Grace Capital Partners, LLC

January 1, 2019

Private Placement Memorandum

For the Exclusive Use of: _____ Memorandum No._____

Grace Capital Partners, LLC

CONFIDENTIAL

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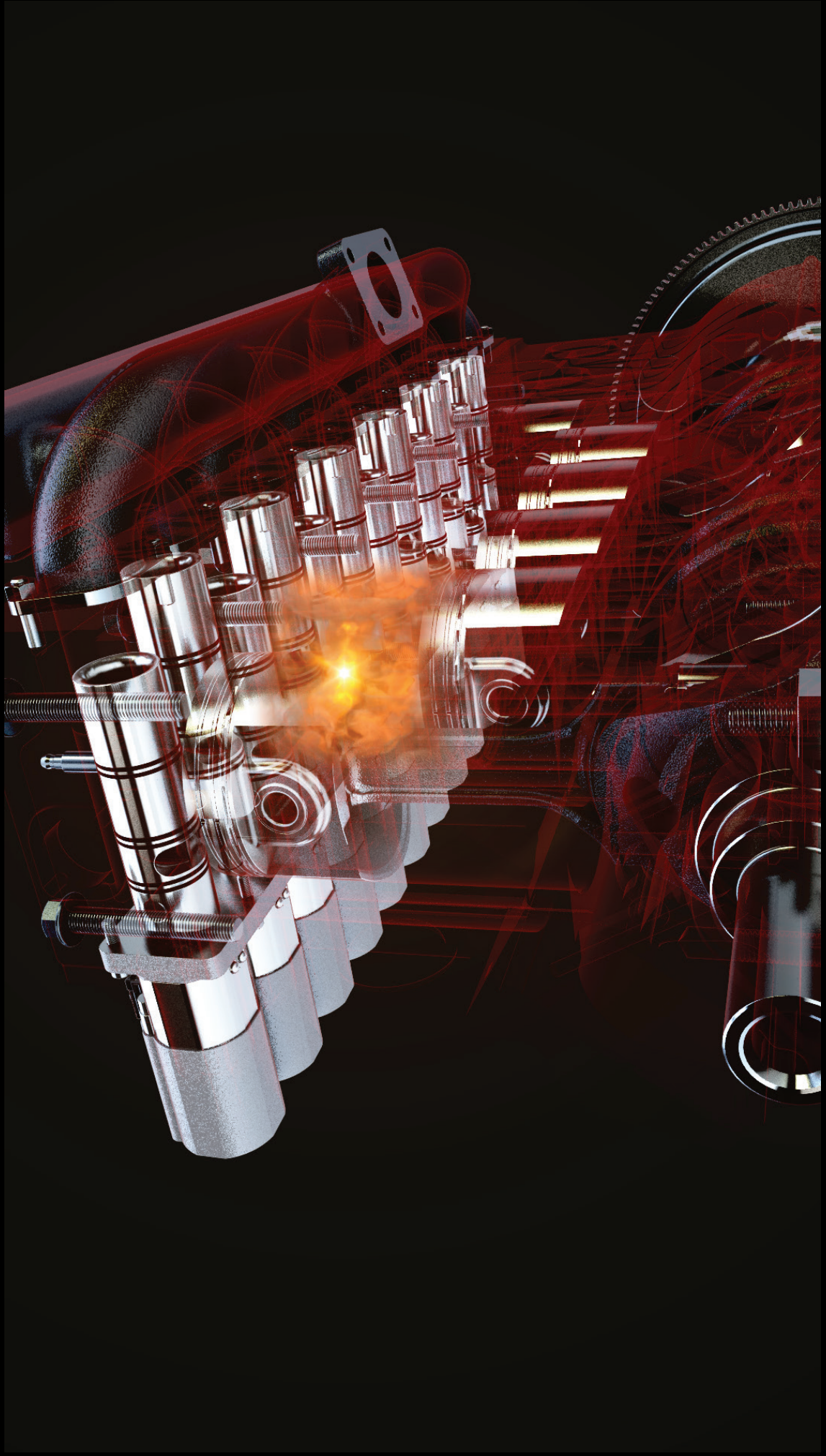


INTRODUCTION

Grace Capital Partners, LLC (the "Company" or "GCP") is an Arkansas Limited Liability Company formed for the purpose of selling their proprietary valve and engine design called GlideValve, or GlideValve Engine Technology by the use of License agreements and royalty arrangements. GCP will not start manufacturing an engine, there are enough good manufacturers world-wide already in place.

Grace Capital Partners, LLC will license the GlideValve technology to original equipment manufactures. The OEMs (Original Equipment Manufacturers) will build the engines, and GCP will simply license their design to them. Similar to how Microsoft licenses their software to various computer manufactures.

Global OEM's produced approximately 100 million motor vehicles in 2017. Toyota produces the most, 10+million, followed by Volkswagen, Hyundai, General Motors and Ford. The top 20 automotive manufacturers globally produce approximately 2/3 of the world's motor vehicles. To be ultra conservative, the Company's revenue projections are based on the approximate 20 million vehicles manufactured or imported into the U.S. each year. To be ultra conservative, the Company's Proforma Profit & Loss plus Revenue projections (page 108) are based on the approximate 20 million vehicles manufactured or imported into the U.S. each year. GCP management anticipates that within 7 years the GlideValve Engine Technology could potentially have a 10% domestic market share of the motor vehicle marketplace. Should the above referenced market penetration occur, of which that can be no guarantee, such market share would produce approximately $400,000,000 in renewable royalty income per year. GCP also expects to be able to sell at least 12 license agreements at $10 million apiece during this period of time.

Additional revenue will also come from license fees and royalty income from industries like generators, marine, construction, agricultural, the retrofit aftermarket, etc. The GlideValve Engine Technology's over-all success will produce substantial upside growth potential for Grace Capital Partners, LLC.

Visit www.glidevalve.com to watch the Glide Valve Engine Animation.

AN EVOLUTIONARY DESIGN FOR ALL ENGINES

GlideValve was tested on a single cylinder prototype engine, and was designed for proof of concept and efficiency purposes. It's piston size and air flow requirements are typical of most car and truck engines, thus GlideValve designs are available for twin, four, six and

eight cylinder engines – from small hybrids up to large diesels. And based on the evaluations to date by a nationally recognized testing facility, a single GlideValve is more efficient than traditional poppet valves.

GlideValve Fixes What Doesn't Work

Engineers have spent plenty of time on valve trains. And while they have made great strides, the fundamental problem still exists: the poppet valve is simply not the best way to get the job done. Recent inventions have succeeded in making valves open and close quickly but at the cost of complexity. The top half of a modern overhead cam engine is a busy, crowded place filled with valves, springs, seals, gaskets, bearings and more. It works reasonably well, but at the cost of complexity.

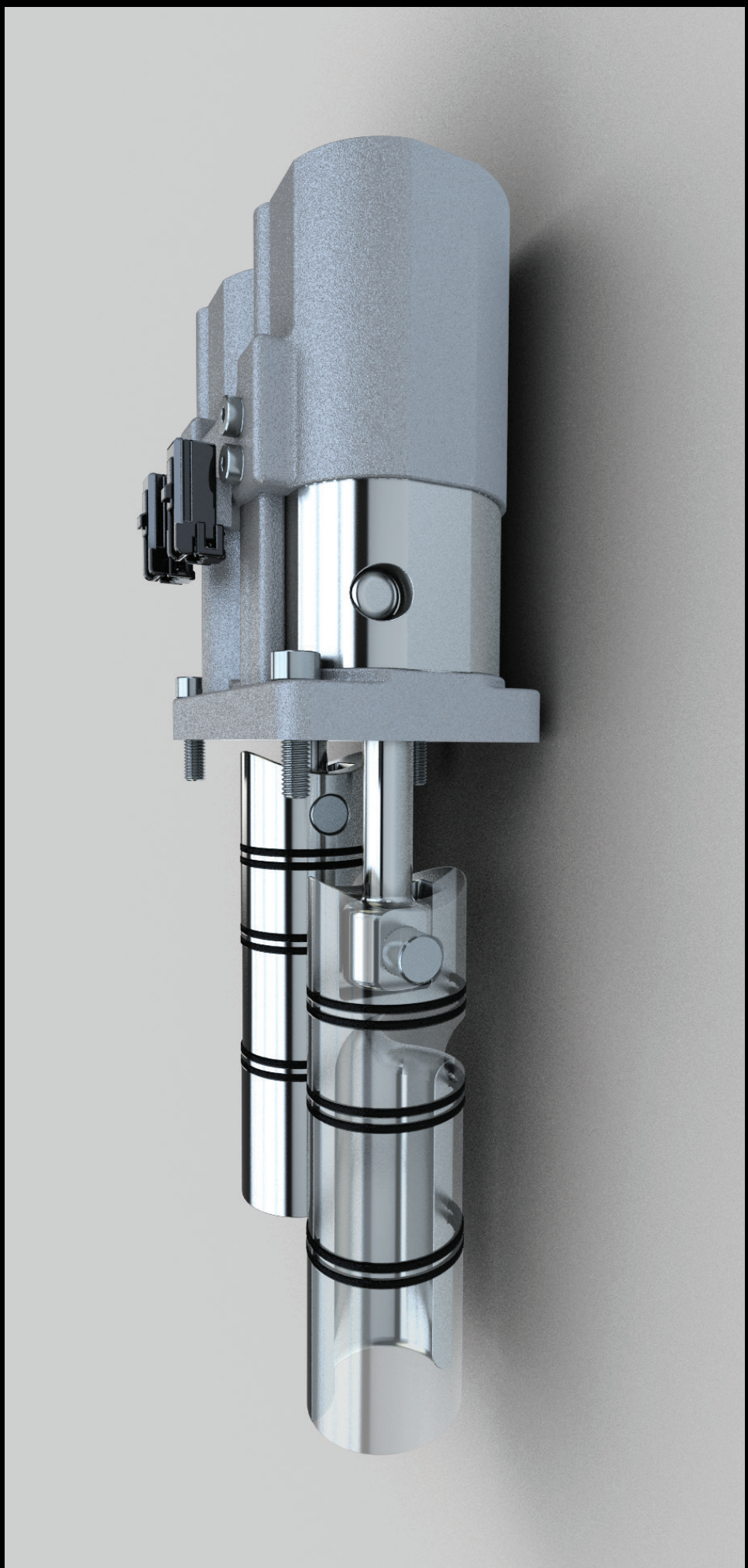
GlideValve eliminates virtually all traditional valve gear. Instead of a complicated OHC system, each GlideValve (covering both intake and exhaust) has just two moving parts when connected to an actuator.

- Instead of a towering camshaft and multiple poppet valve arrangement, it has a super low profile that drastically lowers engine height.

- GlideValve moves air through the interior of the valve, and seals the valve with rings around the exterior of the valve. This tubular design allows the valve to open and close without the need of entering the combustion chamber like the poppet valve. This design advantage allows two GlideValves to move more air per cylinder than four poppet valves.

- Having the ability to time the engine on the fly can achieve as much as 30% more efficiency from the engine, without the fear of a valve/piston collision. Also, emissions are significantly improved through complete combustion of the fuel due to the ability to achieve zero overlap with the valves.

GlideValve



GLIDEVALVE STRENGTHS

- GlideValve is a patented non-invasive valve/head design for an internal combustion engine
- Has only two moving parts
- Has no camshaft, no belts, no rocker arms, no push rods
- Eliminates virtually all traditional mechanical valve gear
- Significant cost savings for OEM in manufacturing process
- Increases the volumetric efficiency of engine by producing air flow in square sign waves
- Permits the engine to breathe easier
- Uses independent electronic software driven actuators to open/close valves
- Can achieve zero overlap without having to worry about the piston-poppet valve collision
- Ability to provide unlimited variable valve timing (Lift and Duration Flexibility)
- Ability to combine multiple combustion cycles to achieve the most efficient thermal dynamic profile
- Has an actuator design that achieves 35% lower emissions and 15% higher fuel savings

Internal Combustion Engine (ICE) Developments

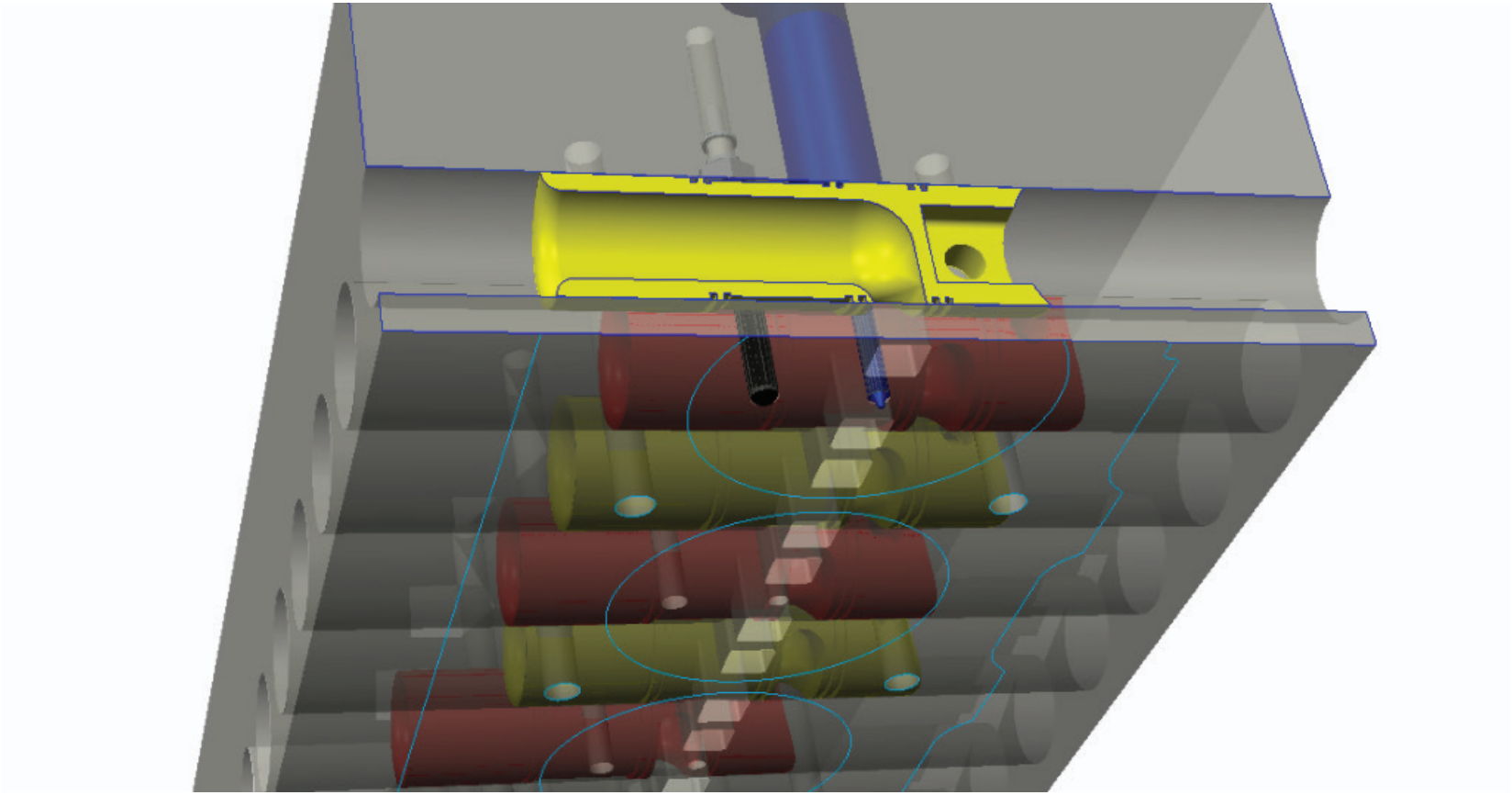
Short term and long term goals are the same within the automotive industry. The Original Equipment Manufacturers of internal combustion engines must meet current and future global fuel efficiency and emissions standards without any additional or unnecessary complexity and cost which would adversely affect price. These standards include EPA 2010, Tier 3/LEV3 and Euro 6.

There seem to be two dominant trends to achieve the above objectives within the industry. First, Gasoline Compression Ignition Engines have been the "Holy Grail" of the engine industry's research for years since they perform like diesels but don't have diesel emissions problems. Second, Actuators transform the internal combustion engine to a digital architecture by replacing the spring-loaded valve train and camshaft.

The big three, GM, Ford and Chrysler, are working towards the above goals but it seems like smaller independent companies are making the most news. For example, Achates Power from San Diego, CA announced they have a two stroke opposed-piston engine they are developing that achieves diesel compression ignition. Another example is Mazda from Japan. They claim to have available by 2019 a gasoline compression ignition engine with a spring loaded valve train. Yet another example is Qoros Motors from China that has developed pneumatic-electric actuators to replace the traditional camshaft and spring loaded valve train.

While all of the above have merit and individual benefits, they all fall victim to the complexity and/or cost issue. One of the above has spent over $100 million in the last ten years without a production model to date. One of the above technologies is tied to opening and closing the valves that are mechanically connected to the camshaft which limits optimal engine performance. Yet, another is free from the camshaft in its technology but has issues with the possibility of the pistons hitting the valves under normal driving conditions.

GCP believes there is still room for a small independent company to contribute in developing a more efficient internal combustion engine. That company is --- Grace Capital Partners, LLC.



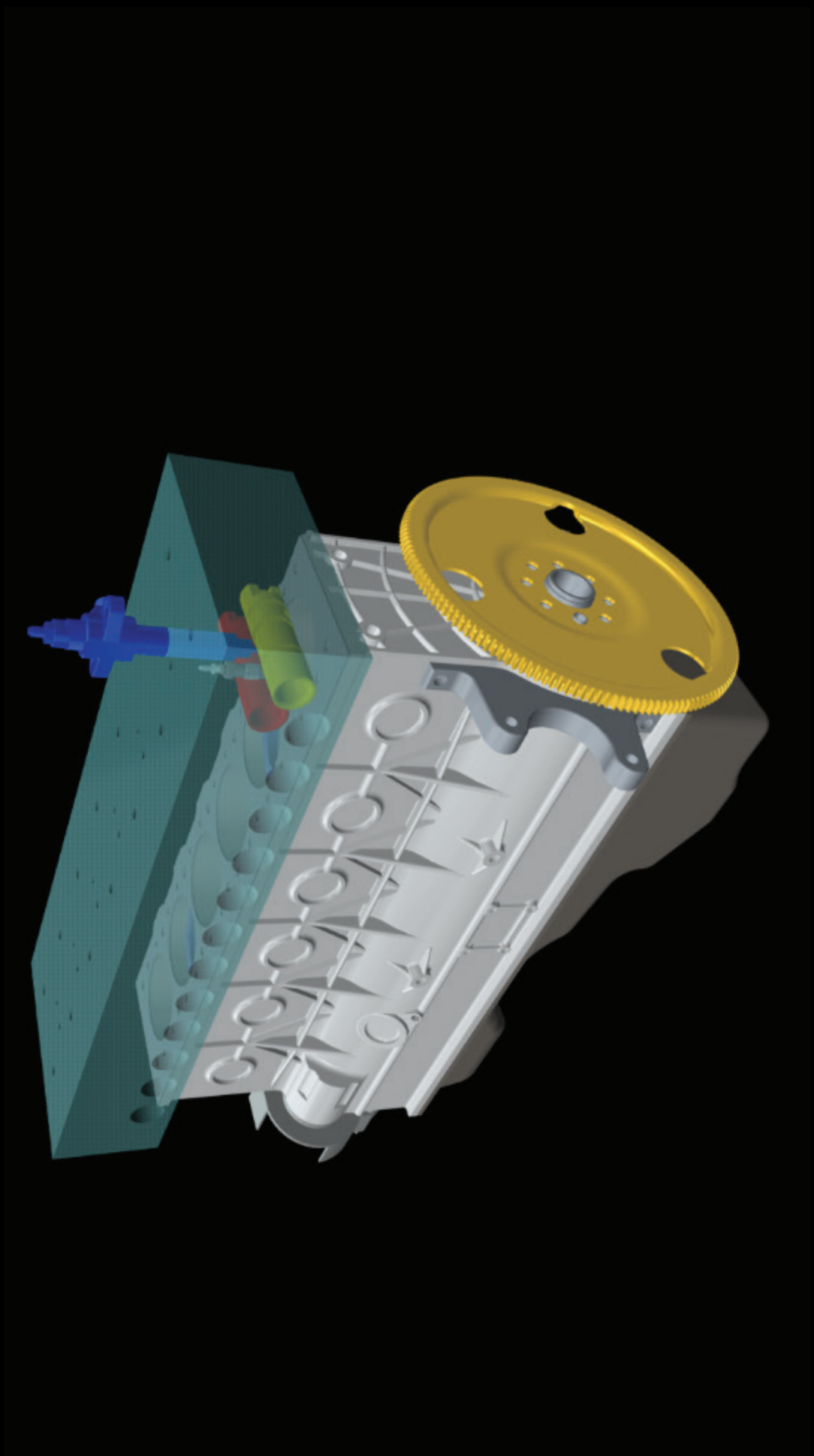
GCP sees the opportunity to provide the industry with the safest and most efficient gasoline compression ignition engine. The Company has solved two huge problems by combining two proven and tested technologies that until now have not been in the same engine together.

