

Invest5000 Fund 1 LLC is Offering

\$1,400,000.00
Of Class A Units

Confidential Offering Document

This Private Placement Memorandum (referred to as the "Memorandum") contains confidential information intended solely for the designated recipient. It must not be shared, distributed, or disclosed to anyone other than the recipient and their professional advisors, whose access is strictly for the purpose of assisting the recipient in evaluating this investment opportunity.

Reproduction, duplication, or any other form of copying of this Memorandum is strictly prohibited.

Unauthorized distribution or use of this document may constitute a violation of the Securities Act of 1933, as amended (the "Securities Act"). The investment opportunity outlined in this Memorandum does not constitute an offer to sell or a solicitation to purchase securities in any jurisdiction where such actions would be unlawful. Recipients should review any jurisdiction-specific disclosures included within this Memorandum.

The Company plans to offer the securities described herein under one or more exemptions from registration and/or qualification under applicable securities laws. These securities have not been reviewed, approved, or endorsed by the Securities and Exchange Commission (SEC) or by any state regulatory authority. Each potential investor is responsible for independently evaluating whether this investment aligns with their financial goals and risk tolerance. Neither the SEC nor any state securities regulator has verified the accuracy or completeness of this Memorandum. Any statement suggesting otherwise is unlawful.

By receiving this Memorandum, the recipient acknowledges receipt of this document, dated September 9, 2024, relating to **invest 5000 Fund 1**, a Georgia limited liability company (the "Company"). This package includes the Company's Business Overview, Subscription Instructions and Agreement, Investor Questionnaire (for both entity and individual investors), and the Company Agreement.

The recipient further agrees to treat all non-public information contained within this Memorandum — along with any other confidential information provided by the Company or its representatives — as strictly confidential, both during and after the evaluation process. If the recipient chooses not to proceed with an investment, they agree to return or destroy this document at the Company's request.

Maximum Aggregate Offering \$1,400,000

Par Value of each Class A = \$5,000

Class A Units are entitled to a Preferred Return of 12% with further equity splits

Minimum Investment Amount for Class A Units: 280 Class A Units (\$5,000.00)

These securities are being offered in reliance on exemptions from registration under the Securities Act of 1933, specifically the Intrastate Offering Exemption pursuant to Section 3(a)(11) and Rule 147A, as well as the Invest Georgia Exemption under Georgia state law. No registration statement has been filed with the U.S. Securities and Exchange Commission (the "Commission"), nor with any federal securities authority, as this offering is intended solely for Georgia residents.

These securities are subject to restrictions on transfer and resale. They may only be transferred in compliance with applicable federal and state securities laws, including but not limited to the Securities Act of 1933, as amended, and Georgia's specific securities laws. Prospective investors should understand that they may need to hold this investment indefinitely and bear the financial risks associated with illiquidity.

Additionally, the Company is not registered as an Investment Company under the Investment Company Act of 1940. As a result, investors will not receive the regulatory protections that apply to registered investment companies.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE U.S. SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR SELLING LITERATURE. THESE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM REGISTRATION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION.

This investment opportunity is being presented directly by the Company, through its Manager and officers, without the involvement of an underwriter. The total maximum amount the Company seeks to raise is **\$1,400,000**. Funds raised through the sale of Investor Units will be immediately accessible to the Company for general business purposes, as determined by the Company's discretion. Additionally, the Company may use a portion of the offering proceeds to cover costs associated with this fundraising effort. For more details, please refer to the section titled **"Use of Proceeds."**

Confidentiality and Usage Notice

This document is being provided exclusively for the purpose of evaluating a potential investment opportunity with the Company. Recipients are strictly prohibited from using it for any other reason. The contents of this document, whether in part or in full, may not be copied, shared, or disclosed without prior written approval from the Company's management. By accepting this document, recipients agree to maintain the confidentiality of all non-public information contained herein and to use it solely for the purpose of assessing this potential investment.

Recipients who choose not to invest must make reasonable efforts to return or destroy this document and any related materials upon request. This document is intended solely for individuals or entities considering participation in the offering described, and it may not be circulated for any other purpose. Sharing or disclosing its contents to any third party, aside from representatives directly involved in the evaluation process who have also agreed to these terms, is strictly prohibited.

No one is authorized to provide additional information or make any statements on behalf of the Company unless expressly included in or authorized by this document. Any reliance on information outside of this document is entirely at the recipient's own risk.

This investment opportunity is available only to accredited investors who meet the qualifications set forth by the Company. The Company reserves the right to accept or reject any subscription, in whole or in part, at its sole discretion. Any investment will be subject to a formal subscription agreement, which contains legally binding representations, warranties, terms, and conditions. Prospective investors are encouraged to review all materials, including the Company's operating agreement, business overview, and the subscription agreement, prior to making any investment decision.

