised below the Maximum Offering Amount, the Manager may again raise additional equity or issue additional Notes up to the Maximum Offering Amount

and may do so at any time during the life of the Fund so long as the total net Investment Capital of the Fund does not exceed the Maximum Offering Amount, subject to the Manager's sole discretion to increase the Maximum Offering Amount.

Term:

The Fund is an open-ended, "evergreen" fund with no set end date. The Manager expects to originate and acquire Fund Assets on a frequent and ongoing basis and will continue to do so indefinitely or until the Manager believes market conditions do not justify doing so. The Manager intends generally to utilize the return of capital from the disposition of Fund Assets to originate and acquire new Fund Assets rather than return the capital to Members. However, the Manager expects to manage the Fund's investments and capital structure in such a manner as to attempt to provide a reasonable level of capability for the Fund to accommodate Redemption requests given the relatively illiquid nature of real estate based investments in general.

If the Manager deems it appropriate based on evolving market conditions and dynamics, the Manager will cease to originate and acquire new Fund Assets and will distribute any return of capital from the disposition of Fund Assets back to the Members until all Fund Assets have been liquidated. The Manager may choose to return capital to the Members at any time during the life of the Fund. The Manager will have no obligation to continue the Fund even if there are investment opportunities the Fund may pursue.

Use of Leverage/Credit Facilities:

The Fund or any SPV(s) of the Fund may choose to borrow money from time to time from one or more senior lenders and may pledge one or more Fund Assets as collateral for any such borrowing. The Operating Agreement grants the Manager significant latitude and discretion in its ability to use Credit Facilities in the operation of the Fund.

Any Facility shall be nonrecourse to the Members. The Manager (or its principals) and the Fund may agree to provide its guarantee for a given Facility but are not required to do so. If the Manager or its principals agree, in their sole discretion, to approve the Fund's guarantee to any Credit Facility, the Fund may also receive a fee.

If the Manager or its principals agree, in their sole discretion, to provide its or their guarantee to any Credit Facility, the Manager (or its principals) may also receive a fee not to exceed 2% of the amount guaranteed. Any Facility will likely have covenants that affect the Company, any SPVs, and the Manager.

Redemption and Lockup Period:

No Member will be allowed to issue a request for a redemption of the Member's Units (a "Redemption Request") during the first 48 months of the Member's investment (the "Lockup Period"). Notwithstanding the foregoing, Redemption Requests for reasons of financial hardship or emergency during the Lockup Period may be considered by the Manager in its sole discretion on a case by case basis subject to a penalty (the "Redemption Fee") equal to 5% of the then current Unit Price. The Manager shall have no obligation to consider any hardship Redemption Requests during the Lockup Period and shall be entitled to charge a higher or lower Redemption Fee. All Redemption Fees charged and collected will be considered income to the Fund.

After the Lockup Period, a Member will have the right to make a Redemption Request as of the 48-month anniversary of the Effective Date of the Member's purchase of Units (the "Anniversary Date") or at any time thereafter, provided that the Member delivers written notice of the Redemption Request at least 12-months in advance of the desired date of the redemption. The net result of these provisions is that, other than in the case of hardship Redemption Requests granted by the Manager in its sole discretion, the earliest any Member will be able to redeem their Units will be at the 48-month anniversary of the Effective Date of the Member's purchase of the Units. All Redemption Requests will be considered on a first come, first served basis.

Notwithstanding anything to the contrary in this PPM or the Subscription Documents, the Manager shall have no obligation to grant any particular Redemption Request and shall retain sole discretion as to whether or not to redeem any Unit. The Manager may redeem Membership Units Pari Passu at any time at the then current Unit Price in its sole discretion without penalty to the Manager or the Fund.

All of the above parameters notwithstanding, the Manager will endeavor to manage the Fund in such a manner as to be able to accommodate Redemption Requests at any time after the Lockup Period and as near the Anniversary Date upon which a request is made as consistently as possible.

Note Holder Early Repayment:

A Note Holder may request an early repayment of the Note (a "Repayment") prior to its maturity date subject to a penalty equal to a downward interest rate adjustment to the appropriate Note term consistent with the Repayment date (if applicable) plus an Early Repayment Fee of 5% of the principal balance of the Note subject to the discretion of the Manager. The granting or not of the early Repayment request shall be subject to the sole discretion of the Manager.

Eligible Investors:

Membership Units will be offered solely to “accredited investors,” as that term is defined by Rule 501 of the Securities Act of 1933, and who satisfy eligibility requirements set from time to time by the Fund and its Manager. In the sole discretion of the Manager, the Fund may establish a structure to secure investments in the fund from foreign Investors.