These components are a non-invasive pass-through air-flow valve that seals combustion pressure and a linear actuator that is not mechanically linked to the camshaft for valve timing. In other words, it's a better way of opening and closing the valves and a better way of how to seal those valves. No one else can offer this combination since GCP owns the patent on this particular kind of valve. The combination of these two technologies will provide results unmatched in the internal combustion engine industry.

ELECTRIC VEHICLE DEVELOPMENTS

Some say the future of the internal combustion engine is dead. Far from it! Electric vehicles will have a difficult time in growing and gaining market share in the near term. This is due to the need to replace the current generation of liquid electrolyte lithium-ion batteries with some other battery technology. Simply, the marketplace will require the conventional electric vehicle battery to be safer. Also, there will be difficulty to provide the infrastructure necessary to fund the over-all growth of the industry. Renewable resources (solar/wind) will be limited due to their lack of a viable grid energy storage solution. The largest electric utilities in America are broke. Of the top 15 electric utilities, 12 have a negative free cash flow position. After all of their operating and actual capital costs are paid, these utilities presently have to issue more stock or borrow money just to pay dividends to their shareholders. These are regulated companies so the chances of them going out of business are slim.

By the same token, supporting the infrastructure for electric vehicle growth will be very difficult. In addition, the Manhattan Institute recently published a report that analyzed the true grid cost of providing consumers with electricity to charge their electric vehicles. They concluded that over-all cost and pollution would be higher compared to the modern internal combustion engines we have today. This is due to the fact that utilities still largely depend on natural gas and coal for the production of electricity. We have not seen or heard of anyone willing to address these issues. It's like the big secret of the electric vehicle industry. In reality, we are decades away from electric vehicles being the major source of transportation in the U.S.



THE MANAGEMENT TEAM

The Company is currently managed by seasoned business and sector professionals dedicated to the success of the Company and efficient execution of its planned operations.

At the present time, three individuals are actively involved in the management of the Company:

Jeff England, B.S.P.A

He is the managing partner for Grace Capital Partners, LLC. As a co-founder, he has been very involved in the development of the patented Glide Valve Engine Technology and its digital design. After graduating from the University of Arkansas, he began his securities career at the institutional division of two major broker/dealers. Within a few years, he formed and sold his own mortgage broker firm.

Then, he started his energy career and began drilling for natural gas. Later, he purchased distressed energy properties left over from the oil market fall out in the late 90's. These properties were rehabbed and sold. He has bought and sold mineral leases in a coal bed methane field. He continues to develop, help finance and look for acquisition of minerals with a number of partners.

Gary Cotton

He is the inventor of the Glide Valve Engine Technology system. Currently, Gary is owner and CEO of a tool & die and fabrication machine shop that does work for energy customers in Oklahoma, Missouri and Arkansas. Some of his clients include Haliburton, Schlumberger, Baker Hughes and Cal Frac.

In the past, he was COO of a $40 million machine shop for over 20 years. He did the estimating, design and Auto CAD drawings along with managing the work flow on the machine shop floor. Some of their clients were Reem, York, Falcon Jet and Caterpillar. Gary's love and understanding of internal combustion engines started when in his youth, he and his father won numinous race cars events on dirt tracks in Arkansas.

Robert G. McLean, B.S.B.A.

He is a co-founder. In addition to working as a Senior Executive Analyst for an international management consulting firm, he has an extensive investment and financial services background. He has worked for a broker/dealer, a merchant banking company and a corporate finance institution. He has co-founded a registered investment advisory firm and an independent equity research firm.

He is a private investor and is currently an equity shareholder in three companies. By compiling and analyzing spreadsheets and financial statements over the years, he has become very proficient in identifying positive and negative trends within a company.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SECTION 2: Private Placement Memorandum


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Grace Capital Partners, LLC

$3,000,000

Limited Liability Company Equity Ownership Interest Units
January 1, 2019

Grace Capital Partners, LLC (the "Company" or "GCP"), an Arkansas Company, is offering a minimum of 20 and a maximum of 60 Equity Ownership Interest Units for $50,000 per unit. The offering price per unit has been arbitrarily determined by the Company. **See Risk Factors: Offering Price**.

THESE ARE SPECULATIVE SECURITIES, WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE UNITS.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF ARKANSAS, OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 506(c) PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

	Sales Price	Offering Expenses [2]	Proceeds to Company
Unit Price	$50,000	$5,500	$44,500
Maximum	$3,000,000	$330,000	$2,670,000
Minimum [1]	$1,000,000	$110,000	$890,000

(1) The Company reserves the right to waive the one (1) Unit minimum subscription for any investor. The Offering is not underwritten. The Units are offered on a "best efforts" basis by the Company through its officers and directors. The Company has set a minimum offering amount of 20 Units with minimum gross proceeds of $1,000,000 for this Offering. All proceeds from the sale of Units up to $1,000,000 will be deposited in a segregated Company managed bank account. Upon the sale of $1,000,000 of Units, all proceeds will be delivered directly to the Company's corporate account and be available for use by the Company at its discretion.

(2) Units may also be sold by FINRA member brokers or dealers who enter into a Participating Dealer Agreement with the Company, who will receive commissions of up to 11% of the price of the Units sold. The Company reserves the right to pay expenses related to this Offering from the proceeds of the Offering. See "PLAN OF PLACEMENT and USE OF PROCEEDS" section.

The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Units have been sold, or (c) June 30, 2019, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the "Offering Period".)

Securities may be purchased by the affiliates of the issuer or other parties with a financial interest in the offering

Securities may be purchased by the affiliates of the issuer, or by other persons who will receive fees or other compensation or gain dependent upon the success of this offering. Such purchases may be made at any time during the Offering Period, and will be counted in determining whether the required minimum level of purchases has been met for the closing of the offering. Investors therefore should not expect that the sale of sufficient securities to reach the specified minimum, or in excess of that minimum, indicates that such sales have been made to investors who have no financial or other interest in the offering, or who otherwise are exercising independent investment discretion.

The sale of the specified minimum, while necessary to the business operations of the issuer, is not designed as a protection to investors, nor to indicate that their investment decision is shared by other unaffiliated investors. Because there may be substantial purchases by affiliates of the issuer, or other persons who will receive fees or other compensation or gain dependent upon the success of the offering, no individual investor should place any reliance on the sale of the specified minimum as an indication of the merits of this offering. Each investor must make his own investment decision as to the merits of this offering.

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS PRIVATE OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR.

EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THERE IS NO TRADING MARKET FOR THE COMPANY'S MEMBERSHIP UNITS AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE UNITS WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE.

THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE UNITS PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE UNITS IS BEING UNDERTAKEN PURSUANT TO RULE 506(c) OF REGULATION D UNDER THE SECURITIES ACT.

ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE UNITS, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THE OFFERING PRICE OF THE SECURITIES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

Grace Capital Partners, LLC

The date of this Private Placement Memorandum is January 1, 2019.

OFFERING SUMMARY

The following material is intended to summarize information contained elsewhere in this Private Offering Memorandum (the "Memorandum"). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein.

Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing for Membership Units.

THE COMPANY

Grace Capital Partners, LLC ("GCP", or the "Company"), began operations on March 5, 2002 with the purpose of selling the patented GlideValve Engine Technology by the use of License agreements and royalty arrangements. The Company's legal structure was formed as a limited liability company (LLC) under the laws of the State of Arkansas on March 5, 2002.

Its principal offices are presently located at 1 Innwood Circle Suite 204, Little Rock, AR 72211. The Company's telephone number is (501) 376-0222. The Managing Members of the Company are Jeffrey England, Robert McLean and Gary Cotton.

BENEFITS OF LLC MEMBERSHIP

The limited liability company (LLC) is a relatively new form of doing business in the United States (in 1988 all 50 states enacted LLC laws). The best way to describe an LLC is to explain what it is not. An LLC is not a corporation, a partnership nor is it a sole proprietorship

The LLC is a hybrid that combines the characteristics of a corporate structure and a partnership structure. It is a separate legal entity like a corporation but it has entitlement to be treated as a partnership for tax purposes and therefore carries with it certain tax benefits for the investors.

The owners and investors are called members and can be virtually any entity including individuals (domestic or foreign), corporations, other LLCs, trusts, pension plans etc. Unlike corporate stocks and shares, members purchase Membership Units. Typically, Members who hold the majority of the voting class membership units maintain controlling management of the LLC as specified in the LLC operating agreement.

The primary advantage of an LLC is limiting the liability of its members. Unless personally guaranteed, members are not personally liable for the debts and obligations of the LLC. Additionally, "pass-through" or "flow-through" taxation is available, meaning that (generally speaking) the earnings of an LLC are not subject to double taxation unlike that of a "standard" corporation. However, they are treated like the earnings from partnerships, sole proprietorships and S corporations with an added benefit for all of its members. There is greater flexibility in structuring the LLC than is ordinarily the case with a corporation, including the ability to divide ownership and voting rights in unconventional ways while still enjoying the benefits of "pass-through" taxation.

THE OFFERING

The Company is offering a minimum of 20 and a maximum of 60 Equity Ownership Interest Units at a price of $50,000 per Unit. Each Equity Ownership Interest Unit of $50,000 shall provide the equity holder with a .001% ownership interest in the Company assuming all 60 offered Equity Ownership Interest Units are sold. (See "Use of Proceeds" and "Operations - Use of Proceeds")

Equity Ownership Interest Unitholders shall participate pro-rata in distributions of net operating cash on the following summarized schedule and terms and subject to the specific terms of the Operating Agreement:

(a) Distributions Prior to Liquidation. Subject to subsection (b)-(d) of this Section, Available Cash, if any, shall be distributed by the Manager to the Members annually on or before the ninetieth (90th) day following the end of each calendar year, in accordance with their Percentage Interest, or more frequently if approved by the Management Committee. **(b)** Interim Withdrawals. During any calendar year, Members may make withdrawals on an interim basis in such amounts as they determine by a unanimous vote of all Members, against the annual distributions of income. **(c)** Special Tax Distribution. Manager will use reasonable efforts to cause the Company to distribute to each Member in each year the Tax Distribution Amount (as defined in the Operating Agreement), which amount shall be treated as an advance against future distributions to such Member pursuant to the provisions hereof. The Tax Distribution Amount shall equal an amount which, when added to all distributions previously made to the Member from the inception of the Company, equals the product of (i) the Member's allocable share of the net taxable income of the Company computed on an aggregate cumulative basis from the inception of the Company and (ii) the highest combined marginal rate of federal and Arkansas state income tax applicable to individuals for any year since the inception of the Company. **(d)** Distribution Upon Liquidation. Upon dissolution and liquidation of the Company, distributions shall be made among the Members as set forth herein. **(e)** Incorrect Payments. To the extent any payments made pursuant to this Article are incorrectly paid, any Member who receives more than the amount that should have been paid to such Member shall promptly repay the amount of any such incorrect payment, and any such repaid amounts shall be redistributed pursuant to this Article or the Management Committee may offset the excess payments against future distributions to the Member receiving such excess payments.

See "Exhibit B - Operating Agreement".

Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser's qualifications as an Accredited Investor as defined by the Securities and Exchange Commission in Rule 501(a) of Regulation D promulgated. See "REQUIREMENTS FOR PURCHASERS" section.

PROCEEDS

Proceeds from the sale of Units will be used for: AVL build for a GlideValve Engine, working capital, legal and accounting, marketing, and placement fees. See "USE OF PROCEEDS" section.

MINIMUM OFFERING PROCEEDS; ESCROW OF SUBSCRIPTION FUNDS

The Company has set a minimum offering proceeds figure of $1,000,000 (the "minimum offering proceeds") for this Offering. The Company has established a segregated Company managed bank account with The Capital Bank, into which the minimum offering proceeds will be placed. At least 20 Units must be sold for $1,000,000 before such proceeds will be released from the holding account and utilized by the Company.

REGISTRAR

The Company will serve as its own registrar and transfer agent with respect to its Membership Units.

MEMBERSHIP UNITS

Upon the sale of the maximum number of Units from this Offering, and redemption of Legacy Investor equity, the approximate percentage of issued Equity Ownership Interests of the Company will be held as follows:

Present Members	94%
New Members	6%

SUBSCRIPTION PERIOD

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PLAN OF OPERATIONS

GlideValve

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OVERVIEW

Jeff England and Robert McLean started McLean, England & Associates, LLC in April 2002. Their objective was to improve how an engine breathes by replacing the spring-loaded poppet valve train. Spring-loaded poppet valves have been with the internal combustion engine for more than 100 years. While the poppet valves are inefficient, they do work and seal the combustion pressure. Even so, the company saw an opportunity to improve an engine's valve train. The Company went through two designs before they settled on the design used today. The design was invented by Gary Cotton, one of their members. In 2006, the Company had a capital raise to fund the successful testing of their valve sealing pressure capabilities at Southwest Research Institute in San Antonio, Texas. The Company changed their legal name to Grace Capital Partners, LLC. Today, the Company has approximately 44 investors.

The novelty for Grace Capital Partners, LLC has been in the "electronically controlled" digital valve train design area and it being different in a major way from other competitors in this digital field. GCP's design seals the combustion pressure with a non-invasive

valve with only two moving parts which they call GlideValve. The Company does not use poppet valves. The GlideValve is a pass-through air flow design that seals from the outside with rings which are no different than the rings that seal pistons. The GlideValve design features actuators that directly drive the valves instead of the mechanical linkage with the camshaft. The advances in the actuator industry over the last five years have now provided an opportunity to completely control a non-invasive design like GlideValve. GlideValve glides over the top of the combustion chamber and will never collide with the piston. The GlideValve design supports and enhances Gasoline Compression Ignition engines. This is because GlideValve can open the intake valve sooner and close the exhaust valve later than a mechanical linked poppet valve train. Gasoline Compression Ignition Engines achieve superior thermal efficiency by the virtue of their higher expansion ratios.

GlideValve eliminates virtually all traditional valve gear. Instead of a complicated Overhead Valve System, the GlideValve engine arrangement consists of the head with two GlideValves per cylinder, one intake and one exhaust. These valves are driven by two electro-pneumatic actuators per cylinder and can be configured to work on inline and V-shape engines.

The ability to open and close the intake and exhaust valves through a digital engine control unit (ECU) maximizes volumetric efficiency and provides the ultimate in variable valve timing. A major automotive consulting firm's design team head tells GCP that different combustion cycles used together can generate a very efficient thermal dynamic profile inside the combustion chamber. The real advantage of GCP's engine is its ability to run multiple valve cycles like the Atkins cycle, 2 stoke cycle, and Miller cycle at different rpm's ranges operationally in achieving brake thermal efficiency pick-up.

AN EVOLUTIONARY DESIGN FOR ALL ENGINES

GlideValve was tested on a single cylinder prototype engine, and was designed for proof of concept and efficiency purposes. It's piston size and air flow requirements are typical of most car and truck engines, thus GlideValve designs are available for twin, four, six and eight cylinder engines – from small hybrids up to large diesels. And based on the

evaluations to date by a nationally recognized testing facility, a single GlideValve is more efficient than traditional poppet valves.

GlideValve Fixes What Doesn't Work

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- Instead of a towering camshaft and multiple poppet valve arrangement, it has a super low profile that drastically lowers engine height.

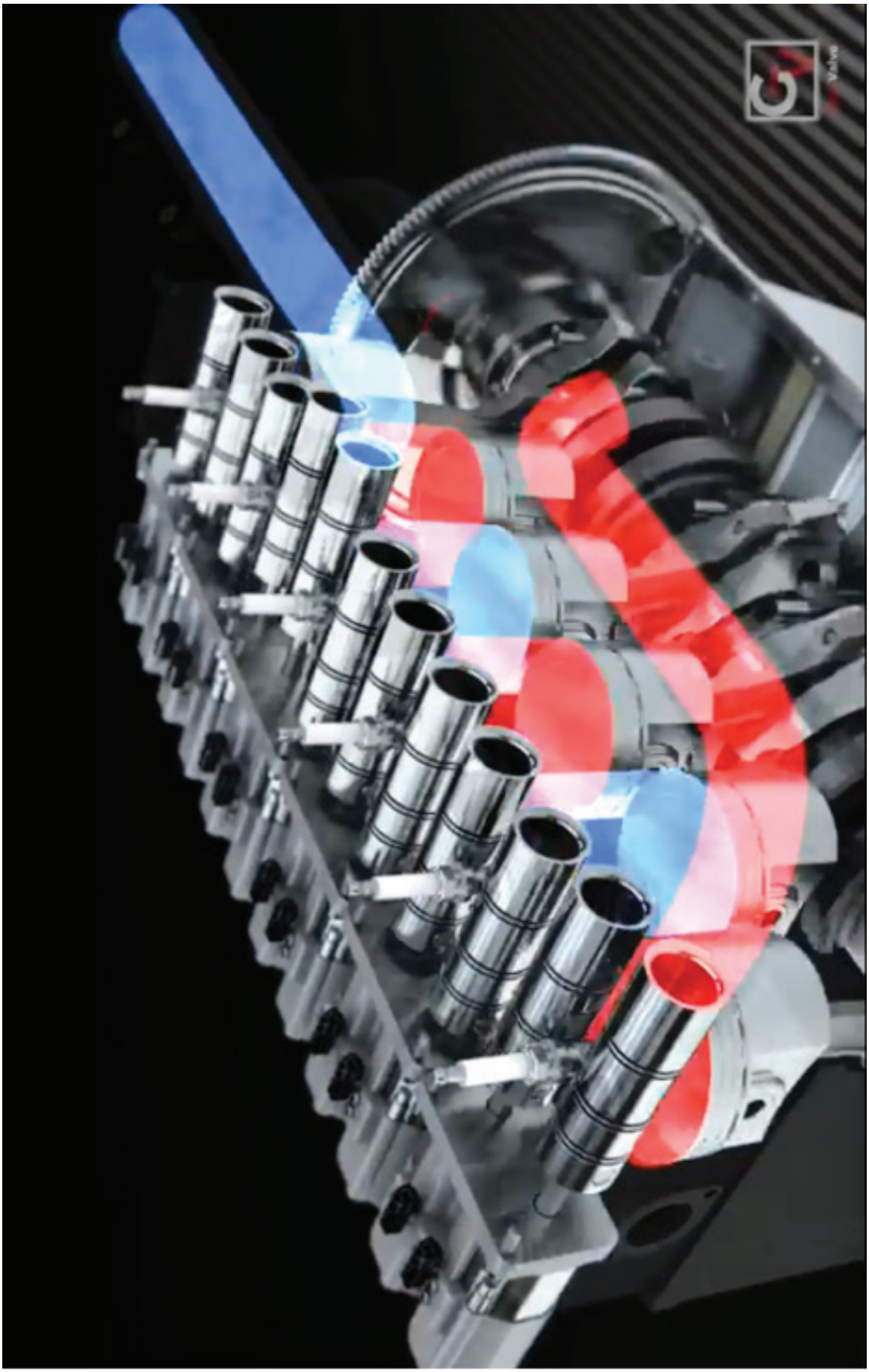
- GlideValve moves air through the interior of the valve, and seals the valve with rings around the exterior of the valve. This tubular design allows the valve to open and close without the need of entering the combustion chamber like the poppet valve. This design advantage allows two GlideValves to move more air per cylinder than four poppet valves.