This document does not constitute an offer or solicitation in any jurisdiction where such actions would be unlawful. Additionally, all offers are subject to modification, withdrawal, or cancellation by the Company at any time. The securities offered are highly illiquid, speculative, and involve substantial risk, including the potential for complete loss of invested capital. Prospective investors should carefully review the "Risk Factors" section before making any commitment.

The Company and its management will make themselves available to respond to reasonable inquiries from prospective investors and to provide additional relevant information, to the extent available, to assist with the evaluation process. However, all investors are strongly encouraged to rely on their own independent legal, financial, and tax advisors to fully understand the implications of investing and to assess the suitability of the investment for their particular situation.

No assurance can be given that the Company's objectives will be met or that any financial projections will be realized. Past performance is not indicative of future results, and all forward-looking statements should be viewed with caution, as actual outcomes may vary significantly.

This document supersedes any prior communications or materials related to this investment opportunity. All summaries of agreements or documents referenced herein are qualified by the full text of those agreements or documents, which are available for review upon request. Prospective investors are responsible for fully reviewing all offering documents before making any investment decision.

Acceptance of this document constitutes agreement to these terms.

Important Notice Regarding Forward-Looking Statements

This document includes statements about future expectations, projections, and potential outcomes related to the Company's financial performance, business plans, services, growth efforts, and anticipated funding from this offering and other sources. These statements reflect the Company's current expectations and beliefs but are not guarantees of future results.

In accordance with the protections provided under the Private Securities Litigation Reform Act of 1995, we want to emphasize that actual results could vary significantly from the expectations outlined in these forward-looking statements. A range of factors, including but not limited to, market conditions, operational challenges, regulatory changes, and unforeseen economic events could cause the Company's actual performance to differ materially from what is anticipated.

Summary of the Offering

The Company reserves the right to adjust both the total number of Investor Units available and the pricing of each Unit at its discretion. Additionally, the Company maintains full authority to review, approve, or reject any prospective investor or subscription request, either partially or in full. For purposes of this offering, the term "Investor" refers to eligible individuals or entities receiving this document.

The Company

The Company is an investment fund established to allocate capital into the logging sector, along with other investment opportunities outlined in Exhibit A (collectively referred to as "Target Investments," or individually as a "Target Investment"). Ownership in the Company is divided into Class A and Class M membership units, with further details provided throughout this document. Those holding membership units are referred to as "Members." Investors will purchase Class A Units (referred to as "Investor Units") and, upon completing the Subscription Agreement, the Operating Agreement, and providing the investment funds as outlined, will become Class A Members of the Company.

Manager

Southeastern Timber Products Inc. (herein referred to as the "Manager") will manage the Company throughout its life cycle

Securities Offered

The Company is offering up to 280 Class A Membership Interests for sale. Payment for the Investor Units is required in cash at the time of subscription. The Company retains the right, at its discretion, to adjust the size of the Offering. This offering is available exclusively to prospective investors. The minimum investment for the Class A Units is \$5,000.

Plan of Offering

The Investor Units are being made available by the Company on a "best-efforts" basis. The Offering will remain open until the maximum target is reached, unless it is terminated earlier. No formal notification of the closure will be provided beyond what is outlined in this Offering.

Par Value

Each Investor Unit has a par value of \$5,000.

Membership Units Outstanding

The Company has a total of 380 units outstanding, consisting of 280 Investor Units and 100 Class M Units, which are held by the Manager.

Application of Funds

The funds raised from the sale of Investor Units will primarily be allocated towards acquiring Target Assets, covering operational expenses, funding marketing activities, and supporting general business purposes, unless otherwise specified in the Memorandum.

Voting Authority

Investors holding Investor Units will not possess voting rights on matters specified in the Company Agreement. Voting authority will be exclusively granted to the Class M Member.

Indemnity

To the maximum extent allowed by law, the Company will protect, defend, and hold the Manager harmless against any losses, damages, or expenses arising from the Company's operations.

Risk Considerations

The Investor Units being offered carry significant risk. For more details, please refer to the "Risk Considerations" section in the Memorandum and Offering Documents.

Transfer Limitations

Investors acquiring Investor Units through this Offering will be subject to limitations on selling, transferring, pledging, or disposing of their units. These restrictions are imposed by relevant federal and state securities regulations, as well as the terms outlined in the Company Agreement.

How to Subscribe

Investors interested in purchasing Investor Units should complete and sign the Subscription Agreement (attached as Exhibit B) and the Company Agreement (attached as Exhibit C), and submit these documents along with the full payment for the Investor Units to the Company. A subscription will only be considered valid if all required fields are properly completed and signed, and payment for the Investor Units is included. If a subscription is not accepted, any funds submitted will be returned to the investor promptly, without interest or deductions.

Eligibility to Invest

The Investor Units of the Company are being offered under this Memorandum exclusively to individuals who qualify as "Georgia Residents" as defined under the Invest Georgia Exemption, in accordance with the Act. Acceptance of subscriptions will be determined at the sole discretion of the Manager.

Transferability of Investor Units

The Investor Units are not listed on any public market, and there are no plans for one to be established. As such, this investment is illiquid. (Refer to the "Risk Factors" section — "No Public Market for the Company's Units.") Additionally, there are significant limitations on the ability to privately sell or transfer these units.

Risk Warning

Investing in the Units carries a high level of risk and is only appropriate for investors with significant financial resources relative to their investment. This opportunity is intended for those who fully understand the unique risks associated with this type of investment. Additionally, it is suitable only for individuals who do not require immediate access to their capital and are comfortable with restrictions on the transfer of the Units. If you have any uncertainties, it is advisable not to invest. Always seek professional legal and tax advice if you have any questions or concerns.

Use of Funds

The funds raised through this offering will primarily be allocated towards acquiring the Target Assets, as well as for general corporate purposes and other uses deemed by the Manager to be in the best interests of the Company and its members. The actual allocation of funds may vary significantly depending on various factors. Invest5000 retains the right to adjust the allocation of proceeds based on these factors and related circumstances.

The figures provided are only estimates regarding the intended use of the funds. Actual expenditures may differ significantly from these projections.

Exhibit A

Source of Funds		
Funds From Offering	\$1,400,000	
Total Funds		\$1,400,000

Use of Funds and Cost		
Description		
Accounting	\$5,000	
Marketing	\$10,000	
Legal	\$30,000	
4 Used International Semi's	\$72,000	
4 Used Log Trailers	\$72,000	
Used Detach Lowboy	\$50,000	
2 Service Trucks	\$120,000	
Used Track Cutter w/Dangle Head	\$470,000	
Used Skidder	\$160,000	
Used Skidder	\$120,000	
Used Log Loader	\$145,000	
New Scale	\$30,000	
Used Dozer	\$60,000	
Insurance	\$15,000	
First Month Operating	\$41,000	
Total Fund Use		\$1,400,000

Risk of Investment

Investing in the Units of the Company involves significant risks and is appropriate only for investors with considerable financial resources who understand the potential risks involved. This investment is not suitable for those who may need liquidity and who are not willing to accept the limitations on transferring the Units. If there is any doubt, investors should refrain from investing and should consult independent legal and tax advisors before making a decision.

No Guarantee of Returns or Strategy Success

While the Company aims to achieve specific returns for its investors, there is no guarantee that these goals will be met. Additionally, the Company may not successfully implement its investment strategy as planned.

Lack of Operating History

As a newly formed entity, the Company has no historical performance data to help potential investors assess its future performance. Although the management team has experience in logging operations, there is no assurance that past performance will reflect future results.

Competition for Investment Opportunities

The Company will face significant competition in acquiring timber, competing with other timber buyers and mills. These competitors may have more resources, greater experience, and be willing to accept higher risks, which could impact the Company's ability to acquire assets at favorable prices.

Risk of Insufficient Diversification

The Company's investments may be concentrated in a specific asset class, which could expose the portfolio to increased risk if those assets underperform. Concentration may also limit diversification, increasing vulnerability to sector-specific downturns.

Funding Challenges

The Company's success depends on its ability to raise capital. If the Company cannot raise sufficient capital, it may be unable to achieve its planned acquisitions, affecting its growth and diversification.

Potential Loss of Investment

The Company is intended for long-term investors who can tolerate the risks associated with the potential loss of capital. Investors should be prepared for the possibility of losing some or all of their investment.

Liquidity Concerns Regarding Redemptions

Investors should not expect easy access to liquidity, as the Company may not have sufficient resources to fulfill redemption requests on demand. The Manager has discretion to deny redemption requests if they would negatively impact the Company's liquidity or operations.

Economic Conditions and Market Volatility

The timber market may experience periods of downturn, tightening credit, and reduced timber values. Economic conditions such as inflation and changes in tax laws could negatively impact the Company's investments and returns.

Illiquidity of Investments

Our investments are typically illiquid, meaning the Company may not be able to sell assets at favorable prices or achieve the desired exit strategy. Investments in private businesses may also face limitations on redemption or sale, further reducing liquidity.