- Having the ability to time the engine of the fly can achieve as much as 30% more efficiency from the engine, without the fear of a valve/piston collision. Also, emissions are significantly improved through complete combustion of the fuel due to the ability to achieve zero overlap with the valves.

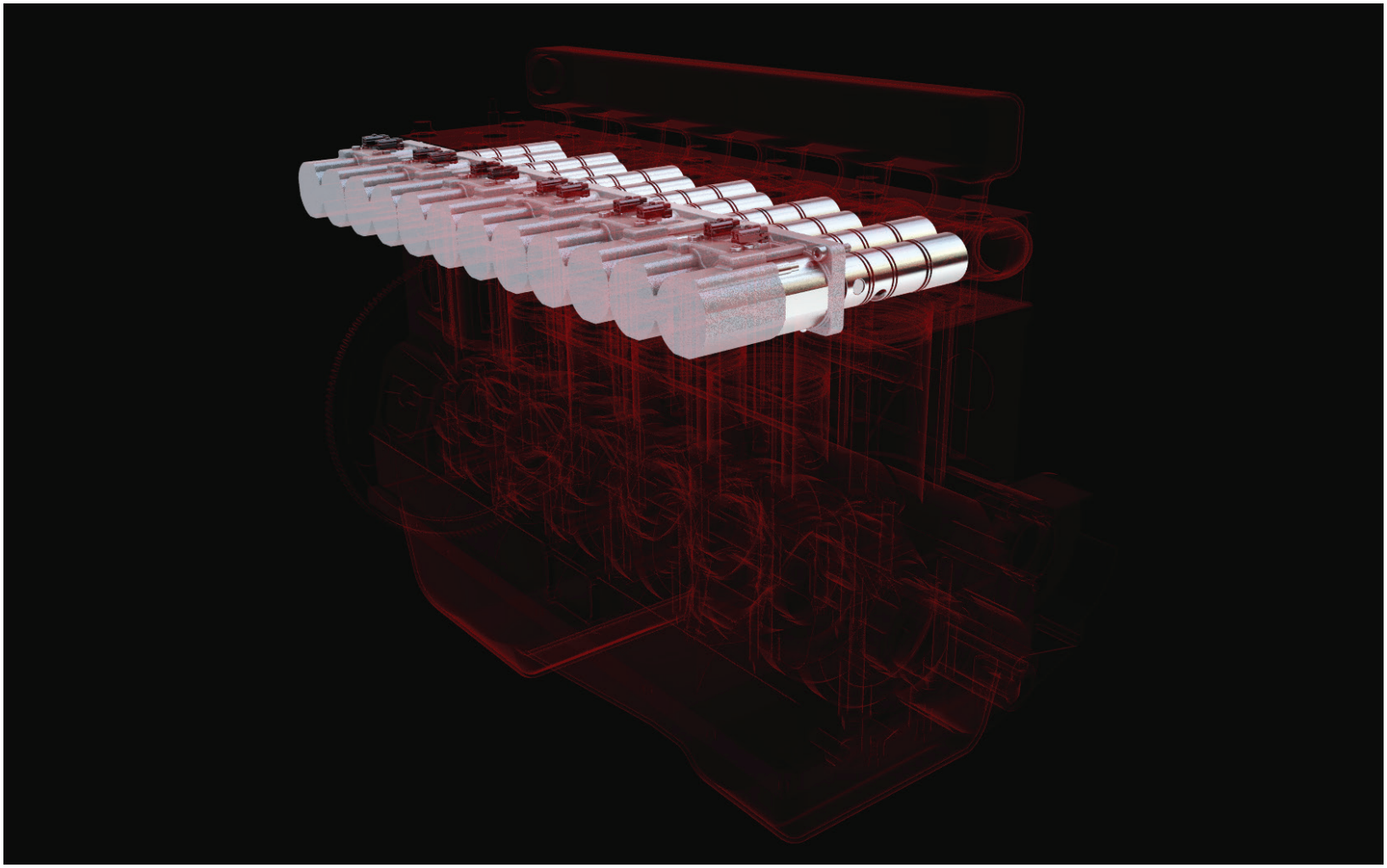
Two Options For Implementation

- Retrofit for head only
    - Add GlideValve to your existing engine block without modifying the engine compartment infrastructure, so the bottom half of the engine doesn't change.

- Single piece block and head design. The head and block can be manufactured as one piece, so no head bolts or head gaskets would be required.



Qoros Motors (China) tested a 1.6 liter four cylinder, a version of a spring-loaded poppet valve "actuator" design engine by AVL Europe on November 22, 2016 with the following results: 47% more torque, 45% more horsepower, 15% better fuel economy and 35% fewer emissions. The GlideValve "actuator" design will have even more optimal results because it will have more flexibility and can achieve zero overlap. GlideValve does not have to be concerned about the piston-poppet valve collision. Any digital valve train configuration that uses a spring-loaded poppet valve is subject to fail due to the inherent problem with the springs. It's not the actuator or the camshaft that fail, it's the springs that usually fail.



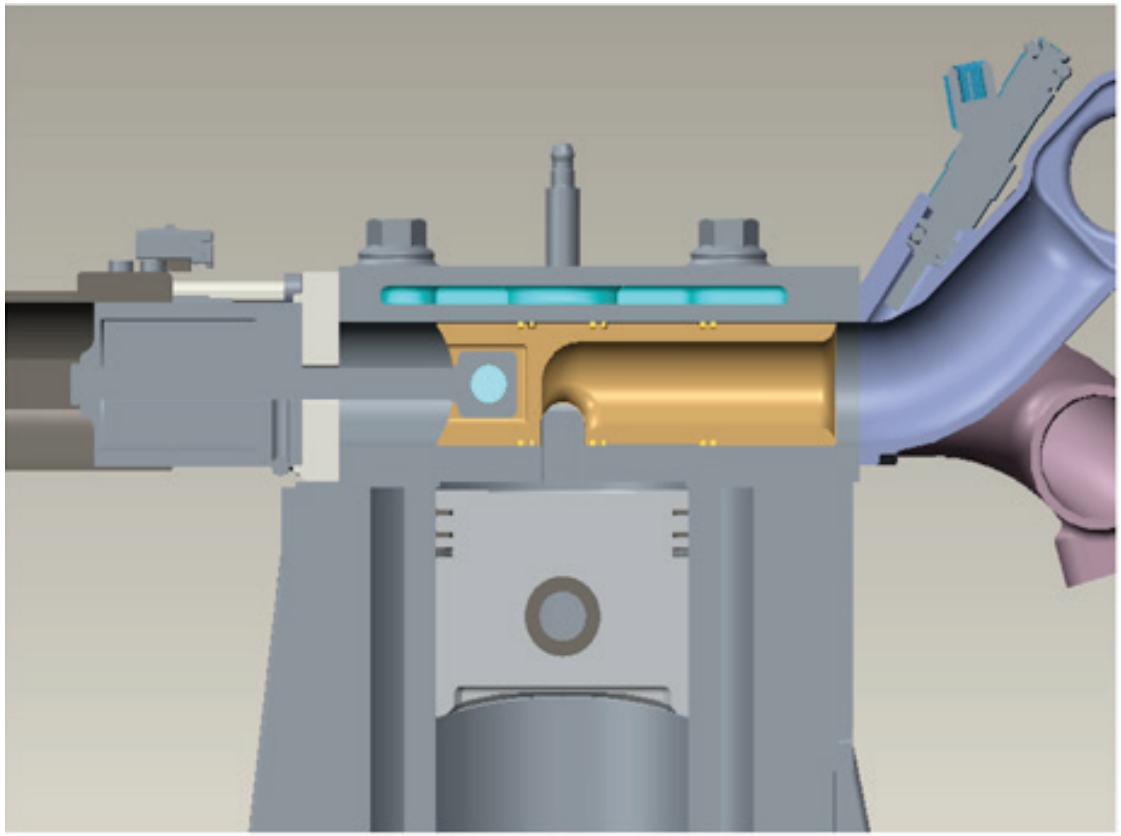
The digital valve train industry is relatively thin and all the other competitors in this field use spring-loaded poppet valves in their arrangement. The opportunity for GlideValve seems to be that the trend of the control of valves will clearly move from mechanical linkage to the computer-aided control and use of linear actuators. No other valve train technology is known that will support diesel fuel performance and have petrol emissions results with no chance of a piston-valve collision.

GlideValve is now at a point that the design work has been done and the marketing campaign begins. A couple of OEM companies have recently expressed interest in an engine development program with GlideValve.

Presently, Grace Capital Partners, LLC has signed a mutual Non-Disclosure Agreement (NDA) with a $90 billion dollar Tier 1 OEM as they want to do a heavy-duty diesel engine development program with GCP and gain access to the patented GlideValve technology. GCP is currently negotiating the terms of that agreement. The Company anticipates the first year to be in a joint optimization development program with the Tier 1 OEM company and sign a license agreement after year one. Production will start in year two and royalty income will begin in year three.

AVL Powertrain Engineering, Inc. (www.AVL.com) is the world's largest independent and privately-held company providing powertrain engineering services to the automotive industry. Their clients are the who's who of the industry. AVL Powertrain Engineering, Inc. was founded in 1948 and has grown to become a global player in this field with over 8,000 employees worldwide. AVL Powertrain Engineering, Inc. is very familiar with the GlideValve design. They did the animation that GCP has on the Company website (www.GlideValve.com).

Grace Capital Partners, LLC has a proposal from AVL Powertrain Engineering, Inc. to configure and manufacture the physical head for a four cylinder gasoline compression ignition engine. GCP wants to fast-track this particular application. This capital raise is to support the AVL's proposal. See Section 3: Exhibit A for AVL's Executive Summary of the Project. It explains in detail how they are going to demonstrate the features of GCP's system to OEM's.

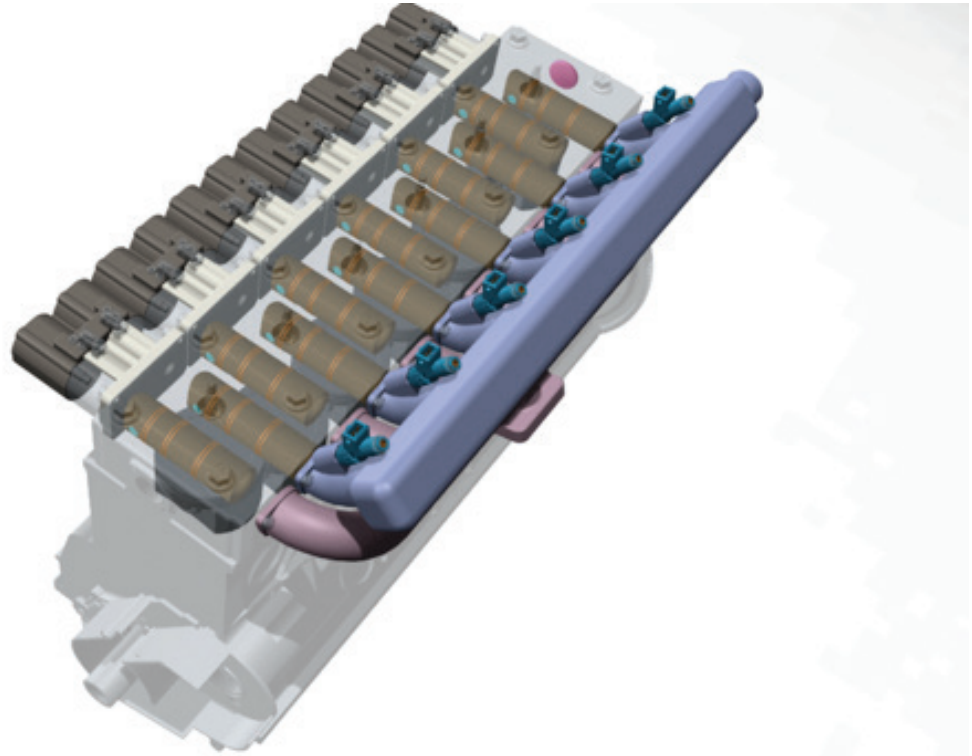


In addition, AVL's has recently invited GCP into one of their client's $2.5 billion project to help them produce a waste heat recovery steam engine. They believe GCP's valve system will work better than the existing poppet valve system. Julian Sherborne, Technical Specialist in the Mechanical Development Design Division of AVL, stated the following:

> *"GlideValve concept is an enabler for Independent GlideValve Actuation (IGVA) which when combined with both internal and external combustion reciprocating piston engines enable the potential flexibility for generation of variable valve timing, duration or lift required at the touch of a button. Cylinder deactivation, two and four cycle, LIVC, EIVC, LEVC, EEVC operation are all possibilities and potentially can be used for various load and speed combination in the same product. GlideValves do not require clearance features in the piston crown and can have events independent of piston position in the cylinder. Conventional and unconventional timing profiles can be achieved. The conventional camshafts and valve train components and timing drive are completely eliminated."*

GLIDEVALVE STRENGTHS

- Is a patented non-invasive valve/head design for an internal combustion engine
- Has only two moving parts
- Has no camshaft, no belts, no rocker arms, no push rods
- Eliminates virtually all traditional mechanical valve gear
- Significant cost savings for OEM in manufacturing process
- Increases the volumetric efficiency of engine by producing air flow in square sign waves
- Permits the engine to breathe easier
- Uses independent electronic software driven actuators to open/close valves
- Can achieve zero overlap without having to worry about the piston-poppet valve collision
- Ability to provide unlimited variable valve timing (Lift and Duration Flexibility)
- Ability to combine multiple combustion cycles to achieve the most efficient thermal dynamic profile
- Has an actuator design that achieves 35% lower emissions and 15% higher fuel savings



MARKETING

GCP has several options in how they are going to market their technology. First, they are in talks with the same Tier 1 OEM that they plan an engine optimization program with in regards of them wanting to be a strategic partners of GCP in the distribution of non-exclusive licenses to the world-wide market place. GCP has a mutual Non Disclosure Agreement regarding this activity so what GCP can share is limited at this time.

In addition, AVL Powertrain Engineers, Inc. ("AVL") has already introduced GCP to one of their top clients with the idea they will introduce GCP to all their clients in the future. AVL is the world's largest independent and privately-held company providing powertrain engineering services to the automotive industry.

Starting February 1, 2019, the Glide Valve Engine Technology team will contact all domestic OEM's. The team plans to demonstrate GCP's Glide Valve design to all of the Society of Automotive Engineers (SAE) conventions starting in the Fall 2019.

According to several national labs, certain OEM's pay licensing fees per engine to any new technology that improves fuel economy. The fee being offered is $100 per each 1% improvement of fuel savings. As an example, a 10% improvement in fuel saving would result in a $1,000 payment.

PATENTS

Grace Capital Partners, LLC has three domestic patents that have been granted:

1. Sliding Valve Aspiration System Patent US8210147B2 was awarded in January 2010.
2. The Sliding Valve Patent US8776756B2 in August 2012.
3. The Sliding Valve Aspiration Patent US8459227B2 in May 2014.
4. Provisional Patent Applications for Enhanced Oiling for Sliding Valve Aspiration Serial Number 62/633,436 dated Feb. 2018 and Serial Number 62/669,449 dated May 2018.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

The primary managers of the Company have provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

Other than the Company's Management, no one has been authorized to give any information or to make any representation with respect to the Company or the Units that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so. This offering is only available to suitable "accredited" investors as defined by Rule 501 of Regulation D and all subscriptions for purchase of securities will be subject to verification by the Company of the investors status as an accredited investor.

This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.

This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of units subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Units. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

CERTAIN NOTICES

FOR RESIDENTS OF ALL STATES:

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR THE SECURITIES LAWS OF CERTAIN STATES ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS OF SAID ACT AND SUCH LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS OFFERING IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MIGHT BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. AN INVESTOR MUST REPRESENT THAT THE SECURITIES ARE BEING ACQUIRED FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO OR PRESENT INTENTION OF DISTRIBUTION.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO. IN ADDITION, THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE OFFEREE NAMED.

EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE OF THE MEMORANDUM AND NEITHER THE DELIVERY HEREOF NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE CONDITION OF THE COMPANY SINCE THE DATE HEREOF.

NO PERSON HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR PROVIDE ANY INFORMATION OTHER THAN THAT CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM AND ACTUAL DOCUMENTS (SUMMARIZED HEREIN), WHICH ARE FURNISHED UPON REQUEST TO AN OFFEREE, OR HIS REPRESENTATIVE MAY BE RELIED UPON IN CONNECTION WITH THIS OFFERING. PROSPECTIVE PURCHASERS OF THE SECURITIES ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE PURCHASER SHOULD CONSULT HIS OWN PROFESSIONAL ADVISORS AS TO LEGAL, TAX, AND RELATED MATTERS CONCERNING HIS INVESTMENT. THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED FROM DATA SUPPLIED BY SOURCES DEEMED RELIABLE AND DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR KNOWINGLY CONTAIN ANY UNTRUE STATEMENT OF ANY MATERIAL FACT. IT CONTAINS A SUMMARY OF THE MATERIAL PROVISIONS OF DOCUMENTS REFERRED TO HEREIN. STATEMENTS MADE WITH RESPECT TO THE PROVISIONS OF SUCH DOCUMENTS ARE NOT NECESSARILY COMPLETE AND REFERENCE IS MADE TO THE ACTUAL DOCUMENTS FOR COMPLETE INFORMATION AS TO THE RIGHTS AND OBLIGATIONS THERETO.

DISCLOSURES

THERE IS NO TRADING MARKET FOR THE COMPANY'S SECURITIES AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE UNITS WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE SECURITIES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE UNITS IS BEING UNDERTAKEN PURSUANT TO RULE 506(c) OF REGULATION D UNDER THE SECURITIES ACT.

ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE UNITS, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE COMPANY. DISTRIBUTION OF THIS MEMORANDUM TO ANY PERSON OTHER THAN THE PROSPECTIVE INVESTOR TO WHOM THIS MEMORANDUM IS DELIVERED BY THE COMPANY AND THOSE PERSONS RETAINED TO ADVISE THEM WITH RESPECT THERETO IS UNAUTHORIZED.

ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF THE CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY IS STRICTLY PROHIBITED. EACH PROSPECTIVE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN IT AND ALL OTHER DOCUMENTS RECEIVED BY THEM TO THE COMPANY IF THE PROSPECTIVE INVESTOR'S SUBSCRIPTION IS NOT ACCEPTED OR IF THE OFFERING IS TERMINATED.

NASAA LEGEND

NASAA LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES MAY BE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER FEDERAL AND STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO NON-UNITED STATES RESIDENTS

IT IS THE RESPONSIBILITY OF ANY ENTITIES WISHING TO PURCHASE THE UNITS TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

BY ACCEPTANCE OF THIS MEMORANDUM, PROSPECTIVE INVESTORS RECOGNIZE AND ACCEPT THE NEED TO CONDUCT THEIR OWN THOROUGH INVESTIGATION AND DUE DILIGENCE BEFORE CONSIDERING A PURCHASE OF THE UNITS. THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE INVESTMENT, TAX, OR LEGAL ADVICE AND EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH THEIR OWN COUNSEL AND ADVISORS AS TO ALL MATTERS CONCERNING AN INVESTMENT IN THIS OFFERING.