Due Diligence and Analytical Risks

The Company relies on the Manager's due diligence to acquire Target Assets. If the due diligence process is flawed, or if the Manager's assumptions prove incorrect, it could affect the profitability of the investment.

Cost Risks

Rising maintenance costs or labor rate increases may also impact profitability.

Lack of Independent Due Diligence

Since the Manager and the Company have opted not to engage a managing broker-dealer for this offering, investors will not benefit from an independent due diligence review, which is typically conducted by an underwriter in a registered, firm commitment offering of securities. As a result, investors are responsible for conducting their own research and due diligence before committing to the investment.

Potential Market Disruptions and Changing Economic Conditions

The Company's operations may extend over several years, and during this time, the business, economic, political, and regulatory landscapes may undergo significant shifts. Recent events highlight that such changes can be severe and negative. The duration and effects of adverse economic conditions on the Company's performance remain uncertain. Investors will not have a say in the Company's strategy and will have limited ability to withdraw from the investment.

Unforeseen Obstacles to Business Execution

The Company's business plans may evolve significantly. While management believes the Company's strategies are feasible based on current circumstances and the expertise of its principals and advisors, it reserves the right to alter its strategies in response to unforeseen events.

Long-Term, Illiquid Investment

The investment in the Investor Units may be long-term and illiquid. As mentioned, the sale of these units will not be registered under the Securities Act or similar foreign or state securities laws, due to exemptions. Investors must attest that they are purchasing the units for long-term investment, not for resale. Consequently, investors should be prepared to accept the economic risks associated with holding their investment indefinitely, with little to no chance of liquidating it in an emergency.

Past Performance Not Indicative of Future Success

The previous performance of the Sponsor and its affiliates should not be relied upon as a predictor of the Company's future success. Historical investment results are for illustrative purposes only and may not reflect future performance. There is no assurance that the Company's investments will perform as well as prior investments made by the Sponsor, especially since markets change significantly. Actual results will depend on factors such as available credit, interest rates, asset mix, leverage use, and the performance of the underlying assets.

Risks Related to Economic Recessions

The Company's operations could be negatively impacted by an economic recession. During downturns, tightening credit markets could squeeze profit margins and make it harder for the Company to operate.

Revenue Fluctuations

The Company's anticipated revenue is not guaranteed and may fluctuate based on a variety of factors such as market conditions, consumer demand, operational expenses, and regulatory changes. Since market conditions are unpredictable, actual revenue may differ from projections, and investors should consider the potential for volatility in the economic environment.

Uncertain Profitability and Revenue Potential

The Company's revenue and profit potential remain speculative as it is still in the development phase and has not yet established a consistent track record of profitability.

Various factors, including market dynamics, customer demand, competition, and regulation, could adversely affect financial performance. Investors should be aware of the speculative nature of the investment, and the risk of total loss.

No Guarantee of Distributions

Investors may not receive any distributions or may experience delays. There is no guarantee that distributions will be made, or that they will be made according to any expected timeline. Any delay could result from the Company's inability to make profitable investments or liquidate investments at a gain. Additionally, borrowings may limit the Company's ability to make distributions.

Fees and Expenses Impacting Returns

Fees and expenses associated with identifying investments and conducting due diligence will reduce the amount of cash available for distribution to investors. Additionally, the Company may incur significant costs related to acquisitions and legal fees, which could delay or reduce the returns to investors.

Potential Investor Lawsuits

The Company could be subject to legal action from investors, which could negatively impact the value of the investment. Even if the Company successfully defends itself, the costs of defending such claims could be substantial, and any resulting liability could reduce the funds available for distribution.

Investment Risk

There is no assurance that the Company will achieve its investment goals or that investors will recover their capital. Investment outcomes may vary significantly, and the performance of the Company's assets could be influenced by various factors that are difficult to predict.

Unreliable Financial Projections

All financial projections are based on assumptions and estimates that may not reflect future conditions accurately. Management makes no representations about the future accuracy of financial projections or the potential economic returns.

Offering Price Determination

The price of the Investor Units was set arbitrarily by the Manager, considering the Company's stage of development and the condition of the timber industry. This price has little relation to the Company's assets or any objective value criteria.

Unverified Financial Information

Some financial information provided to investors may be based on third-party sources that have not been independently verified. The Company and Manager do not assume responsibility for inaccuracies or deficiencies in this information.

Banking Risks

The Company may face risks from bank failures due to factors such as liquidity issues, loss of confidence in a bank's ability to meet obligations, or regulatory actions. Such failures could negatively impact the Company's financial health and operations.

Inflation Risks

Inflation poses a risk to the Company by increasing the cost of materials, labor, and operational expenses. The Company may not be able to pass on these higher costs to customers, potentially eroding profit margins.

Risks from Unexpected Events

Unforeseen events such as pandemics, wars, cyber-attacks, or political instability could disrupt the Company's operations and significantly harm its financial performance. These risks could lead to market instability, operational challenges, and increased costs.

Projections and Forward-Looking Statements

The projections provided by management are hypothetical and based on estimates. Due to inherent risks and uncertainties, actual outcomes may differ significantly from the projected results.

Management Risk

Limitations on Due Diligence by the Manager

The Manager's due diligence on potential investments may not uncover all risks or issues that could negatively affect the value of an investment. Even with a comprehensive due diligence process, there may be factors that are not identified, leading to unforeseen losses or overpayment for investments. If the Manager receives inaccurate information or fails to investigate adequately, it could result in the acquisition of an investment that underperforms or causes substantial financial loss.

Reliance on Third-Party Vendors and Service Providers

The Company is dependent on various third-party vendors and service providers for essential components of its operations. Since the Company has limited control over these vendors, any disruption in their services or failure to meet required standards could affect the Company's operations, leading to potential additional costs or delays. These issues could adversely impact the Company's financial performance.

Discretion of Management Regarding Fund Allocation

While the net proceeds from this Offering are generally intended for specific purposes as outlined, the Company reserves the right to allocate these funds for other related purposes that it believes would serve the best interests of the Company and its stakeholders. Therefore, investors must trust the judgment and discretion of the Company's management in handling the funds.

Managerial Control of the Company

The Manager holds significant control over the Company, with only limited exceptions as described in the Company Agreement. The success of the Company largely depends on the management team, and the loss of the Manager or key members of its team could negatively affect the Company's operations and prospects.

Limited Role of Members in Company Management

Members do not have authority to participate in the management of the Company or influence key decisions. Any claims against the Manager are limited by the terms of the

Company Agreement. Members can only pursue legal action on behalf of the Company under specific conditions, and even then, the options for recovery may be limited.

Dependence on the Manager for Decision-Making

The Manager has sole responsibility for making decisions regarding the management and operation of the Company. Investors will have no direct role in these decisions and will need to rely on the Manager's judgment and expertise for the Company's success.

Concentration of Control in Certain Individuals

A small group of individuals (including affiliates of the Manager) hold a majority of the Membership Interests, meaning they will largely determine the direction and priorities of the Company. This concentration of control may lead to conflicts of interest, particularly when decisions must be made regarding the Company's operations.

Potential Conflicts of Interest

The Manager may face conflicts of interest when its activities overlap with those of the Company or its affiliates. For example, the Manager may be involved in managing other investment funds or businesses that could compete with the Company. Such conflicts could impact the Company's operations and its ability to achieve favorable outcomes for its investors.

Exculpation and Indemnification of the Manager

The Company's Agreement provides limited liability protections for the Manager, which could reduce the ability of investors to take legal action in certain circumstances. The

Company may also be required to indemnify the Manager for certain actions, which could place financial strain on the Company's assets, potentially affecting the return on investment for its members.

Partial Commitment from Managers Officers

Officers of the Manager are also involved in other business ventures, which could divert their attention away from the Company. The Manager's leadership team shares its time and resources between multiple projects, which may reduce the focus on the Company's operations and impact its overall performance.

Non-Negotiated Agreements with the Manager

Some agreements between the Company and the Manager were not negotiated at arm's length, which could mean terms that might not be favorable to the Company. These agreements may lead to operational inefficiencies and conflicts of interest, as well as potential financial implications that could affect the Company's performance.

Ongoing Costs and Expenses for the Company

The Company is obligated to cover certain operational costs, including those related to commissions and expenses arising from the Manager's activities. These arrangements were not negotiated at arm's length, which could impact the financial condition of the Company and its ability to generate returns for investors.

Financial Health of Manager's Affiliates

The Company may rely on affiliates of the Manager for certain services, and the financial health of these affiliates could directly impact the Company's ability to perform well. Any adverse developments could result in reduced services, which could negatively affect the Company's operations and its investors' returns.

Regulatory Risk

Securities Regulation Risks

The Company is governed by federal and state laws concerning licensing, procedures, and investor disclosures. If the Company fails to comply with these regulations, it may face civil and criminal penalties. In some cases, investors may have the right to rescind their investment and demand a refund. If multiple investors request rescission, the Company could face significant financial obligations, negatively impacting its operations and non-rescinding investors. Additionally, laws and regulations that govern the Company are subject to change, which could affect its ability to operate as planned.