PATRIOT ACT RIDER

THE INVESTOR HEREBY REPRESENTS AND WARRANTS THAT THE INVESTOR IS NOT, NOR IS IT ACTING AS AN AGENT, REPRESENTATIVE, INTERMEDIARY OR NOMINEE FOR, A PERSON IDENTIFIED ON THE LIST OF BLOCKED PERSONS MAINTAINED BY THE OFFICE OF FOREIGN ASSETS CONTROL, U.S. DEPARTMENT OF TREASURY. IN ADDITION, THE INVESTOR HAS COMPLIED WITH ALL APPLICABLE U.S. LAWS, REGULATIONS, DIRECTIVES, AND EXECUTIVE ORDERS RELATING TO ANTI-MONEY LAUNDERING, INCLUDING BUT NOT LIMITED TO THE FOLLOWING LAWS:

(1) THE UNITING AND STRENGTHENING AMERICA BY PROVIDING APPROPRIATE TOOLS REQUIRED TO INTERCEPT AND OBSTRUCT TERRORISM ACT OF 2001, PUBLIC LAW 107-56, AND (2) EXECUTIVE ORDER 13224 (BLOCKING PROPERTY AND PROHIBITING TRANSACTIONS WITH PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TERRORISM) OF SEPTEMBER 11, 2001.

EACH PROSPECTIVE INVESTOR WILL BE GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, MANAGEMENT OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORTS OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM.

IF YOU HAVE ANY QUESTIONS WHATSOEVER REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM, PLEASE WRITE OR CALL THE COMPANY AT THE ADDRESS AND NUMBER LISTED IN THIS PRIVATE OFFERING MEMORANDUM.

THE MANAGEMENT OF THE COMPANY HAS PROVIDED ALL OF THE INFORMATION STATED HEREIN.

THE COMPANY MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE COMPLETENESS OF THIS INFORMATION OR, IN THE CASE OF PROJECTIONS, ESTIMATES, FUTURE PLANS, OR FORWARD LOOKING ASSUMPTIONS OR STATEMENTS, AS TO THEIR ATTAINABILITY OR THE ACCURACY AND COMPLETENESS OF THE ASSUMPTIONS FROM WHICH THEY ARE DERIVED, AND IT IS EXPECTED THAT EACH PROSPECTIVE INVESTOR WILL PURSUE HIS, HER, OR ITS OWN INDEPENDENT INVESTIGATION.

IT MUST BE RECOGNIZED THAT ESTIMATES OF THE COMPANY'S PERFORMANCE ARE NECESSARILY SUBJECT TO A HIGH DEGREE OF UNCERTAINTY AND MAY VARY MATERIALLY FROM ACTUAL RESULTS.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PRELIMINARY RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN THIS INVESTMENT.

IN DOING SO, YOU SHOULD BE AWARE THAT AN INVESTMENT WITH OUR COMPANY MAY BE VOLATILE AND LOSSES FROM ITS BUSINESS ACTIVITIES MAY REDUCE THE NET ASSET VALUE OF THE COMPANY AND CONSEQUENTLY THE COMPANY'S ABILITY TO REPAY PRINCIPAL CAPITAL INVESTMENT.

INVESTORS MAY LOSE ALL OR PART OF THEIR INVESTMENT. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT THE COMPANY'S ABILITY TO REDEEM YOUR UNITS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMPANY. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN AN INVESTMENT IN THIS COMPANY, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DISCUSSION OF POTENTIAL RISKS RELATED TO THIS INVESTMENT.

CURRENT MEMBERS

The following table contains certain information as of January 1, 2019 as to the number of units beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's Units, (ii) each person who is a Managing Member of the Company, (iii) all persons as a group who are Managing Members and/or Officers of the Company, and as to the percentage of the outstanding units held by them on such dates and as adjusted to give effect to this Offering. The Company has not entered into any Membership Unit option agreements as of the date of this Offering.

Name	Position	% of Ownership	% Post Offering
England Holdings, Inc.	Member	16.03%	15.068%
Gary & Shannan Cotton	Member	15.0%	14.1%
McLean Investments, LP	Member	10.836%	10.186%
Coffman Holding, LLC	Member	10.0%	9.4%
Haven C. England	Member	8.134%	7.646%
Covenant LP	Member	5.2%	4.888%
All Others Combined (37)	Members	34.8%	32.712%

LITIGATION

The Company is not presently a party to any material litigation, nor to the knowledge of Management is any litigation threatened against the Company, which may materially affect the business of the Company or its assets.

DESCRIPTION OF UNITS

The Company is offering a minimum of 20 and a maximum of 60 Equity Ownership Interest Units at a price of $50,000 per Unit. Each Equity Onwership Interest Unit of $50,000 shall provide the equity holder with a .001% ownership interest in the Company assuming all 60 offered Equity Ownership Interest Units are sold. (See "Use of Proceeds" and "Operations - Use of Proceeds")

Equity Ownership Interest Unitholders shall participate pro-rata in distributions of net operating cash on the following summarized schedule and terms and subject to the specific terms of the Operating Agreement:

(a) Distributions Prior to Liquidation. Subject to subsection (b)-(d) of this Section, Available Cash, if any, shall be distributed by the Manager to the Members annually on or before the ninetieth (90th) day following the end of each calendar year, in accordance with their Percentage Interest, or more frequently if approved by the Management Committee. **(b)** Interim Withdrawals. During any calendar year, Members may make withdrawals on an interim basis in such amounts as they determine by a unanimous vote of all Members, against the annual distributions of income. **(c)** Special Tax Distribution. Manager will use reasonable efforts to cause the Company to distribute to each Member in each year the Tax Distribution Amount (as defined in the Operating Agreement), which amount shall be treated as an advance against future distributions to such Member pursuant to the provisions hereof. The Tax Distribution Amount shall equal an amount which, when added to all distributions previously made to the Member from the inception of the Company, equals the product of (i) the Member's allocable share of the net taxable income of the Company computed on an aggregate cumulative basis from the inception of the Company and (ii) the highest combined marginal rate of federal and Arkansas state income tax applicable to individuals for any year since the inception of the Company. **(d)** Distribution Upon Liquidation. Upon dissolution and liquidation of the Company, distributions shall be made among the Members as set forth herein. **(e)** Incorrect Payments. To the extent any payments made pursuant to this Article are incorrectly paid, any Member who receives more than the amount that should have been paid to such Member shall promptly repay the amount of any such incorrect payment, and any such repaid amounts shall be redistributed pursuant to this Article or the Management Committee may offset the excess payments against future distributions to the Member receiving such excess payments.

See "Exhibit B - Operating Agreement".

MANAGEMENT COMPENSATION

There is no accrued compensation that is due any member of Management. Each Manager will be entitled to reimbursement of expenses incurred while conducting Company business. Each Manager may also be a member in the Company and as such will share in the profits of the Company when and if revenues are disbursed. Management reserves the right to reasonably increase their salaries assuming the business is performing profitably and Company revenues are growing on schedule. Any augmentation of these salaries will be subject to the profitability of the Business and the effect on the Business cash flows. Current and projected Management salaries for the next 12 months are:

Jeffrey England, Managing Partner:
Current: $0 annualized salary payable monthly
Projected 12 months: $7,000 annualized salary payable monthly

Robert McLean, Executive Partner:
Current: $0 annualized salary payable monthly
Projected 12 months: $7,000 annualized salary payable monthly

Gary Cotton, Executive Partner:
Current: $0 annualized salary payable monthly
Projected 12 months: $7,000 annualized salary payable monthly

BOARD OF ADVISORS

The Company has established a Board of Advisors, which includes highly qualified business and industry professionals. The Board of Advisors will assist the Management team in making appropriate decisions and taking effective action; however, the Board of Advisors will not be responsible for Management decisions and has no legal or fiduciary responsibility to the Company. Currently there are three members of the Board of Advisors:

Dr. Tom Morter

Dr. Tom Morter is co-owner and CFO of a natural health technology developer firm. He travels the globe delivering health awareness and instruction. He is also co-owner of a international personal success company which focuses on helping individuals reach their goals in all levels of life. His weekly messaging reaches people in over 120 countries worldwide. He has been featured on national television, radio, and other media outlets relaying his revolutionary and entrepreneurial health and wellness concepts. Dr. Morter has served as an investor, adviser on several start-up established private businesses.

Rob Morton

Rob Morton is an IT executive with over 40 years' experience in account management, go to market offerings, business operations, technology solutions as well as complete data center migrations and cloud initiatives for Fortune 500 companies in support of their operational and strategic goals. Currently serving as a national account executive for a Fortune 100 company. Rob has been actively involved with Glide Valve Engine Technology for over 10 years and is responsible for compute technology as well as web presents, while serving as an adviser during that time.

Bob Skotnicki

Bob Skotnicki is Chairman & CEO of a full service global licensing firm providing services to a wide variety of international clients in the areas of brand expansion and brand acquisitions. Prior to 1994 he held executive positions with Fortune 100 companies and Vice President level positions in the banking industry.

INVESTOR SUITABILITY STANDARDS

Prospective purchasers of the Units offered by this Memorandum should give careful consideration to certain risk factors described under "RISK FACTORS" section and especially to the speculative nature of this investment and the limitations described under that caption with respect to the lack of a readily available market for the Units and the resulting long term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors having adequate means to assume such risks and of otherwise providing for their current needs and contingencies.

GENERAL

The Units will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

• The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Units;

• The prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Units will not cause such overall commitment to become excessive; and

• The prospective purchaser is an "Accredited Investor" (as defined on the next page) suitable for purchase in the Units.

Each person acquiring Units will be required to represent that he, she, or it is purchasing the Units for his, her, or its own account for investment purposes and not with a view to resale or distribution.

ACCREDITED INVESTORS

The Company will conduct the Offering in such a manner that Units may be sold only to "Accredited Investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act"). In summary, a prospective investor will qualify as an "Accredited Investor" if he, she, or it meets any one of the following criteria:

- Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds $1,000,000.

Except as provided in paragraph (2) of this section, for purposes of calculating net worth under this paragraph:
(i) The person's primary residence shall not be included as an asset;

(ii) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

- Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;

Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self directed plan, with investment decisions made solely by persons who are Accredited Investors;

- Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

- Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code, corporation, business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

- Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer;

- Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 501(b)(2)(ii) of Regulation D adopted under the Act; and

- Any entity in which all the equity owners are Accredited Investors.

OTHER REQUIREMENTS

No subscription for the Units will be accepted from any investor unless he is acquiring the Units for his own account (or accounts as to which he has sole investment discretion), for investment and without any view to sale, distribution or disposition thereof.

Each prospective purchaser of Units may be required to furnish such information as the Company may require to determine whether any person or entity purchasing Units is an Accredited Investor.

FORWARD LOOKING INFORMATION

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company's control, which could cause the actual results to differ materially from those contemplated by the statements.

The forward looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Important factors that may cause the actual results to differ from those expressed within may include, but are not limited to:

- The success or failure of the Company's efforts to successfully execute its planned operations as scheduled;
- The Company's ability to attract a customer base for the patented GlideValve Engine Technology;
- The Company's ability to attract and retain quality employees;
- The effect of changing economic conditions including the market in the area of operation for the Company;
- The reliance of the Company on certain key members of management

These along with other risks, which are described under "RISK FACTORS" may be described in future communications to members. The Company makes no representation and undertakes no obligation to update the forward looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

CERTAIN RISK FACTORS

Grace Capital Partners, LLC commenced preliminary business development operations on March 5, 2002 and is organized as a Limited Liability Company under the laws of the State of Arkansas. Accordingly, the Company has only a limited history upon which an evaluation of its prospects and future performance can be made. The Company's proposed operations are subject to all operational risks associated with business enterprises. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with development, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that the Company could sustain losses in the future.

There can be no assurances that Grace Capital Partners, LLC will operate profitably. An investment in the Units involves a number of risks. You should carefully consider the following risks and other information in this Memorandum before purchasing our Units. Without limiting the generality of the foregoing, Investors should consider, among other things, the following risk factors:

Inadequacy Of Funds:
Total gross offering proceeds of a minimum of $1,000,000 and a maximum of $3,000,000 may be realized. Management believes that such proceeds will capitalize and sustain GCP sufficiently to allow for the implementation of the Company's Business Plans. If only a fraction of this Offering is sold, or if certain assumptions contained in Management's business plans prove to be incorrect, the Company may have inadequate funds to fully develop its business and may need debt financing or other capital investment to fully implement the Company's business plans.

Dependence On Management:
In the early stages of development the Company's business will be significantly dependent on the Company's management team. The Company's success will be particularly dependent upon Jeffrey England, Robert McLean and Gary Cotton. The loss of any of these individuals could have a material adverse effect on the Company. See "MANAGEMENT" section.

Risks Associated With Expansion:
The Company plans on expanding its business through the continued development and marketing of the Glide Valve technology. Any expansion of operations the Company may

undertake will entail risks, such actions may involve specific operational activities which may negatively impact the profitability of the Company. Consequently, the Members must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert Management's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities.

General Economic Conditions:
The financial success of the Company may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for the Company's patented GlideValve Engine Technology. Grace Capital Partners, LLC has no control over these changes.

Possible Fluctuations In Operating Results:
The Company's operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of customers, competitive pricing, debt service and principal reduction payments, and general economic conditions. Consequently, the Company's revenues may vary by quarter, and the Company's operating results may experience fluctuations.

Risks Of Borrowing:
If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of owners of Membership Units of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

Unanticipated Obstacles To Execution Of The Business Plan:
The Company's business plans may change. Some of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

Management Discretion As To Use Of Proceeds:
The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its Members in order to address changed circumstances or opportunities. As a result of the foregoing, the success of the Company will be substantially

dependent upon the discretion and judgment of Management with respect to application and allocation of the net proceeds of this Offering. Investors for the Units offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

Control By Management:
As of January 1, 2019, the Company's empowers the Managing Members with certain rights, duties, and powers related to management of the Company. Investors for the Units offered should carefully review the Company's Operating Agreement with regards to management control provided to the Managing Members.

Limited Transferability & Liquidity:
To satisfy the requirements of certain exemptions from registration under the Securities Act, and to conform with applicable state securities laws, each investor must acquire his Units for investment purposes only and not with a view towards distribution. Consequently, certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer, or other disposition of the Units. Some of these conditions may include a minimum holding period, availability of certain reports, including financial statements from Grace Capital Partners, LLC, limitations on the percentage of Units sold and the manner in which they are sold. Grace Capital Partners, LLC can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to Grace Capital Partners, LLC, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Units and no market is expected to develop. Consequently, owners of the Units may have to hold their investment indefinitely and may not be able to liquidate their investments in Grace Capital Partners, LLC or pledge them as collateral for a loan in the event of an emergency.

Broker - Dealer Sales Of Units:
The Company's Membership Units are not presently included for trading on any exchange, and there can be no assurances that the Company will ultimately be registered on any exchange. No assurance can be given that the Membership Units of the Company will ever qualify for inclusion on the NASDAQ System or any other trading market. As a result, the Company's Membership Units are covered by a Securities and Exchange Commission rule that opposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell the Company's securities and may also affect the ability of shareholders to sell their Units in the secondary market.

Long Term Nature Of Investment:
An investment in the Units may be long term and illiquid. As discussed above, the offer and sale of the Units will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration which depends in part on the investment intent of the investors. Prospective investors will be required to represent in writing that they are purchasing the Units for their own account for long-term investment and not with a view towards resale or distribution.

Accordingly, purchasers of Units must be willing and able to bear the economic risk of their investment for an indefinite period of time. It is likely that investors will not be able to liquidate their investment in the event of an emergency.

No Current Market For Units:
There is no current market for the Units offered in this private Offering and no market is expected to develop in the near future.

Offering Price:
The price of the Units offered has been arbitrarily established by Grace Capital Partners, LLC, considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The Offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to Grace Capital Partners, LLC.

Compliance With Securities Laws:
The Units are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act, applicable Arkansas Securities Laws, and other applicable state securities laws. If the sale of Units were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of Units. If a number of purchasers were to obtain rescission, Grace Capital Partners, LLC would face significant financial demands which could adversely affect Grace Capital Partners, LLC as a whole, as well as any non-rescinding purchasers.

Lack Of Firm Underwriter:
The Units are offered on a "best efforts" basis by the officers and directors of Grace Capital Partners, LLC without compensation and on a "best efforts" basis through certain FINRA registered broker-dealers which enter into Participating Broker-Dealer Agreements with the Company. Accordingly, there is no assurance that the Company, or any FINRA broker-dealer, will sell the maximum Units offered or any lesser amount.

Projections: Forward Looking Information:
Management has prepared projections regarding Grace Capital Partners, LLC's anticipated financial performance. The Company's projections are hypothetical and based upon factors influencing the business of Grace Capital Partners, LLC. The projections are based on Management's best estimate of the probable results of operations of the Company, based on present circumstances, and have not been reviewed by GCP's independent accountants. These projections are based on several assumptions, set forth therein, which Management believes are reasonable. Some assumptions upon which the projections are based, however, invariably may not materialize due the inevitable occurrence of unanticipated events and circumstances beyond Management's control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the entry into the Company's market of additional competitors, the terms and conditions of future capitalization, and other risks inherent to the Company's business. While Management believes that the projections accurately reflect possible future results of Grace Capital Partners, LLC's operations, those results cannot be guaranteed.

Competition May Increase Costs:
The Company may experience competition from other providers of similar engine related technology. Competition may have the effect of increasing customer acquisition costs for the Company and decreasing the sales or license revenue generated by the Company's products.

Terrorist Attacks Or Other Acts Of Violence Or War May Affect The Industry In Which The Company Operates, Its Operations & Its Profitability:
Terrorist attacks may harm the Company's results of operations and an Investor Member's investment. There can be no assurance that there will not be more terrorist attacks against the United States or U.S. businesses. These attacks or armed conflicts may directly or indirectly impact the value of the property the Company owns or that secure its loans. Losses resulting from these types of events may be uninsurable or not insurable to the full extent of the loss suffered. Moreover, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the United States and worldwide financial markets and economy. They could also result in economic uncertainty in the United States or abroad.

Recent Changes to Rule 506 of Regulation D:
Recent changes to Rule 506 of Regulation D under the Securities Act prohibit an issuer from claiming an exemption from registration of its securities under that rule if the issuer; any of its predecessors; any affiliated issuer; any director, executive officer, other officer participating in the offering of the interests, general partner, or managing member of the issuer; any beneficial owner of 20 percent or more of the voting power of the issuer's outstanding voting equity securities; any promoter connected with the issuer in any capacity as of the date of this Memorandum; any investment manager of the issuer; any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of the issuer's interests; any general partner or managing member of any such investment manager or solicitor; or any director, executive officer, or other officer participating in the offering of any such investment manager or solicitor, general partner, or managing member of such investment manager or solicitor has been subject to certain "bad actor" events described in Rule 506(d)(1) of Regulation D after September 23, 2013, subject to certain limited exceptions.

We are required to exercise reasonable care in conducting an inquiry to determine whether any such persons have been subject to such "bad actor" events and are required to disclose any "bad actor" events that occurred prior to September 23, 2013, to investors in our Company. While we believe that we have exercised reasonable care in conducting an inquiry into "bad actor" events by the foregoing persons and are not aware of any required disclosures, it is possible that (a) additional "Bad Actor" events may exist of which we are not aware, and (b) the SEC, a court, or other finder of fact may determine that the steps that we have taken to conduct our inquiry were inadequate and did not constitute reasonable care. If such a finding were made, we may lose our ability to rely on Rule 506 of Regulation D under the Securities Act for the offer and sale of the securities and, depending on the circumstances, may be required to register the offering of the securities with the SEC and under applicable state securities laws or to conduct a rescission offer with respect to the securities sold in this offering.

Potential Reliance on Large OEM Adopters of the Technology:
The Company's success may be subject in large part to the adoption rate and interest in licensing from large OEM manufacturers. Should the Company not secure interest from such large OEM type companies, then sales or licensing of the Company's technology may involve working with smaller firms that don't have the same potential for revenue. In addition, the Company could incur larger costs in securing business from such smaller firms and the resulting revenue may not provide the same net earnings as contracts with larger OEMs would provide.

Likewise, should the Company secure a significant portion of revenue from only a few OEM manufacturers, then the Company could be subject to significant volatility in revenue should such OEM's cease to do business with the Company.

Market Adoption of the Company's Technology and Products:
The success of the Company is highly dependent on the markets adoption and acceptance of the Company's engine technology and products. The Company can provide no assurance that any OEM or other manufacturers will engage in sales or license agreements with the Company.