If this offering fails to meet state or federal securities laws, the Company may need to refund capital contributions, reducing operating capital and potentially hindering the Company's ability to operate successfully. The offering is not registered with the SEC and relies on certain exemptions from state and federal registration requirements. While the Company will ensure compliance with these exemptions, any future legal challenges could lead to refunds to investors, reducing the available capital.

Compliance with Laws

Adhering to various regulations could reduce the Company's income and available cash for distributions. The Company must comply with environmental, health, safety, and accessibility laws, and any violation could result in fines or damages.

Investment Company Act Considerations

If the Company is required to register as an investment company, it may face operational restrictions, including limitations on capital structure, investment types, and transactions with affiliates. The Company does not intend to register as an investment company, but if required, this could affect operations, investments, and increase compliance costs.

Restrictions on Transfer

Investors must hold their units for investment purposes only and may not transfer them unless specific conditions are met, including compliance with securities laws and obtaining legal opinions. No public market exists for the units, and investors may be required to hold their investment indefinitely.

Risks of an Unregistered Offering

Unlike a registered offering, there will be no regulatory review or comments on the disclosures provided. Investors must rely on their own due diligence when making investment decisions.

Registration Risks

If the Company is required to register under federal or state securities laws, its operations could be significantly impacted, including the potential for legal challenges. The Company currently relies on exemptions, and failure to maintain these exemptions could result in additional regulatory burdens.

Manager Registration

The Manager is not registered under the Investment Advisers Act, meaning investors will not have the same protections as those in investments managed by a registered advisor. The Manager may seek registration in the future, which could change the regulatory framework.

Reliance on Exemptions

The Interests are being sold under exemptions from securities registration, meaning the Company does not have the same regulatory oversight as registered investment companies. If the Company fails to maintain its exempt status, it may be subject to significant regulatory restrictions, which could affect operations and reduce distributions to investors.

Manager Oversight

The Manager is not subject to regulatory oversight under the Investment Advisers Act, reducing investor protections. The Manager seeks to minimize regulatory burdens, but this also removes certain safeguards that would be present if the Company were more heavily regulated.

Rescission Risk

If the Company fails to comply with securities laws or exemptions, investors could seek rescission of their investments. If multiple investors seek rescission, the Company could face significant financial demands, affecting its overall financial health.

Anti-Money Laundering Regulations

The Company may be subject to anti-money laundering regulations under the USA PATRIOT Act. This may require the Manager to collect information on investors and their sources of funds to comply with regulations. Failure to provide necessary information could result in refusal to accept investments.

Corporate Transparency Act (CTA)

The CTA mandates disclosure of beneficial ownership information. The Company may need to file such information with FinCEN, and failure to provide this information could result in refusal or redemption of investments.

U.S. Economic Sanctions

Investors must certify that their funds comply with U.S. economic sanctions laws. The Company reserves the right to refuse investments from individuals or entities that do not meet these requirements.

ERISA Regulations

If the Company holds plan assets, it must comply with ERISA regulations, which may affect its ability to make certain investments. Investors in retirement plans should ensure their investments meet fiduciary standards and other legal requirements. Violations could lead to penalties or excise taxes for the fiduciaries involved.

Tax Risk

Allocation of Income, Gains, Losses, and Deductions

The Company's operating agreement outlines the distribution of income, gains, and losses, including for tax purposes, to the Common Member and other Members based on their economic interest in the Company. The Manager anticipates that such allocations could be contested by the IRS, potentially leading to a reallocation of income, gains, losses, or deductions in a way that could increase the income taxed to the Members.

Risk of IRS Interpretation Variability

The IRS may interpret tax matters differently than the Company. The Company will not request a formal IRS ruling on the tax implications discussed in this document. As such, the IRS could take positions that differ from the Company's and affect the tax treatment for its Members.

Tax-Exempt Investors and UBTI (Unrelated Business Taxable Income)

The Manager aims to ensure the Company's allocations and distributions align with the "Fractions Rule," though tax-exempt investors could incur UBTI from the Company's investments. The Manager may attempt to minimize UBTI but does not guarantee avoidance. Tax-exempt Members are encouraged to consult their tax advisors regarding their specific tax obligations.

Impact of Legislative or Regulatory Changes on Taxes

This document reflects the current understanding of federal tax law. However, future changes in legislation, regulations, or interpretations could alter the tax treatment of investments in the Company, potentially affecting the Investors' outcomes, including retroactively.

Company Activities and Reportable Transactions

The Company's activities may result in "reportable transactions," which could require the filing of certain information with the IRS. While the Manager does not expect this to be the case, if it occurs, Members will be notified in the annual tax information provided to facilitate their tax filing obligations.