Reliability and Function Risks Related to the Performance of the Products:
The Company's products will be subject to certain risks related to performance and function. Should the Company's products and technology not provide benefits as stated by the Company, then end users may discontinue use of the technology. Further, should the Company's products fail or underperform then the Company may suffer irreparable reuptational damage . Further, any failure of the product or underperformance could provide the genesis for litigation over liability for such failed products.

Patent Dispute Risks:
The Company has patented certain aspects of the technology related to its primary product. There is the potential that other manufacturers develop similar technology and products that may violate such patents. The Company may incur significant costs related to litigating any such challenges to the Company's patents. Further, there can be no assurance provided that any competing technology claims and litigation will be successful for the Company in defense of said patents.

Majority of Capital from this Offering Utilized for Redemption of Existing Equity:
Should the Company raise the maximum offering amount, then it is estimated approximately $5,700,000 shall be used to redeem equity interests from existing Members and exit them from the Company. In the opinion of Management, the remaining capital should provide enough working capital to allow the Company to move forward with its current forward business plans. There is the potential that the Company may need additional capital in the future which could dilute the ownership of existing Members.

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USE OF PROCEEDS

The Company seeks to raise minimum gross proceeds of $1,000,000 and maximum gross proceeds of $3,000,000 from the sale of Units in this Offering. The Company intends to apply these proceeds substantially as set forth herein, subject only to reallocation by Management in the best interests of the Company.

SALE OF EQUITY

CATEGORY	MAX. PROCEEDS	MIN. PROCEEDS
PROCEEDS FROM SALE OF UNITS	$3,000,000	$1,000,000

OFFERING EXPENSES & COMMISSIONS

CATEGORY	MAX. PROCEEDS	MIN. PROCEEDS
EXPENSES [1]	$15,000	$15,000
BROKERAGE COMMISSIONS [2]	$330,000	$110,000
TOTAL OFFERING FEES	$345,000	$125,000

CORPORATE APPLICATION OF PROCEEDS

CATEGORY	MAX. PROCEEDS	MIN. PROCEEDS
AVL ENGINE BUILD	$1,250,000	$708,636
PLACEMENT FEE	$330,000	$110,000
LEGAL AND ACCOUNTING	$30,000	$15,000
WORKING CAPITAL	$1,045,000	$41,364
TOTAL CORPORATE USE	$2,655,000	$875,000

TOTAL USE OF PROCEEDS

CATEGORY	MAX. PROCEEDS	MIN. PROCEEDS
OFFERING EXPENSES & COMMISSIONS	$345,000	$125,000
CORPORATE APPLICATION OF PROCEEDS	$2,655,000	$875,000
TOTAL PROCEEDS	$3,000,000	$1,000,000

(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.

(2) This Offering is being sold by the Managing Members of the Company. No compensatory sales fees or related commissions will be paid to such Managing Members. Registered broker or dealers who are members of the FINRA and who enter into a Participating Dealer Agreement with the Company may sell units. Such brokers or dealers may receive commissions up to eleven percent (11%) of the price of the Units sold.

TRANSFER AGENT & REGISTRAR

The Company will act as its own transfer agent and registrar for its units of ownership.

PLAN OF PLACEMENT

The Units are offered directly by the Managing Members of the Company on the terms and conditions set forth in this Memorandum. FINRA brokers and dealers may also offer units. The Company is offering the Units on a "best efforts" basis. The Company will use its best efforts to sell the Units to investors. There can be no assurance that all or any of the Units offered, will be sold.

ESCROW OF SUBSCRIPTION FUNDS

Commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Units will be deposited in an escrow account. The Company has set a minimum offering proceeds figure of $1,000,000 for this Offering. The Company has established a segregated Company managed bank account with The Capital Bank, into which the minimum offering proceeds will be placed. At least 20 Units must be sold for $1,000,000 before such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Units are sold, all subsequent proceeds from the sale of Units will be delivered directly to the Company and be available for its use. Subscriptions for Units are subject to rejection by the Company at any time.

HOW TO SUBSCRIBE FOR UNITS

A purchaser of Units must complete, date, execute, and deliver to the Company the following documents, as applicable:

- An Investor Suitability Questionnaire;

- An original signed copy of the appropriate Subscription Agreement including verification of the investor's accredited status;

- An executed Grace Capital Partners, LLC Operating Agreement; and

- A check payable to "Grace Capital Partners, LLC" in the amount of $50,000 per Unit for each Unit purchased as called for in the Subscription Agreement (minimum purchase of 1 Unit for $50,000).

Subscribers may use the Investment Portal to proceed through the subscription process located at **invest.glidevalve.com**

Subscribers may not withdraw subscriptions that are tendered to the Company.

ADDITIONAL INFORMATION

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. The principal executive offices of the Company are located at 1 Innwood Circle Suite 204, Little Rock, AR 72211 and the telephone number is (501) 376-0222.

ERISA CONSIDERATIONS

GENERAL

When deciding whether to invest a portion of the assets of a qualified profit-sharing, pension or other retirement trust in the Company, a fiduciary should consider whether: (i) the investment is in accordance with the documents governing the particular plan; (ii) the investment satisfies the diversification requirements of Section 404(a)(1)(c) of Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and (iii) the investment is prudent and in the exclusive interest of participants and beneficiaries of the plan.

PLAN ASSETS

Under ERISA, whether the assets of the Company are considered "plan assets" is also critical. ERISA generally requires that "plan assets" be held in trust and that the trustee or a duly authorized Manager have exclusive authority and discretion to manage and control the assets. ERISA also imposes certain duties on persons who are "fiduciaries" of employee benefit plans and prohibits certain transactions between such plans and parties in interest (including fiduciaries) with respect to the assets of such plans. Under ERISA and the Code, "fiduciaries" with respect to a plan include persons who: (i) have any power of control, management or disposition over the funds or other property of the plan; (ii) actually provide investment advice for a fee; or (iii) have discretion with regard to plan administration. If the underlying assets of the Company are considered to be "plan assets," then the Manager(s) of the Company could be considered a fiduciary with respect to an investing employee benefit plan, and various transactions between Management or any affiliate and the Company, such as the payment of fees to Managers, might result in prohibited transactions. A regulation adopted by the Department of Labor generally defines plan assets as not to include the underlying assets of the issuer of the securities held by a plan. However, where a plan acquires an equity interest in an entity that is neither a publicly offered security nor a security issued by certain registered investment companies, the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless: (i) the entity is an operating company or; (ii) equity participation in the entity by benefit plan investors (as defined in the regulations) is not significant (i.e., less than twenty-five percent (25%) of any class of equity interests in the entity is held by benefit plan investors).

Benefit plan investors are not expected to acquire twenty-five percent (25%) or more of the Units offered by the Company. Management of the Company intends to preclude significant investment in the Company by such plans. Employee benefit plans (including IRAs), however, are urged to consult with their legal advisors before subscribing for the purchase of Units to ensure the investment is acceptable under ERISA regulations.


GV

SECTION 3: Exhibits

EXHIBIT A

SUPPORTING DOCUMENTATION & DATA

Grace Capital Partners, LLC

1 Innwood Circle Suite 204, Little Rock, AR 72211

GlideValve

AVL Powertrain Engineering, Inc.
47519 Halyard Drive
Plymouth, Michigan 48170
27 June 2018

Jeffrey England
Managing Partner
GlideValve
1 Innwood Circle, Suite 204
Little Rock, Arkansas 72211

Dear Mr. England:

The purpose of this letter of intent is to document that AVL Powertrain Engineering, Inc. (AVL) plans to support the engineering development of the GlideValve advanced valve system once a contract is agreed.

Based on our discussion, AVL has proposed a program to demonstrate the function of the GlideValve system in a light-duty, spark-ignited (SI) engine using a single cylinder engine (SCE). The program will include the following three Phases:

1. Analytical feasibility assessment of existing GlideValve design and generation of preliminary concept design for a spark ignited automotive application
2. Cylinder head design for a single cylinder test engine
3. Prototype Build and Demonstration (Optional)

In Phase 1, AVL will evaluate the volumetric efficiency and charge motion of the existing Honda-based GlideValve hardware using both 1D engine cycle simulation and an air flow bench test. Results will be compared to benchmark scatter plots for light duty engines and to results for an AVL four-valve SCE. The 1D simulation will also be used to determine the appropriate GlideValve size for a light duty application using assumed flow coefficients, considering full load performance and rated engine speed. Following a review of the initial results, up to three intake and exhaust concept designs will be created (within the bounds of the existing GlideValve patents) with the goal of increasing the flow coefficient and providing charge motion appropriate for a light duty application, such as increased tumble motion. AVL will select the preferred design based on a subjective evaluation using experience of SI, light duty engine designs. The port flow and charge motion for the chosen design will be evaluated using AVL BOOST computational fluid dynamics (CFD) software and results will be compared to the automotive benchmark database. Finally, a 1D cycle simulation will be used to evalaute the volumentric efficiency and a Design of Experiments (DoE) will be conducted to evaluate the potential benefit of independently variable intake and exhaust valve timing on engine volumetric efficiency. The sequence of activities is shown in the upper part of Figure 1. An interim report will be provided at each milestone and a final report will be provided at the end of Phase 1 detailing an initial feasibility statement and comparison to light duty benchmark data.

Phase 2 will have AVL further develop the concept design from Phase 1 into a 3D model and 2D drawings of the GV-SCE with support of simulation—both structural and

thermodynamics—and prepare supporting documentation for GlideValve. AVL will also study the water jacket and cooling in the prototype head concept. Lastly, AVL will provide support to identify, secure, and integrate a commercial off-the-shelf (COTS) valve actuation system for the GV-SCE that has sufficient response time and capability to move the valves per the system requirements. The sequence of activities is shown in the lower part of Figure 1.

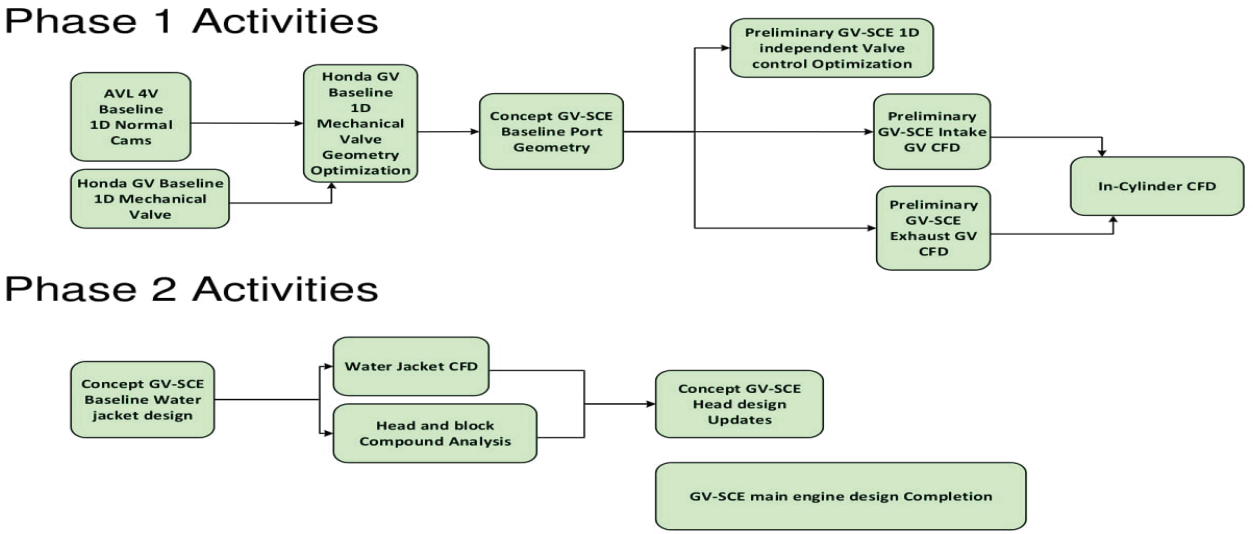

Figure 1. Flow chart for Phase 1 and Phase 2 activities.

In an optional Phase 3, AVL will procure all SCE hardware (baseline and GlideValve specific), build the GV-SCE and test the GV-SCE using an internal AVL SCE test facility to confirm the technology's performance and compare against the 4V-SCE baseline data. As part of this effort, AVL will procure and build prototype GlideValve parts and third-party actuators.

AVL estimates Phases 1 and 2 to take 23 to 28 weeks, and estimates the optional Phase 3 will take between 20 to 25 weeks depending on hardware procurement time and hardware availability. We at AVL are looking forward to the opportunity to work further with GlideValve on this system.

Sincerely yours,

Dr. John J. Kasab, P.E.
+1 734.414.9607
john.kasab@avl.com

STATE OF ARKANSAS

SECRETARY OF STATE

Charlie Daniels
SECRETARY OF STATE

To All to Whom These Presents Shall Come, Greetings:

I, Charlie Daniels, Secretary of State of Arkansas, do hereby certify that the following and hereto attached instrument of writing is a true and perfect copy of

Articles of Amendment

of

MCLEAN, ENGLAND & ASSOCIATES LLC

changing the name to

GRACE CAPITAL PARTNERS, LLC

filed in this office

January 17, 2007.

In Testimony Whereof, I have hereunto set my hand and affixed my official Seal. Done at my office in the City of Little Rock, this 17th day of January 2007.

SEAL OF THE SECRETARY OF STATE ARKANSAS

Charlie Daniels

Secretary of State

EXHIBIT B

OPERATING AGREEMENT

Grace Capital Partners, LLC

1 Innwood Circle Suite 204, Little Rock, AR 72211

GlideValve

FIRST AMENDED AND RESTATED
OPERATING AGREEMENT
OF
GRACE CAPITAL PARTNERS, LLC

THIS FIRST AMENDED AND RESTATED OPERATING AGREEMENT of **Grace Capital Partners, LLC** (the **"Company"**) is entered into by and among the Company and those persons who are identified on **Exhibit "A"** attached hereto (the "**Members**") and is effective as of _____, 2018. This document amends and replaces in its entirety all prior operating agreements that the Company may have previously adopted.

WHEREAS, the Members deem it important and in the best interest of the Company that certain rules regarding the management and operations of the Company be set forth;

NOW, THEREFORE, in consideration of their mutual promises, and as evidenced by their signatures below, the parties hereto hereby agree as follows, it being agreed that capitalized terms not otherwise defined herein shall have those meanings assigned to them in Article XI, below:

ARTICLE I.
ORGANIZATION OF THE COMPANY

1.1 Name and Organization. The name of the Company is Grace Capital Partners, LLC. The Company was organized by the filing of the Articles of Organization of the Company on March 5, 2002 ("**Articles**"), pursuant to the provisions of the Arkansas "Limited Liability Company Act", as amended.

1.2 Principal Place of Business. The principal place of business of the Company within the State of Arkansas shall be 1 Innwood Circle, Suite 204, Little Rock, Arkansas 72211. The Company may locate its place(s) of business and registered office at any other place or places as the Management Committee may from time to time deem necessary or advisable.

1.3 Registered Office and Registered Agent. The Company's registered office in Arkansas shall be at 1 Innwood Circle, Suite 204, Little Rock, Arkansas 72211, and the name of its initial registered agent at such address shall be Jeff England. The Company's registered agent and registered office in the state of Arkansas shall be set forth in the Company's Articles, as amended from time to time.

1.4 Term. The term of existence of the Company shall be perpetual, subject to being dissolved earlier in accordance with the provisions of this Agreement.

1.5 Purposes and Powers.

(a) Purposes. The Company shall have as its primary purpose the design, manufacture, sale (at wholesale retail or otherwise), and marketing of internal combustion engines or parts thereof; the acquisition, development and licensing of intellectual property related thereto; and the conducting of all other business activities that are allowed by law.

(b) Powers. The Company shall have any and all powers which are necessary or desirable to carry out the purposes and business of the Company, to the extent the same may be legally exercised by limited liability companies under the Act.

ARTICLE II.
CAPITAL CONTRIBUTIONS

2.1 Capital Contributions. Upon the execution of this Agreement, each of the Members shall be deemed to have irrevocably acquired those Equity Ownership Interests in the Company for the price, which has been paid in full, and in the amount identified on **Exhibit "A"** attached hereto, it being agreed that certain of the Equity Ownership Interests have been issued in consideration for services rendered to the Company. It is acknowledged and understood that as and if the Company sells additional Equity Ownership Interests in the future then **Exhibit "A"** shall be modified and amended contemporaneously with the sale of any such additional Equity Ownership Interests. Each existing or subsequent Member hereby grants to the Chairman their respective irrevocable power of attorney, coupled with an interest, to execute any and all amendments to this Agreement that might subsequently come necessary in order to reflect amendments to **Exhibit "A"**, hereto.

2.2 Capital Accounts.

(a) Each Member shall have a capital account ("**Capital Account**") in the Company which (1) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value (as reasonably agreed to by all of the Members) of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that Member of the Company income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Regulation § 1.704-l(b)(2)(iv)(g), but excluding income and gain described in Regulation § 1.704-1(b)(4)(i); and (2) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items thereof), including loss and deduction described in Regulation §1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Regulation §1.704-1(b)(4)(i) or §1.704-i(b)(4)(iii). The

Members' Capital Accounts also shall be maintained and adjusted as permitted by the provisions of Regulation §1.704-1(b)(2)(iv)(f) and as required by the other provisions of Regulation §§ 1.704-l(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Regulation §1.704-1(b)(2)(iv)(g).

(b) The Capital Account of any Member for purposes of this Agreement shall be determined after giving effect to all allocations of net income, net gains and net losses of the Company for the current year and all distributions for such year in respect to transactions effected prior to the time as of which such determination is to be made.

(c) The manner in which Capital Accounts are to be maintained is intended to comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder. If in the opinion of the Management Committee the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified in order to comply with the requirements of Section 704(b) of the Code and the Regulations promulgated thereunder, then notwithstanding anything to the contrary contained in this Agreement, the Management Committee may alter the method in which Capital Accounts are maintained, and the Management Committee shall have the right to amend this Agreement without action by the Members to reflect any such change in the manner in which Capital Accounts are maintained; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between the Members as reflected by this Agreement, including without limitation the allocations and distributions set forth herein, below.

2.3 No Interest on Capital. Except as otherwise set forth herein, no interest shall be paid by the Company on the contributions to the capital of the Company by the Members, as reflected in their Capital Accounts from time to time.

2.4 Return of Capital. No Member shall have the right to demand the return of any Capital Contribution. Except as otherwise provided in this Agreement, no Member shall have priority over any other Member either as to the return of Capital Contributions or as to any cash or other distributions by the Company. Except as otherwise provided in this Agreement, no Member shall have the right to (a) receive property other than cash as a return of Capital Contributions or as any other distributions, (b) withdraw any part of the Member's Capital Contributions or (c) receive any funds or property of the Company.

ARTICLE III.
MANAGEMENT: POWERS AND DUTIES OF MANAGEMENT COMMITTEE

3.1 Management.

(a) General Management Authority of Management Committee. The general day-to-day operations and management of the Company shall be administered and overseen by a three person Management Committee. All members of the Management Committee must be Members of the Company or affiliates of Members of the Company. The initial Management Committee shall be comprised of Jeff England, Robert McLean and Gary Cotton. The Management Committee shall manage the affairs of the Company in a prudent and businesslike fashion and shall use its best efforts to carry out the purposes and character of the business of the Company. The members of the Management Committee shall devote such of their time as they deem necessary to the management of the business of the Company. The members of the Management Committee shall not be deemed to owe a fiduciary duty to any Member. The Management Committee shall operate and manage the Company in accordance with the desires of the Chairman and the majority of the membership interests held by the Members of the Company.

(b) Management Committee Meetings; Quorum; Voting. The Management Committee shall not meet at any prescheduled times but shall meet whenever issues arise. Unless the Chairman provides to the contrary, a quorum shall be determined whenever a majority of the members of the Management Committee are present. Unless the Chairman provides to the contrary, a majority of those members of the Management Committee voting on any issue shall govern the outcome of the issue.