Possible Delays in Schedule K-1 Distribution

Members may need to file tax extensions and could incur penalties or interest if tax information is incorrect. The Manager will make reasonable efforts to ensure timely filings, but delays or inaccuracies may occur, especially with respect to estimates or composite state filings. Members should be prepared for potential extensions and additional filings.

Amendments to the Operating Agreement

To avoid the Company being classified as a publicly traded partnership, the Manager may amend the operating agreement without Members' consent. These amendments may include restrictions on the transfer of Interests to maintain the Company's tax status.

Withholding Tax Obligations

Investors may be required to contribute withholding taxes to the Company. If the Company is required to withhold and pay taxes on behalf of an Investor, the Investor will be responsible for paying any amounts due, along with any interest. Each Investor also agrees to indemnify the Company and Manager for any tax liabilities, penalties, or interest arising from such withholding requirements.

Tax Matters

This section provides a general overview of certain U.S. federal income tax considerations associated with investing in the Company. It does not cover every potential tax issue relevant to investors and should not be considered a substitute for thorough tax planning by each investor. The specific tax considerations that apply to an individual investor depend on their personal circumstances, including their state of residence. This summary also excludes state, local, or foreign tax laws and focuses solely on U.S. federal income tax for U.S. persons holding their interests as "capital assets," as defined under Section 1221 of the Internal Revenue Code of 1986 (the "Code"). The discussion also omits special tax rules for non-U.S. investors and tax-exempt investors. Please note that tax laws and interpretations are subject to change, potentially with retroactive effects.

For purposes of this discussion, a "U.S. person" includes: (i) U.S. citizens and resident individuals (as defined under Section 7701(b) of the Code); (ii) U.S.-incorporated corporations; (iii) estates subject to U.S. federal income tax on all income regardless of

its source; and (iv) trusts either under U.S. court supervision or with U.S. person control over significant decisions, or those with a valid election in place to be treated as U.S. persons.

The following information is provided for general guidance only and should not be construed as tax advice. Investors are strongly encouraged to consult their own tax advisors regarding the federal, state, and local tax consequences of investing in the Company, considering their individual tax situations. Neither the Company nor the Manager is offering tax or legal advice, and investors should not rely on this document or any communication from the Company or its representatives for these matters when making investment decisions.

Tax Treatment as a Partnership

The Company is intended to be classified as a partnership for U.S. federal income tax purposes. As a partnership, it is generally not subject to federal income tax at the entity level. Instead, each investor must account for their share of the Company's income, gains, losses, deductions, and credits, regardless of whether any distribution is made. These tax items are generally determined at the Company level, and the tax liabilities for each investor may exceed the actual distributions they receive, potentially creating "phantom income." As a result, investors may need to use personal funds to meet their tax obligations.

The Company Agreement typically allocates tax items based on each investor's rights to distributions upon liquidation. These allocations must meet the requirements of Section 704(b) of the Code, ensuring they have substantial economic effect or align with each investor's interests. While the Manager expects that the allocations will meet these standards, there is no guarantee the IRS will not challenge them, which could result in less favorable tax outcomes for investors.

Adjusted Basis of Interests

An investor's tax basis in their units is crucial for determining the deductibility of the investor's share of the Company's losses and for calculating gain or loss upon the sale or transfer of interests, or certain distributions from the Company. The initial tax basis typically equals the investor's initial capital contribution, increased by their share of the Company's liabilities. The basis is adjusted for income, additional contributions, and distributions.

Investors can generally deduct losses only to the extent of their adjusted tax basis in the Company at the time the loss is incurred. Any unused losses may be carried forward to future years as long as they remain within the investor's tax basis.

Distributions and Taxable Gain

Cash distributions from the Company typically do not result in taxable gain unless they exceed an investor's adjusted tax basis in their interest. In this case, the excess amount will generally be recognized as gain, treated as proceeds from the sale or exchange of the investor's interest. Dispositions of interests will generally result in capital gains or losses, with long-term capital gains treatment available for interests held for over one year. However, any gain related to unrealized receivables or inventory items may be taxed as ordinary income.

Sale or Transfer of Interests

When an investor sells their units, they will generally recognize gain or loss based on the difference between the sale proceeds, including their share of Company liabilities, and their adjusted tax basis. If the investor has held the units for over a year, the gain or loss will typically be classified as long-term capital gain or loss. However, the portion of gain allocable to certain assets may be treated as ordinary income.

Deductibility of Expenses and Losses

For non-corporate taxpayers, certain investment-related expenses may be subject to limitations under investment interest rules or passive activity loss restrictions.

Non-corporate taxpayers can generally only deduct passive activity losses against passive income, with unused losses carried forward to future years. Further restrictions on deductions may also apply depending on the nature of the losses and expenses.

Audits and IRS Review

Under the Code's partnership audit provisions, the IRS will generally work with a single partnership representative to resolve tax matters. The Manager will designate this representative to handle IRS dealings. If tax is imposed at the Company level, investors may need to indemnify the Company for any taxes attributable to them. Additionally, adjustments resulting from IRS audits may lead to individual tax audits for investors, which could include adjustments unrelated to the Company.

State and Local Tax Considerations

In addition to federal tax matters, investors should consider state and local tax implications. State and local tax rules often differ from federal regulations regarding income, deductions, and credits. Prospective investors should consult their tax advisors regarding state and local tax obligations, including reporting requirements.

Setting the Offering Price

The price of the Investor Units offered in this Offering has been established by the Company. Factors taken into account include current market conditions, projected business prospects, the current status of the Company's projects, and other relevant considerations. The offering price may not directly correlate with the Company's asset value or net book value.

Securities Description

Authorized Capital, Members, and Investors

The Company's authorized capital consists of 380 total Units. Out of these, 100 are Class M Units issued to the Manager, and 280 are Investor Units offered in this Offering.

Class A Units

The minimum investment for Class A is \$5,000. Class A Members are entitled to a non-compounding, cumulative preferred return of 12% per annum on their invested capital, adjusted by any Capital Event distributions. The preferred return begins accruing the first full calendar month following the Company's initial deployment of capital to a Target Asset or the investor's funding of their subscription, whichever is later. If the investment occurs after the 23rd of the month, the preferred return begins to accrue in the following full calendar month. Class A Members will receive a liquidation preference to recoup their initial investment before any liquidation distributions are made to the Class M Member. Class A Members do not have the right to participate in the management or control of the business, vote on matters related to the Company, or bind the Company.

Preferred Return

The Class A Preferred Returns are collectively referred to as the "Preferred Return."

Class M Units

The Company includes 100 Class M Units, which have been issued to the Manager as the initial Class M member. These units are not for sale or resale, except as outlined in the Company Agreement. The Class M Member holds a 100% voting ratio but does not participate in the Sharing Ratio.

Outstanding Units

Upon completion of the Offering, the Investor Units and Class M Units will constitute the only issued and outstanding ownership representation in the Company.

Voting Rights

Only the Class M Member is entitled to vote, according to the voting ratio established in the Company Agreement. Investor Members do not have voting rights. However, Class A Members have the right to remove the Manager for cause under specific conditions, such as criminal conviction or designation as a Bad Actor under the Securities Act.

Capital Call

The Manager has the discretion to call for additional capital contributions from the Members. If a Member fails to meet their capital contribution obligation, their ownership interest may be diluted.

Redemption

There is a five-year lockup period from the time an Investor funds their subscription in Class A Units. After this period, Members may request redemption of their interests during a specified redemption window, subject to Manager approval. The redemption price is based on the Member's unrecovered capital contributions plus any accrued and unpaid preferred return. Redemptions are processed on a first-come, first-served basis, subject to the availability of funds.

Limited Liability of Investors

No Investor will be personally liable for any debts or liabilities of the Company.

Transfer of Investor Units

Investor Units are restricted securities and cannot be sold, transferred, or disposed of except under certain conditions and restrictions specified in the Company Agreement.

Distributions from Operations

Members are entitled to pro-rata distributions of profits based on the number of Units owned, after expenses and applicable fees. These distributions are considered a Return on Investment and will not reduce the unrecovered capital contributions of Class A Members.

Capital Event Distribution

Distributable income from events like the sale or refinance of a Target Asset will be distributed according to a specified order of priority. Class A Members will receive their unpaid, accrued Preferred Return first, then any remaining distributions will be made to Members in proportion to their unrecovered capital contributions.

Asset Management Fee

The Manager will not receive an asset management fee.

Throughout the Offering period and before any sale, potential investors and their professional advisors, if applicable, are encouraged to ask any questions regarding the terms and conditions of the Offering. They may also request any additional information necessary to verify the accuracy of the details provided here. The Company will provide such information to the extent it is available or can be reasonably obtained without undue effort or cost.

Each potential investor will have the opportunity to request further details, ask questions, and receive answers from the Company or authorized representatives. This includes inquiries about the terms and conditions of the Offering, the information contained in this document, or any additional details necessary to assess the merits of the Offering. Investors are also encouraged to seek independent legal or accounting advice. Any investor with questions or requiring more information should contact:

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