(c) Limitation on Authority. Notwithstanding the above, the Management Committee does not possess the authority to do any of the following acts without first obtaining Approval in writing:

(i) To sell the Company as a going concern to any party or to sell or convey Company assets outside of the ordinary course of business.

(ii) To amend or otherwise change this Agreement except to the extent required in order to cure errors and ambiguities that might be contained herein.

(iii) To make, execute or deliver for the Company any bond, mortgage, deed of trust, guaranty, indemnity bond, surety bond or accommodation paper or accommodation endorsement.

(iv) To borrow money in the name of the Company in amounts in excess of $250,000 during the course of any Fiscal Year or to create any liens or security interests in any real or personal property owned by the Company.

(v) To confess a judgment against the Company or any of the Members.

(vi) To act in contravention of or in a manner not authorized by this Agreement.

(vii) To do any act which would make it impossible to carry on the business of the Company.

(viii) To possess Company property, or assign its rights in specific Company property, for other than a Company purpose.

(ix) To perform any act that would subject any Member to any liability to which such Member has not consented.

(x) To admit a Person as a Member or Management Committee, except as expressly permitted in this Agreement.

(xi) To commingle the funds of the Company with the funds of any other Person.

(xii) To take any action with respect to the assets or property of the Company which does not primarily benefit the Company.

(d) Litigation. The Management Committee shall prosecute and defend such actions at law or in equity as may be necessary in the reasonable business judgment of the Management Committee to enforce or protect the interests of the Company.

3.2 Election; Vacancy. Members of the Management Committee shall continue their service to the Company until such member's resignation, death or disability. Upon the occurrence of such event, the remaining members of the Management Committee may elect a replacement Management Committee member.

3.3 Removal. At a meeting called expressly for such purpose, any member of the Management Committee may be removed at any time, with or without cause, by Approval.

3.4 Operating Officers. The Management Committee may designate persons to hold other operating offices from time to time such as chief operations officer, chief financial officer, president, executive vice president, senior vice president, vice president, etc. All such persons shall hold said offices for those terms that the Management Committee shall unilaterally specify. The Management Committee may remove any person from any such office at any time.

3.5 Meetings.

(a) Place of Meetings. All meetings of the Management Committees of the Company may be held either within or without the State of Arkansas.

(b) Meetings of Management Committee. Regular meetings of the Management Committee may be held without notice at such time and place as shall from time to time be determined by the Management Committee.

3.6 Compensation of Management Committee. Members of the Management Committee shall be entitled to receive reasonable compensation for services rendered to the Company.

3.7 Action Without a Meeting and Telephone Meetings. Any action authorized or required to be taken by the Management Committee may be authorized by the Management Committee without a meeting if evidenced by written consent, which may be given by electronic means, describing the action taken, signed by the Management Committee entitled to take such action and delivered to the Company for inclusion in its records. Any meeting of the Management Committee may be held by means of a conference telephone or other method or device provided that each member of the Management Committee participating may simultaneously hear all others during the meeting (and any Management Committee participating through such means will be deemed to be present in person at the meeting). Any such action which may be taken by the Management Committee without a meeting shall be effective only if the all members of the Management Committee consent in writing (which may be made electronically), sets forth the action so taken, and is signed by all members of the Management Committee.

3.8 Reliance by Management Committee.

(a) Written Instruments. The Management Committee may rely and is protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Advice of Professionals. The Management Committee may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it; and any opinion of any such Person as to matters which the Management Committee believes to be within such Person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Management Committee hereunder in good faith and in accordance with such opinion. The members of the Management Committee shall possess no liability to the Company or the Members for any actions taken by members of the Management Committee in furtherance of advice provided by third party professionals.

ARTICLE IV.
MEMBERS; MEMBERSHIP OPTIONS; REDEMPTION RIGHTS

4.1 Initial Members. The initial Members of the Company are the parties identified on **Exhibit "A"** to this Agreement, and are admitted as Members as of the date hereof.

4.2 Admission of New Members; Creation of New Equity Ownership Interests. Upon the unanimous approval of the Management Committee, the Company may sell additional Equity Ownership Interests and admit new Members. Should the Management Committee desire to raise new or additional capital through the sale of additional Equity Ownership Interests, the Management Committee shall retain the services of a third-party professional that will be responsible for identifying or approving reasonable prices and terms (including dilution percentages applicable to existing Members) pursuant to which additional Equity Ownership Interests may be sold, and further identifying the manner in which existing Members' Equity Ownership Interests and Percentage Interests shall be diluted and reduced, to the extent that existing Members do not exercise their Pre-Emptive Rights as reserved to Members pursuant to the provisions of Section 4.11, hereof. All Members recognize, acknowledge and agree that their Percentage Interests are subject to dilution and reduction should the Company sell additional Equity Ownership Interests as said right is reserved unto the Company hereby. The Company reserves the right to sell multiple subsequent rounds of Equity Ownership Interests in order to further capitalize its business operations and expansion. Contemporaneously with the admission of any new or subsequent Member, each such Member shall be required, as a conditions precedent to admission to the Company, to execute that Joinder Agreement in substantially that form that is attached hereto as **Exhibit "B".**

4.3 Authority and Power. Except for approvals required hereunder and actions taken at a meeting of Members or otherwise in accordance with this Agreement, it is not intended that the Members will participate in the conduct of the business of the Company or have any power or authority, to bind or obligate the Company by reason of their status as a Member.

4.5 Liability to Third Parties; Guarantees. Except in connection with Article 4.2 above, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court, unless such liability is incurred pursuant to the provisions of a free-standing guaranty agreement that has been executed by a Member.

4.6 Actions by Members.

(a) Action by Meetings.

(i) All meetings of the Members shall be held at the principal office of the Company or at such other place within or without the State of Arkansas as may be determined by the Management Committee and set forth in the respective notice or waivers of notice of such meeting.

(ii) Special meetings of the Members may be called by the Management Committee, or any Member. Business transacted at all special meetings shall be confined to the purposes stated in the notice.

(iii) Written, printed or electronic notice stating the place, day and hour of the meeting and, in the case of special meetings, the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than thirty (30) days before the date of the meeting, either personally, by mail, electronic mail or facsimile by or at the direction of the Management Committee or Person calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the transfer records of the Company, with postage prepaid. If by electronic mail or facsimile, such notice shall be deemed to be delivered upon receiving proof of receipt.

(iv) Members holding at least 30% of all Equity Ownership Interests outstanding if present either in person or by proxy shall constitute a quorum at the meetings of the Members, except as otherwise provided by law or the Articles. Once a quorum is present at the meeting of the Members, the subsequent withdrawal from the meeting of any Member prior to adjournment or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting. If, however, such quorum shall not be present at any meeting of the Members, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the majority of the Members shall be present or represented.

(v) At any meeting of the Members at which a quorum is present, the affirmative vote of Members holding at least a majority of all outstanding Equity Ownership Interests shall decide the issue that is the subject of the vote unless the vote of a greater number is required by law, the Articles or this Agreement.

(vi) At any meeting of the Members, a Member may vote by proxy entered in writing by that Member or by his duly authorized attorney-in-fact. Such proxy shall be presented at the time of the meeting. Unless otherwise provided therein, a proxy shall not be valid more than three (3) months after the date of its execution.

(vii) Whenever written notice is required to be given to the Members, a written waiver thereof signed by any Member entitled to such notice (whether, in the case of notice of a meeting, the written waiver thereof is signed before or after the meeting) shall be in all respects tantamount to notice. A Member's

attendance in person at any meeting shall for all purposes constitute waiver of notice thereof unless the Member attends the meeting for the sole purpose of objecting to the transaction of any business thereat because the meeting is not lawfully called or convened and unless such Member so objects at the beginning of the meeting and does not otherwise participate therein.

(viii) The Management Committee shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting, or any adjournment of such meeting, arranged in alphabetical order, with the address of and the Percentage Interest held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection of any Member during the whole time of the meeting. However, failure to comply with the requirements of this Section shall not affect the validity of any action taken at such meeting.

(ix) The Company shall be entitled to treat the Member of record of any Equity Ownership Interest as the Member in fact of such Equity Ownership Interest for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such Equity Ownership Interest on the part of any other Person, whether or not Company shall have express or other notice of such claim or interest, except as expressly provided by this Agreement or the laws of Arkansas.

(b) Actions Without a Meeting and Telephone Meetings. Notwithstanding any provision contained in this Article, all actions of the Members provided for herein may be taken by written consent, which may be given by electronic means, without a meeting, or any meeting thereof may be held by means of a conference telephone or other method or device provided that all Members participating may simultaneously hear each other during the meeting (and any Member participating through such means will be deemed to be present in person at the meeting). Any such action which may be taken by the Members without a meeting shall be effective only if the Members' consents are in writing (which may be made electronically), set forth the action so taken, and are signed by the Member or a majority of Members that would be necessary to take such action at a meeting at which all of the Members necessary to vote on the action were present and voted. In the event action is taken by less than all of the Members entitled to vote on the action, the Members who did not participate in taking the action shall be given written notice of the action not more than ten (10) days after the taking of the action without a meeting; provided that the failure to give such notice will not invalidate the action so taken.

4.7 Assignment of Equity Ownership Interest; Prohibition on Assignment. Except as otherwise provided in this Agreement, no Member shall sell, make any assignment (including

without limitation, an assignment for the benefit of its creditors or a transfer to a trustee or receiver for the benefit of its creditors), give away, pledge, hypothecate or otherwise dispose (voluntarily or involuntarily) of all or any part of such Member's Equity Ownership Interest, directly or indirectly, to any third party without the Management Committee's written consent, which may be withheld in Management Committee's sole and exclusive discretion. Any such purported sale, assignment, transfer or conveyance to any third party without such consent shall be entirely null and void. Notwithstanding the foregoing, with the express written approval of the Management Committee, Members may, solely for estate planning purposes, transfer their Equity Ownership Interests to a trust of which such Member is a grantor, trustee or beneficiary, an entity that is wholly owned or controlled by Member, or an heir or gift beneficiary.

4.8 Transferees. In the event of any permitted sale, assignment, transfer or other conveyance of an Equity Ownership Interest in accordance with the terms of this Article, as a condition to the validity of such sale, assignment, transfer or conveyance, the transferor and transferee shall execute and deliver such instruments as the Management Committee shall deem necessary or desirable to document such transfer, including without limitation, the written acceptance and adoption of the terms of this Agreement, and additionally, the transferee shall pay a fee to the Company which is sufficient to cover all reasonable expenses in connection with the transfer of the Equity Ownership Interest and the admission of such transferee as a Member, including all legal and accounting fees.

4.9 Restriction on Transfer. Notwithstanding the foregoing provisions of this Article, no sale or assignment of an Equity Ownership Interest may be made (other than the assignments contemplated and authorized herein) if the interest sought to be sold or assigned would result in the termination of the Company's status as a partnership under Section 708 of the Code or any successor section unless such assignment has been approved by the Management Committee.

4.10 Business Opportunities; Affiliate Transactions.

(a) Each of the Members, including, without limitation, the Members of the Management Committee, (i) may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Members shall have no right by virtue of this Agreement in and to any such independent ventures, or the income or profits derived therefrom, and the pursuit of any such venture shall not be deemed wrongful or improper; and (ii) shall not be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and each of the Members and Management Committee shall have the right to take for his own account (individually or as a partner, shareholder, member fiduciary or otherwise), or to recommend to others, any such investment opportunity.

(b) It is specifically understood and agreed by the parties hereto that the Management Committee may contract, on behalf of the Members, with any Members, any principal or other Affiliate of any Members, to have such Person provide services to the Company, including, without limitation, accounting services, development services and management services, if such services are required by the Company's business; provided that the compensation or fee for such services is at prevailing market rates and the terms of such contract are fair and reasonable to the Company.

4.11 Pre-emptive Rights. If the Company proposes to issue or sell any subsequent or future Equity Ownership Interests to one or more persons who are not then Members, which proposal has been approved by the Management Committee, the Company shall first deliver written notice of its proposal to do so (the "**Purchase Right Notice**") to each of the then-existing Members. The Purchase Right Notice shall: (i) identify the name and address of each Person (if known) to which the Company proposes to issue or sell Equity Ownership Interests, (ii) specify the percentage of Equity Ownership Interest that the Company proposes to issue or sell (the "**Issued Equity Ownership Interest**"), (iii) describe the consideration for the Issued Equity Ownership Interest (the "**Issued Price**"), (iv) describe the material terms and conditions upon which the Company proposes to issue or sell for the Issued Price on the Issued Terms Issued Equity Ownership Interest (the "**Issued Terms**"), and (v) irrevocably offer to issue or sell to each Member any amount of the Issued Equity Ownership Interest up to a pro rata portion of the Issued Equity Ownership Interest, based on the ratio of the percentage of Equity Ownership Interest then held by such Member to the percentage of Equity Ownership Interest then held by all the Members. Any Member desiring to exercise the rights pursuant to the Section shall, within 30 days after the date of the Purchase Right Notice, deliver written notice and the Member's purchase price for the Member's pro-rata portion of the Issued Equity Ownership Interests to the Company.

ARTICLE V.
RECORDS, FINANCIAL STATEMENTS AND FISCAL YEAR

5.1 Records. The Management Committee shall keep accurate and complete books of account of the Company wherein shall be recorded all of the Capital Contributions and all of the expenses and transactions of the Company. All Company records shall be kept at the principal place of business of the Company, and each Member and its authorized representatives shall have, at all times during reasonable business hours, upon not less than two (2) business days prior written notice to the Company, free access to and the right to inspect and copy such records. Any expenses incurred by the Company incurred in connection with the inspection and copying of any records of the Company by a Member or its authorized representative, shall be reimbursed by such Member within ten (10) days of a request by the Company therefore, along with an itemized listing of such expenses incurred. Notwithstanding the foregoing, any Member reviewing the Company records shall keep such records confidential as required herein.

5.2 Annual Report and Quarterly Statements. By February 28 after the end of each Fiscal Year of the Company, each Member, upon request to the Company, shall be furnished with an annual report containing relevant financial information about the Company's financial operations. Such report shall set forth distributions, if any, to the Members for the period covered thereby. As soon as practicable after the end of each fiscal quarter of the Company (but no later than thirty (30) days after the end of such period), each Member, upon written request to the Company, shall be furnished with such financial information regarding each calendar quarter's operations.

5.3 Tax Returns. The Management Committee shall cause all income tax returns required to be filed by the Company to be prepared and timely filed with the appropriate taxing authorities. Every effort shall be made by the Company to deliver such tax returns and schedules within ninety (90) days after the end of the Fiscal Year. All Members shall provide to the Company within ten (10) days after the date requested by the Management Committee any and all information needed by the Company in order to prepare properly the income tax returns for the Company in accordance with the effective applicable rules and regulations pertaining thereto. As soon as practicable after the end of each Fiscal Year of the Company, a copy of each income tax return of the Company for such Fiscal Year shall be delivered to each Member, together with a Schedule K-1 to Form 1065 or similar schedule showing the amount of Company income, gain, loss, deduction or credit allocated or charged to such Member pursuant hereto and the amount of any distributions made to such Member during such Fiscal Year. The Management Committee shall be the "**Tax Matters Partner**" for federal tax purposes and shall have the authority to represent the Company, and the Members in this regard. The Members agree to cooperate with the Tax Matters Partner with respect to the conduct of any proceedings regarding tax matters. Notwithstanding the foregoing, each Member shall file separate non-partnership, non-corporate tax returns, and shall provide evidence of such filings within five (5) days of any request by Management Committee.

5.4 Bank Accounts. The Management Committee shall open and maintain a bank account or accounts in the name of the Company in a commercial bank, the deposits of which are insured by an agency of the United States Government, in which shall be deposited all funds of the Company. The Management Committee shall have the authority to disburse funds from such accounts for the Company purposes specified in this Agreement. There shall not be deposited in any such accounts any funds other than funds belonging to the Company and no other funds shall in any way be commingled with such funds. The Management Committee may invest such funds, as it deems appropriate, in short-term certificates of deposit, government obligations or prime grade commercial paper.

5.5 Accounting Method. The accounting method of the Company shall be that which is adopted by the Management Committee under the advice of the Company's outside accountant, and the Company's books of account shall utilize this method for income tax reporting purposes.

5.6 Other Elections. Management Committee shall have the right to make or not to make, in good faith, such other elections as are authorized or permitted by any law or regulation for income tax purposes.

ARTICLE VI.
ALLOCATIONS AND DISTRIBUTIONS

6.1 Allocations. Except as may otherwise be required by the Code and Regulations, all items of income, gain, loss, deduction and credit of the Company shall be allocated to the Members in accordance with their Percentage Interest. The Management Committee may make the foregoing allocations as of the last day of each Fiscal Year; provided, however, that if during any Fiscal Year of the Company there is a change in any Member's Equity Ownership Interest in the Company, the Management Committee shall make the foregoing allocations as of the date of each such change in a manner which takes into account the varying Equity Ownership Interests of the Members and in a manner the Management Committee reasonably deems appropriate.

6.2 Special Allocations. Except as otherwise provided in this Agreement, the following special allocations shall be made in the following order and priority:

(a) Qualified Income Offset. A Member who unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Company income and gain in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible.

(b) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704 2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this section shall be made only if and to the extent that such Member has a deficit Capital Account in excess of such sum after all other allocations provided for in this Article have been tentatively made.

(c) Interest in Company. Notwithstanding any other provision of this Agreement, no allocation of Profit or Loss or item of Profit or Loss will be made to a Member if the allocation would not have "**economic effect**" under Treasury Regulations Section 1.704-1(b)(2)(ii) or otherwise would not be in accordance with the Member's Equity Ownership Interest in the Company within the meaning of Treasury Regulations Section 1.704-1(b)(3) or 1.704-1(b)(4)(iv). The Management Committee will have the authority to reallocate any item in accordance with this Section.

(d) Other Allocation Rules. For purposes of determining the Profits, Losses or any other item allocable to any period, Profits, Losses and other items will be determined on a daily, monthly or other basis, as determined by the Management Committee using any permissible method under Code Section 706 and the related Regulations.

(e) Member Acknowledgment. The Members agree to be bound by the provisions of this Article in reporting their shares of Profits, Losses, and other items of income, gain, loss and deductions for federal and state income tax purposes.

6.3 Compliance with Code. The foregoing provisions of this Article relating to the allocation of Profits, Losses and other items for federal income tax purposes are intended to comply with Treasury Regulations Sections 1.704 1(b) and 1.704-2, and shall be interpreted and applied in a manner consistent with such Treasury Regulations. Notwithstanding anything to the contrary, nothing in this Article shall apply if it lacks "**economic effect**."

6.4 Allocations upon Disposition of Equity Ownership Interest. Profits or Losses attributable to any Member Equity Ownership Interest that has been disposed of during any Fiscal Year shall be allocated between the transferor and the transferee as follows:

(a) For the days in such Fiscal Year prior to and including the date of the disposition, to the transferor.

(b) For the days in such Fiscal Year subsequent to the date of the disposition, to the transferee.

6.5 Distributions.

(a) Distributions Prior to Liquidation. Subject to subsection (b)-(d) of this Section, Available Cash, if any, shall be distributed by the Manager to the Members annually on or before the ninetieth (90th) day following the end of each calendar year, in accordance with their Percentage Interest, or more frequently if approved by the Management Committee.

(b) Interim Withdrawals. During any calendar year, Members may make withdrawals on an interim basis in such amounts as they determine by a unanimous vote of all Members, against the annual distributions of income.

(c) Special Tax Distribution. Manager will use reasonable efforts to cause the Company to distribute to each Member in each year the Tax Distribution Amount (as defined below), which amount shall be treated as an advance against future distributions to such Member pursuant to the provisions hereof. The Tax Distribution Amount shall equal an amount which, when added to all distributions previously made to the Member from the inception of the Company, equals the product of (i) the Member's allocable share of the net taxable income of the Company computed on an aggregate cumulative basis from the inception

of the Company and (ii) the highest combined marginal rate of federal and Arkansas state income tax applicable to individuals for any year since the inception of the Company.

(d) Distribution Upon Liquidation. Upon dissolution and liquidation of the Company, distributions shall be made among the Members as set forth herein.

(e) Incorrect Payments. To the extent any payments made pursuant to this Article are incorrectly paid, any Member who receives more than the amount that should have been paid to such Member shall promptly repay the amount of any such incorrect payment, and any such repaid amounts shall be redistributed pursuant to this Article or the Management Committee may offset the excess payments against future distributions to the Member receiving such excess payments.

ARTICLE VII.
DISSOLUTION AND LIQUIDATION

7.1 Dissolution. The Company shall be dissolved pursuant to the express written consent of the Management Committee and the written consent of Members holding at least two-thirds of all Equity Ownership Interests outstanding.

7.2 Liquidation.

(a) Except as otherwise provided herein, upon the dissolution of the Company no further business shall be conducted except for the taking of such action as shall be necessary for the winding up of the affairs of the Company and the distribution of its assets to the Members pursuant to the provisions of this section. The Management Committee shall act as liquidating trustee or may appoint in writing one or more liquidating trustees who shall have full authority to wind up the affairs of the Company and to make final distribution as provided herein. The liquidating trustee may sell all of the assets of the Company, at the best price available or distribute all or part of the Company's assets in kind; provided that, any such sale shall be made only with advance written notice to the Members. Neither the Management Committee nor the Members shall ever be personally responsible for the payment of any Company indebtedness unless they have executed a written personal guarantee of same.

(b) Upon the liquidation of the Company, all of the assets of the Company, shall be applied and distributed, by the liquidating trustee in the following order:

(i) to the creditors of the Company, other than Members;

(ii) to setting up the reserves which the liquidating trustee may deem necessary for contingent or unforeseen liabilities or obligations of the Company, or of the Management Committee arising out of or in connection with the Company or its liquidation;

(iii) to the Members with respect to any loans or advances (including accrued interest) made by them to the Company; and

(iv) to the Members in amounts equal to the balances in their Capital Accounts after giving effect to the final allocation of income and gain of the Company.

(c) Any distributions in kind to the Members shall be valued at the fair market value thereof, as reasonably determined by the liquidating trustee and the Capital Accounts of the Members shall be adjusted to reflect the income or loss that would be realized if the item(s) of property were sold for an amount equal to the gross asset value as so determined.

(d) The liquidating trustee shall comply with any requirements of the Act or other applicable law, except as modified by this Agreement, pertaining to the winding up of a limited liability company, at which time the Company shall stand liquidated.

7.3 Compliance with the Act. Upon the dissolution of the Company, the Management Committee shall cause to be prepared and filed, and the Members shall consent to and execute, where appropriate, such documents as may be necessary or appropriate to comply with the relevant provisions of the Act including, without limitation, filing a statement of commencement of winding up, a certificate of termination, final franchise taxes and any other filings required by the applicable state laws.

ARTICLE VIII.
INDEMNIFICATION

8.1 Indemnification by Company.

(a) In General. To the maximum extent permitted by law, the Company shall indemnify and hold harmless each Member and its officers, directors, shareholders, employees, agents, attorneys and Affiliates (individually, an "**Indemnitee**") from and against any and all losses, claims, demands, costs, liabilities, joint and several, expenses (including expenses of counsel and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, as a party or otherwise, arising out of or incidental to the business or affairs of the Company or the Indemnitee's acting as a Member, Management Committee or an officer, director, employee or agent thereof, regardless of whether the Indemnitee continues to be a Member, a Management Committee, an Affiliate, or an officer, director, employee, partner or agent of such Member or of an Affiliate at the time that such liability or expense is paid or incurred.

(b) Advance Payment of Expenses. The Company shall pay or reimburse, in advance of the final disposition of a proceeding, reasonable expenses incurred by an

Indemnitee who is, was or is threatened to be a named defendant or respondent in a proceeding, if the Company receives a written undertaking constituting an unlimited general obligation of the Indemnitee (without reference, however, to the Indemnitee's ability to repay) by or on behalf of the Indemnitee to repay the amount paid or reimbursed if it is ultimately determined that the Indemnitee has not met the applicable requirements.

(c) Report to Members. The Company shall promptly (but in any case within twenty (20) days) notify the Members of any indemnity payments made hereunder.

(d) Future Amendments to the Act. Notwithstanding anything to the contrary in this Section or elsewhere in this Agreement, no amendment to the Act after the date of this Agreement may reduce or limit in any manner the indemnification provided for or permitted by this Section unless the reduction or limitation is mandated by the amendment for limited liability companies formed prior to the enactment of the amendment.

ARTICLE IX.
REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties. Each Member hereby represents and warrants to each other Member, Management Committee and Company that:

(a) The Equity Ownership Interests purchased by the Member are purchased by the Member and with the Member's own funds and not with the funds of any other Person, and for the account of the Member, not as a nominee or agent and not for the account of any other Person. No other Person has any interest, beneficial or otherwise, in the Equity Ownership Interests purchased by the Member. The Member is not obligated to transfer the Member's Equity Ownership Interests, or any portion thereof, to any other Person, nor does the Member have any agreement or understanding to do so. The Member is purchasing the Equity Ownership Interests for investment for an indefinite period not with a view to the sale or distribution of any part or all thereof by public or private sale or other disposition. The Member has no intention of selling, granting any participation in or otherwise distributing or disposing of any portion of the Equity Ownership Interests. The Member does not intend to subdivide the Member's purchase of the Equity Ownership Interests with any Person.

(b) The Member has been advised that the Equity Ownership Interests have not been registered under the Federal Act, or qualified under the applicable state securities acts (the **"Law"**), or the securities laws of any other state, on the ground, among others, that no distribution or public offering of the Equity Ownership Interests is to be effected and the Equity Ownership Interests are issued by the Company in connection with a transaction that does not involve any public offering within the meaning of Section 4(2) of the Federal Act or not an exempt transaction under the Law. The Member understands that the other Members, Management Committee and Company are relying in part on the Member's representations as set forth herein for purposes of claiming such exemptions and that the basis for such exemptions may not be present if, notwithstanding the Member's representations, the Member is acquiring the Equity

Ownership Interests for resale on the occurrence or nonoccurrence of some predetermined event. The Member has no such intention.

(c) The Member, either alone or with the Member's professional advisors who are unaffiliated with, have no equity interest in, and are not compensated by the Company or any Affiliate or selling agent of the Company, directly or indirectly, has such knowledge and experience in financial and business matters that the Member is capable of evaluating the merits and risks of an investment in the Equity Ownership Interests and has the capacity to protect the Member's own interests in connection with the Member's proposed investment in the Equity Ownership Interests.

(d) The Member (i) has a preexisting personal or business relationship with one or more of the founding members of the Company who control the Company, consisting of personal or business contacts of a nature and duration sufficient to enable the Member, as a reasonably prudent investor, to be aware of the character, business acumen and general business and financial circumstances of the Persons with whom such relationship exists; or (ii) by reason of Member's business and financial experience or the business or financial experience of the Member's professional advisers who are unaffiliated with and who are not compensated by the Company or any Affiliate or selling agent of the Company, directly or indirectly, the Member has the capacity to protect the Member's own interests in connection with the Member's purchase of the Equity Ownership Interests.

(e) The Member acknowledges receipt of and that the Member has been furnished with such financial and other information concerning the Company, the organizing members and Management Committee of the Company and the business and proposed business of the Company as the Member considers necessary in connection with the Member's investment in the Equity Ownership Interests. The Member is thoroughly familiar with the proposed business, operations, properties and financial condition of the Company and has discussed with the organizing members and Management Committee any questions the Member may have had with respect thereto. The Member understands:

(i) The risks involved in purchasing the Equity Ownership Interests, including the speculative nature of the investment;

(ii) The financial hazards involved in purchasing the Equity Ownership Interests, including the risk of losing the Member's entire investment;

(iii) The lack of liquidity and restrictions on transfers of the Equity Ownership Interests; and

(iv) The tax consequences of this investment.

(f) The Member has consulted with that Member's own legal, accounting, tax, investment and other advisers with respect to tax treatment of an investment by the

Member in the Equity Ownership Interests and the merits and risks of an investment in an Equity Ownership Interest.

(g) Understanding that the investment in an Equity Ownership Interest is highly speculative, the Member is able to bear the economic risk of such investment.

(h) The Member is an individual and a citizen of the United States over 21 years of age (or, if the Member is an unincorporated association, all of its members are such citizens of such age). If the Member is a corporation, partnership, limited liability company, trust or other entity, the Member was not formed for the purpose of investing in the Equity Ownership Interests and has or will have other substantial business or investments.

(i) The Member, if not an individual, is empowered and duly authorized to enter into this Agreement under any governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. This Agreement constitutes a valid and binding agreement of the Member enforceable against the Member in accordance with its terms and the Person signing the Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution, or the like.

(j) The Member understands the meaning and consequences of the representations, warranties and covenants made by such Member set forth herein and that the other Members, Management Committee and Company has all relied upon such representations, warranties and covenants. To the fullest extent permitted by law, the Member hereby indemnifies, defends, protects and holds wholly free and harmless the other Members, Management Committee and Company from and against any and all losses, damages, expenses or liabilities arising out of the breach and/or inaccuracy of any such representation, warranty and/or covenant. All representations, warranties and covenants contained herein shall survive the execution of this Agreement, the formation or termination of the Company, and the liquidation of the Company.

(k) In the event the other Members, Management Committee or Company discover any breach and/or inaccuracy of any of the representations, warranties and/or covenants contained herein by any Member, the other Members, Management Committee and Company may, at the Management Committee's election, rescind the issuance of the Equity Ownership Interests issued to such Member. Upon any such rescission by the Company, any such Member shall be conclusively presumed to have immediately transferred such Equity Ownership Interests to the Company and to have withdrawn from the Company. In the event of any such rescission, any Capital Contributions of such Member may, at the election of the Company, be retained and applied in satisfaction of the Member's indemnity obligations under this Agreement.

ARTICLE X.
MISCELLANEOUS PROVISIONS

10.1 Employment of Professionals. The parties hereto acknowledge that Gill Ragon Owen, P.A. and Steve Bilheimer ("**Lawyers**") shall serve as special counsel and general counsel, respectively, to the Company and have not been retained to represent the interests of any of the Members. Each Member has been given the opportunity to retain independent legal counsel to the extent that they deem such necessary in connection with their review of this Agreement. As evidenced by their signatures hereto, each Member agrees that no privity of contract or other relationship exists between the Lawyers and any of the Members. Notwithstanding, all Members acknowledge and agree that the Lawyers have represented Jeff England and certain of his business activities in the past and that the Lawyers reserve the right to continue to provide such representation on a going forward basis and all Members waive any and all conflicts of interest related thereto.

10.2 Notices. Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an officer of the party to whom the same is directed, or upon delivery to the facsimile number or e-mail address provided to the Management Committee if such device provides a delivery receipt notice or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's, Management Committee's or Company's address as it appears on EXHIBIT A to this Agreement, as said address may be changed by notice given to the Company and the other Members and Management Committee in accordance herewith. Except as otherwise provided herein, any such notice shall be deemed to be given on the earlier of actual delivery or three (3) days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail addressed and sent as aforesaid.

10.3 Application of Arkansas Law. This Agreement and the application or interpretation hereof shall be governed exclusively by the laws of the State of Arkansas, and specifically the Act.

10.4 No Action for Partition. No Member shall have any right to maintain any action for partition with respect to the property of the Company.

10.5 Headings and Sections. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof. Unless the context requires otherwise, all references in this Agreement to Sections or Articles shall be deemed to mean and refer to Sections or Articles of this Agreement.

10.6 Amendment of Articles of Organization and Operating Agreement. Except as otherwise expressly set forth in this Agreement, the Company's Articles of Organization and this Agreement may be amended, supplemented or restated only upon Approval. Upon obtaining the Approval of any amendment to the Articles, the Management Committee shall cause Articles of Amendment in accordance with the Act to be prepared, and such Articles of

Amendment shall be executed by the Management Committee (and Member, if so required) and shall be filed in accordance with the Act.

10.7 Amendment—Errors and Ambiguities. The Management Committee is hereby authorized and empowered to unilaterally amend this Agreement to the extent required in order to cure errors and ambiguities that might be contained herein. The Management Committee may, within its sole discretion, enter into written side letters with any Member that might modify or amend the terms and conditions of this Agreement as they pertain to said Member.

10.8 Numbers and Gender. Where the context so indicates, the masculine shall include feminine and neuter, and the neuter shall include the masculine and feminine, the singular shall include the plural.

10.9 Binding Effect. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the Members, their distributees, heirs, legal representatives, executors, administrators, successors and assigns.

10.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and shall be binding upon the Person who executed the same, but all of such counterparts shall constitute the same Agreement.

10.11 Dates. The term "**day**" as used in this Agreement means a calendar day. If the date of any required action or notice under this Agreement falls on a Saturday, Sunday or legal holiday, the date of such required action or notice shall be extended to the next business day.

10.12 Noncompetition and Confidentiality Agreement. Except with the express written consent by the Management Committee, no Member may directly or indirectly compete with the Company in any line of business in which the Company becomes involved. Moreover, each Member agrees and acknowledges that upon his termination of employment or affiliation with the Company and for a period of six months thereafter, he will not directly or indirectly (a) compete with the Company in any line of business in which the Company is involved, (b) contact any employee or Affiliate of any Company client in an effort to develop a business relationship with said employee or Affiliate or their company, (c) endeavor to solicit the employment of any Company employee, Affiliate or client, and/or (d) make any disparaging remarks or communicate or publicize in any manner about the Company or the Management Committee or Members or take any other actions against the Company or the Management Committee or Members that might damage the goodwill and industry reputation enjoyed by said parties or otherwise impugn, disparage, defame, discredit or detract from the Company or the Management Committee or Members. Each Member agrees that all client lists, contact information, Company files, informational databases, financial reports, accounting information, and other data and information of every nature that is kept and maintained in Company offices is proprietary information that is owned exclusively by the Company and shall at all times

remain confidential and will not be disclosed to any third parties absent appropriate judicial process unless authorized in writing by the Management Committee.

ARTICLE XI.
DEFINED TERMS

11.1 Defined Terms. Capitalized terms not otherwise defined herein shall have the following meanings:

"Act" shall mean the statutes governing limited liability companies in the State of Arkansas which, including without limit, the "Arkansas Limited Liability Company Act".

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year. The foregoing definition of "Adjusted Capital Account Deficit" is intended to comply with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently therewith.

"**Affiliate**" of a Person means (i) any Person directly or indirectly owning, controlling or holding with power to vote fifty percent (50%) or more of the outstanding voting securities of such Person; (ii) any Person fifty percent (50%) or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such Person; (iii) any Person directly or indirectly controlling, controlled by, or under common control with such Person; or (iv) any officer, director or partner of any company which is an Affiliate of such Person under (i), (ii) or (iii) above.

"**Agreement**" means this Operating Agreement of the Company as originally adopted and as amended from time to time, including any exhibits or schedules attached hereto.

"**Approval**" or **"Approve"** or "**Approved**" means the approval of the Management Committee and at least **50.01%** of total Company Equity Ownership Interests with regard to any matter required to be decided by the Members which is proposed by or which is to be accomplished by or under the direction of Management Committee or any Affiliate thereof, or any other case.

"**Available Cash**" for any Fiscal Year of the Company shall mean, at the time of determination, cash on hand, demand deposits and short-term marketable securities, reduced by such amounts as the Management Committee shall deem reasonable in order to provide reasonable cash reserves for any anticipated expenditures or liabilities associated with the Company's business, including without limitation working capital, capital improvements and replacements, and payment of all expenses associated with the Company's business. Available Cash shall include any net proceeds from the sale, exchange, other disposition or the refinancing of the Company's business. Available Cash shall be determined as provided above whether any or all of the Capital Contributions shall have been returned to the Members pursuant to this Agreement

"**Capital Account**" means, with respect to any Member, the account maintained for such Member in a manner which the Management Committee determine is in accordance with Treasury Regulations § 704-1(b)(2)(iv) promulgated pursuant to Section 704(b) of the Code, and the provisions of this Agreement.

"**Capital Contribution"** means any contribution to the capital of the Company in cash, services or property by a Member whenever made.

"**Chairman**" means Jeff England.

"Code" means the Internal Revenue Code of 1986, as amended. All references to particular sections of the Code shall be deemed to include reference to corresponding provisions of subsequent federal tax law.

"**Depreciation**" means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period (as a result of property contributions or adjustments to such values), Depreciation shall be adjusted as necessary so as to be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; *provided, however*, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period is zero, Depreciation for such Fiscal Year or other period shall be determined with reference to such beginning Book Value using any reasonable method selected by the Management Committee. Depreciation may also include any bonus depreciation allowed by the Code and any deduction taken pursuant to Section 179 of the Code as determined by the Company's outside accountant.

"**Equity Ownership Interest**" means the entire ownership interest of a Member of the Company at any particular time.

"**Fiscal Year**" means the Company's fiscal year, which shall be the calendar year.

"**Governmental Requirements**" means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision applicable to the Company's business.

"**Management Committee**" means those individuals and their successors that are so designated in the Agreement.

"**Member**" means each of the Persons identified as Members on **Exhibit "A"** attached hereto, any successor or successors to all or any part of any such Person's interest in the Company, or any additional member admitted as a member of the Company in accordance with this Agreement; provided, however, that to the extent that Equity Ownership Interests are owned by a corporation, limited liability company, trust or other business entity, and to the

extent that the provisions of this Agreement are intended to be binding upon an individual, then the "key person" identified on **Exhibit "A"** shall be deemed the Member and the entity such Member represents for the purposes of enforcing such provisions, subject to amendment as provided herein.

"**Percentage Interest**" means for each Member, their percentage of Equity Ownership Interest in the Company divided by the total of all Equity Ownership Interests of the Company, identified on **Exhibit "A"** attached hereto, but subject to modification as provided herein.

"**Person(s)"** means an individual, business entity, business trust, estate, trust, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

"**Profits" and "Losses**" means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from such Book Value;

(d) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation" herein; and

(e) Notwithstanding any other provision of this definition, any items which are specifically allocated pursuant to the provisions hereof shall not be taken into account in computing Profits and Losses.

"**Regulations**" means the Income Tax Regulations promulgated by the Department of the Treasury in connection with the interpretation and enforcement of the Code; as such regulations may be amended from time to time.

"**Tax Matters Partner"** means the Management Committee.

[*Signature Page to Operating Agreement*]

IN WITNESS WHEREOF, the undersigned have executed this Operating Agreement as of the date set forth in the preface.

COMPANY:

GRACE CAPITAL PARTNERS, LLC

By: _____
Jeff England, Chairman

MANAGEMENT COMMITTEE:

_____
Jeff England

_____
Robert McLean

_____
Gary Cotton

EXHIBIT A
MEMBERS
Dated: _____

The following chart identifies the Members of the Company and the equity ownership percentages of each Member in the Company:

1. England Holdings, LLC	16.03%
2. Gary & Shannon Cotton	15%
3. McLean Investments, LP	10.836%
4. Coffman Holdings, LLC	10%
5. Haven C. England	8.134%
6. Covenant LP	5.2%
7. Summer Resources, LLC	3.3%
8. J.O. Hays Estate	2.5%
9. Praos II	2%
10. Bill Mosley	2%
11. Scott Bowman	2%
12. Hays Properties	2%
13. Andrew Healy	1.5%
14. BRB Revocable Trust	1.4%
15. Robert Nickle	1.1%
16. Stephen Bilheimer	1%
17. Briggs Property Management, LLC	1%
18. Gus Blass Trust #2	1%
19. Thornwood Investments	1%
20. JA Riggs Tractor Co.	1%
21. Mark & Virginia Daril	1%
22. Cromwell Family Gift Trust	1%
23. Terri Hendrix	1%
24. Michael or Patricia Eagan	1%
25. Charles Robertson	1/2 %
26. Kyle Hertel	1/2 %
27. Thomas Bissmeyer IRA	1/2 %
28. Vincent & Suzann Nowell	1/2 %
29. Kim & Cecily Brawner	1/2 %
30. M. Anne England Rev. Trust	1/2 %
31. JL & Rosie Brawner	1/2 %
32. Gene & Shirley England	1/2 %
33. Mary Neal Bridges	1/2 %
34. Todd Bridges	1/2 %
35. Robert & Cindy Morton	1/2 %
36. Brian Winstead	1/2 %
37. James & Janae Day	1/2 %
38. John Lewis	1/2 %
39. Bruce & September Rew	1/2 %
40. Bob Skotnicki	1/2 %
41. Scott Briggs Rev. Trust	.2 %
42. Susan Briggs Owens Rev. Trust	.1 %
43. CAB Rev. Trust	.1 %
44. Richard Cobb	.1 %
Total:	100%

This chart is subject to subsequent modification and amendment to the extent that additional Equity Ownership Interest in and to the Company are granted to third parties, or to the extent that adjustments in the foregoing occur. It is acknowledged that the Company possesses the limited power of attorney of the Members in order to modify, amend and restate the ownership chart referenced above should new Members be admitted to the Company, should pre-existing Members' equity ownership interests in the Company be redeemed, or should other events occur requiring the modification, amendment and restatement of said ownership chart.

EXHIBIT B

JOINDER AGREEMENT
(To be Executed by Any New Members Who are Not
Otherwise Expressly Identified and Specified herein)

JOINDER AGREEMENT
RELATED TO
GRACE CAPITAL PARTNERS, LLC
OPERATING AGREEMENT

In connection with the subscription by the undersigned of the purchase of Equity Ownership Interests in and to Grace Capital Partners, LLC, an Arkansas limited liability company (the "Company"), the undersigned, as evidenced by the undersigned's execution below:

1. acknowledges receipt of the Company's Amended and Restated Operating Agreement dated as of _____ , 2018 (the "Operating Agreement");
2. acknowledges that the undersigned has read, reviewed and fully understands and comprehends the terms and conditions of the Operating Agreement;
3. has either retained or has had the opportunity to retain third-party legal, accounting, or other financial professionals in order to evaluate the Operating Agreement and the investment risks related to an investment in the Company;
4. assumes all financial and investment risks associated with the undersigned's purchase of Equity Ownership Interest in and to the Company;
5. agrees to be bound by the terms and conditions of the Operating Agreement; and
6. grants to the Chairman (as said term is defined in the Operating Agreement) the undersigned's irrevocable power of attorney to amend on behalf of the undersigned the Operating Agreement in order to reflect the undersigned's investment in the Company and modifications to **Exhibit "A"** of the Operating Agreement that sets forth the respective Percentage Interests of all Company members.

This document is executed by the undersigned as of _____, 2018.

_____


GV
GlideValve

EXHIBIT C

FINANCIALS

Grace Capital Partners, LLC

1 Innwood Circle Suite 204, Little Rock, AR 72211

GlideValve

Grace Capital Partners, LLC

Proforma Balance Sheet

As of August 31, 2018

	Aug 31, 2018	Impact of Placement	Proforma Aug 31, 2018
ASSETS			
Current Assets			
Checking/Savings			
Cash	$ 35,712	$ 2,618,000	$ 2,653,712
Total Checking/Savings	35,712	2,618,000	2,653,712
Total Current Assets	35,712	2,618,000	2,653,712
Fixed Assets	36,207		36,207
Accumulated Depreciation	(35,954)		(35,954)
Net Fixed Assets	253	-	253
Other Assets			
Engine Design Costs	519,078		519,078
Total Other Assets	519,078	-	519,078
TOTAL ASSETS	$ 555,042	$ 2,618,000	$ 3,173,042
LIABILITIES & EQUITY			
Liabilities	$ -	$ -	$ -
Total Owner Equity Interest	555,042	2,618,000	3,173,042
TOTAL LIABILITIES & EQUITY	$ 555,042	$ 2,618,000	$ 3,173,042

Assumptions: (1) Max proceeds of $8.4 million (2) Offering fees and expenses of $549 thousand (3) Payment to existing unit holders of $5.7 million

These financial statements have not been subjected to an audit or review or compilation engagement.

Grace Capital Partners, LLC

Proforma Profit Loss

For the Years ended December 31st

	2019	2020	2021	2022	2023	2024
Revenues						
Royalty Income	$0	$0	$1,000,000	$60,000,000	$160,000,000	$240,000,000
License Income	-	-	20,000,000	30,000,000	40,000,000	50,000,000
Total Revenues	$0	$0	$21,000,000	$90,000,000	$200,000,000	$290,000,000
Expenses						
AVL Project Cost	700,000	700,000	200,000	-	-	-
Salaries	180,000	180,000	180,000	180,000	180,000	180,000
General Administrative & Marketing	39,219	450,000	650,000	1,120,000	1,670,000	1,870,000
Total Expenses	919,219	1,330,000	1,030,000	1,300,000	1,850,000	2,050,000
Net Income (Loss)	($919,219)	($1,330,000)	$19,970,000	$88,700,000	$198,150,000	$287,950,000

Assumptions: (1) $10 million for non-exclusive license
(2) Royalty income of $200 for each vehicle (3) Market share forecast at end of 2024 = 6%

These financial statements have not been subjected to an audit or review or compilation engagement.

GlideValve

EXHIBIT D

SUBSCRIPTION AGREEMENT & INVESTOR SUITABILITY QUESTIONNAIRE

Grace Capital Partners, LLC

1 Innwood Circle Suite 204, Little Rock, AR 72211

GlideValve

SUBSCRIPTION BOOKLET

Grace Capital Partners, LLC
An Arkansas Limited Liability Company

NO PUBLIC MARKET EXISTS WITH RESPECT TO MEMBERSHIP UNITS OFFERED HEREBY, AND NO ASSURANCES ARE GIVEN THAT ANY SUCH MARKET WILL DEVELOP. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD.

THIS SUBSCRIPTION BOOKLET HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PROSPECTIVE INVESTORS IN GRACE CAPITAL PARTNERS, LLC, AND CONSTITUTES AN OFFER ONLY TO THE PROSPECTIVE INVESTOR TO WHOM IT WAS DELIVERED. DISTRIBUTION OF THIS SUBSCRIPTION BOOKLET TO ANY PERSON OTHER THAN SUCH PROSPECTIVE INVESTOR AND THOSE PERSONS RETAINED TO ADVISE IT WITH RESPECT TO THE INVESTMENT IS UNAUTHORIZED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), NOR HAS THE COMMISSION OR ANY APPLICABLE STATE OR OTHER JURISDICTION'S SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. NONE OF THE SECURITIES MAY BE RESOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THE TRANSACTION EFFECTING SUCH DISPOSITION IS REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR AN EXEMPTION THEREFROM IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL ACCEPTABLE TO IT THAT SUCH REGISTRATION IS NOT REQUIRED PURSUANT TO SUCH EXEMPTION.

This booklet contains documents that must be read, executed and returned if you wish to invest in Grace Capital Partners, LLC, an Arkansas limited liability company (the "Company"). You should consult with an attorney, accountant, investment advisor or other advisor regarding an investment in the Company and its suitability for you.

If you decide to invest, please fill out, sign and return the documents pertinent to you, as listed under each of the headings below.

For individuals the documents to be returned are:

- the execution page of the attached Subscription Agreement;
- the Suitability Statement for individuals;
- the execution page of the Operating Agreement

For entities the documents to be returned are:

- the execution page of the Subscription Agreement;
- the Suitability Statement for entities;
- whichever of Exhibits A (for partnerships and limited liability companies), B (for custodians, trustees and agents) or C (for corporations commonly referred to as S corporations) to the Subscription Agreement is relevant to you;
- the execution page of the Operating Agreement

What this booklet contains:

1. A Subscription Agreement and Suitability Statements:

The Subscription Agreement is the document by which you agree to subscribe for and purchase your limited liability company Equity Ownership Interest Unit(s) in the Company (your "Interest" or "Unit(s)").

The Suitability Statements, which are incorporated in the Subscription Agreement and therefore are part of that agreement, are important and must be completed by each investor. Please read this section carefully.

Individuals should initial their answer to each of the questions in the Suitability Statement and also fill out and sign the execution page to the Subscription Agreement.

Entities should initial their answer to each of the questions in the Suitability Statement and also fill out and sign the execution page to the Subscription Agreement.

Investors that are entities must also complete whichever one of the following Exhibits to the Subscription Agreement is relevant to them:

a. If the Investor is a partnership or limited liability company, please include a copy of the partnership's governing instruments and a completed Exhibit A in the documents to be returned.

b. If the Investor is a custodian, trustee, or agent, please include a copy of the trust or other instrument and a completed Exhibit B in the documents to be returned.

c. If the investor is a corporation, please include a copy of the corporation's governing instruments, executed resolutions of the corporation's Board of Directors as specified in Exhibit C, and a completed Exhibit C in the documents to be returned.

2. A copy of the Operating Agreement

Investors must sign one copy of the Operating Agreement signature page. For convenience, a copy is included as part of this booklet. The form of the Operating Agreement is contained in its entirety as an Exhibit in the Private Placement Memorandum; there is no need to return the entire document to the Company.

Please carefully review these documents and the company's related Private Placement Memorandum.

YOU SHOULD HAVE RECEIVED AND REVIEWED A PRIVATE PLACEMENT MEMORANDUM (THE "PPM", OR "MEMORANDUM") THAT CONTAINS INFORMATION ABOUT THIS OFFERING. AFTER YOU HAVE RECEIVED AND REVIEWED THE PPM, HAVE HAD AN OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION YOU REQUIRE CONCERNING THIS OFFERING AND HAVE DECIDED TO SUBSCRIBE FOR AND PURCHASE THE SECURITIES, YOU MUST COMPLETE THE SUBSCRIPTION AGREEMENT AND VERIFY THAT YOU ARE A SOPHISTICATED AND ACCREDITED INVESTOR. THE COMPANY'S MANAGER WILL REVIEW THIS INFORMATION AND WILL DETERMINE WHETHER YOU MEET THE QUALIFICATION AND SUITABILITY REQUIREMENTS FOR INVESTING IN THE COMPANY.

BY EXECUTING THE SUBSCRIPTION AGREEMENT, AS WELL AS THE SIGNATURE PAGE TO THE OPERATING AGREEMENT, EACH INVESTOR IS AGREEING TO BE BOUND BY THE TERMS OF THE SUBSCRIPTION AGREEMENT AND THE OPERATING AGREEMENT.

SUBSCRIPTION PROCEDURE

The Company is offering up to $3,000,000 of Membership Units in the Company at a price of $50,000 per Unit. Each investor must subscribe for a minimum dollar amount equal to at least $50,000 although the Manager may, in its sole discretion, waive this minimum. The Manager may, in its sole discretion, reject a proposed investment or limit the number of Membership Units to be purchased by an investor.

Checks for subscriptions of Units offered hereunder should be made payable to Grace Capital Partners, LLC and subscription funds shall be received directly by the Company.

The Company will notify each investor of the Company's acceptance or rejection of such investor's subscription after receipt and review of all documentation. If the Company does not accept your subscription, the escrow agent and/or the Company will return your subscription funds and the Company will return your subscription agreement.

SUBSCRIPTION AMOUNT

Your subscription amount should be either mailed, wired, or completed through the Company's Investment Portal. All subscription documentation must be sent as follows:

Send all documents, checks and money orders to:

Attention: Private Placement Subscriptions
Grace Capital Partners, LLC
1 Innwood Circle Suite 204
Little Rock, AR 72211
(501) 376-0222

Investors interested in wiring funds for subscription of Notes should contact the Company for wiring instructions. Investors may also proceed through the investment process using the Company's online Investment Portal at **invest.glidevalve.com**

REGULATION D RULE 506(C) INVESTOR VERIFICATION STANDARDS AND PROTOCOLS

In purchasing securities through this Offering, the Company is obligated to verify your status as an accredited investor in accordance with Rule 501 of Regulation D. There are three primary methods the Company may employ to comply with the verification standards. Investors in this offering will need to provide the Company with verification that meets the standards and form using one or multiple methods as listed below:

Income: The Company may verify an individual's status as an accredited investor on the basis of income by reviewing copies of any IRS form that reports net income, such as Forms W-2 or 1099 (which are typically filed by an employer or other third party payor), or Forms 1040 filed by the prospective purchaser (with non-relevant information permitted to be redacted). Under this method, the Company must review IRS forms for the two most recent years and obtain a written representation from the prospective purchaser that he or she has a reasonable expectation of attaining the necessary income level for the current year. Where accredited investor status is based on joint income with the person's spouse, the IRS forms and representation must be provided with respect to both the purchaser and the spouse.

Net Worth: Under this method, the Company will need to review bank or brokerage statements or third-party appraisal reports to verify the purchaser's assets and a credit report to verify liabilities, in each case dated within the prior three months, and will need to obtain a written representation from the prospective purchaser that all liabilities have been disclosed. Where accredited investor status is based on joint net worth with the person's spouse, the asset and liability documentation and representation must be provided with respect to both the purchaser and the spouse.

Reliance on Determination by Specified Third Parties: The Company may satisfy the verification requirement if it obtains a written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney, or a certified public accountant that within the prior three months such person or entity has taken reasonable steps to verify that the purchaser is an accredited investor and has determined that the purchaser is an accredited investor.

Proper verification must be submitted with your subscription for securities in order for the Company to verify your suitability for investment and accept your subscription.

REGULATION D 506(C) MANDATED LEGENDS

Any historical performance data represents past performance.

Past performance does not guarantee future results;

Current performance may be different than the performance data presented;

The Company is not required by law to follow any standard methodology when calculating and representing performance data;

The performance of the Company may not be directly comparable to the performance of other private or registered funds or companies;

The securities are being offered in reliance on an exemption from the registration requirements, and therefore are not required to comply with certain specific disclosure requirements;

The Securities and Exchange Commission has not passed upon the merits of or approved the securities, the terms of the offering, or the accuracy of the materials.

SUBSCRIPTION AGREEMENT

To the Undersigned Purchaser:

Grace Capital Partners, LLC, an Arkansas limited liability company (the "Company"), hereby agrees with you (in the case of a subscription for the account of one or more trusts or other entities, "you" or "your" shall refer to the trustee, fiduciary or representative making the investment decision and executing this Subscription Agreement (this "Agreement"), or the trust or other entity, or both, as appropriate) as follows:

1) Sale and Purchase of Member Interest. The Company has been formed under the laws of the State of Arkansas and is governed by a limited liability company Operating Agreement in substantially the form attached hereto as an Exhibit to the Private Placement Memorandum, as the same may be modified in accordance with the terms of any amendment thereto (the "Operating Agreement"). Capitalized terms used herein without definition have the meanings set forth in the Operating Agreement.

Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the respective parties contained herein:

- the Company agrees to sell to you, and you irrevocably subscribe for and agree to purchase from the Company, an interest as a member (a "Member") in the Company (an "Interest" or "Unit"); and

- the Company and its manager (the "Manager") agree that you shall be admitted as a Member, upon the terms and conditions, and in consideration of your agreement to be bound by the terms and provisions of the Operating Agreement and this Agreement, with a capital contribution in the amount equal to the amount set forth opposite your signature at the end of this Agreement (your "Capital Contribution").

Subject to the terms and conditions hereof and of the Operating Agreement, your obligation to subscribe and pay for your Interest shall be complete and binding upon the execution and delivery of this Agreement.

2) Other Subscriptions. The Company has entered into separate but substantially identical subscription agreements (the "Other Subscription Agreements" and, together with this Agreement, the "Subscription Agreements") with other purchasers (the "Other Purchasers"), providing for the sale to the Other Purchasers of Membership Units and the admission of the Other Purchasers as Members. This Agreement and the Other Subscription Agreements are separate agreements, and the sales of Membership Units to you and the Other Purchasers are to be separate sales.

3) Closing. The closing (the "Closing") of the sale to you and your subscription for and purchase by you of an Interest, and your admission as a Member shall take place at the discretion of the Manager. At the Closing, and upon satisfaction of the conditions set out in this Agreement, the Manager will list you as a Member on Schedule A of the Operating Agreement.

4) Conditions Precedent to Your Obligations.

a) The Conditions Precedent. Your obligation to subscribe for your Interest and be admitted as a Member at the Closing is subject to the fulfillment (or waiver by you), prior to or at the time of the Closing, of the following conditions:

i) Operating Agreement. The Operating Agreement shall have been duly authorized, executed and delivered by or on behalf of the Manager. Each Other Purchaser that is to be admitted as a Member as the Closing shall have duly authorized, executed and delivered a counterpart of the Operating Agreement or authorized its execution and delivery on its behalf. The Operating Agreement shall be in full force and effect.

ii) Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects when made and at the time of the Closing, except as affected by the consummation of the transactions contemplated by this Agreement or the Operating Agreement

iii) Performance. The Company shall have duly performed and complied in all material respects with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing.

iv) Legal Investment. On the Closing Date your subscription hereunder shall be permitted by the laws and regulations applicable to you.

b) Nonfulfillment of Conditions. If at the Closing any of the conditions specified shall not have been fulfilled, you shall, at your election, be relieved of all further obligations under this Agreement and the Operating Agreement, without thereby waiving any other rights you may have by reason of such nonfulfillment. If you elect to be relieved of your obligations under this Agreement pursuant to the foregoing sentence, the Operating Agreement shall be null and void as to you and the power of attorney contained herein shall be used only to carry out and effect the actions required by this sentence, and the Company shall take, or cause to be taken, all steps necessary to nullify the Operating Agreement as to you.

5) Conditions Precedent to the Company's Obligations.

a) The Conditions Precedent. The obligations of the Company and the Manager to issue to you the Interest and to admit you as a

Member at the Closing shall be subject to the fulfillment (or waiver by the Company) prior to or at the time of the Closing, of the following conditions:

i) Operating Agreement. Any filing with respect to the formation of the Company required by the laws of the State of Arkansas shall have been duly filed in such place or places as are required by such laws. A counterpart of the Operating Agreement shall have been duly authorized, executed and delivered by or on behalf of you and each of such Other Purchasers. The Operating Agreement shall be in full force and effect.

ii) Representations and Warranties. The representations and warranties made by you shall be true and correct when made and at the time of the Closing.

iii) Performance. You shall have duly performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by you prior to or at the time of the Closing.

b) Nonfulfillment of Conditions. If at the Closing any of the conditions specified shall not have been fulfilled,the Company shall, at the Manager's election, be relieved of all further obligations under this Agreement and the Operating Agreement, without thereby waiving any other rights it may have by reason of such nonfulfillment. If the Manager elects for the Company to be relieved of its obligations under this Agreement pursuant to the foregoing sentence, the Operating Agreement shall be null and void as to you and the power of attorney contained herein shall be used only to carry out and effect the actions required by this sentence, and the Company shall take, or cause to be taken, all steps necessary to nullify the Operating Agreement as to you.

6) Representations and Warranties of the Company.

a) The Representations and Warranties. The Company represents and warrants that:

i) Formation and Standing. The Company is duly formed and validly existing as a limited liability company under the laws of the State of Arkansas and, subject to applicable law, has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted as described in the Private Placement Memorandum relating to the private offering of Membership Units by the Company (together with any amendments and supplements thereto, the "Offering Memorandum"). The Manager is duly formed and validly existing as a limited liability company under the laws of the State of Arkansas and, subject to applicable law, has all requisite limited liability company power and authority to act as Manager of the Company and to carry out the terms of this Agreement and the Operating Agreement applicable to it.

ii) Authorization of Agreement, Etc. The execution and delivery of this Agreement has been authorized by all necessary

action on behalf of the Company and this Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms. The execution and delivery by the Manager of the Operating Agreement has been authorized by all necessary action on behalf of the Manager and the Operating Agreement is a legal, valid and binding agreement of the Manager, enforceable against the Manager in accordance with its terms.

iii) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of the Operating Agreement, or any agreement or other instrument to which the Company is a party or by which it or any of its properties is bound, or any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to the Company or its business or properties. The execution and delivery of the Operating Agreement and the consummation of the transactions contemplated thereby will not conflict with or result in any violation of or default under any provision of the limited liability company operating agreement of the Manager, or any agreement or instrument to which the Manager is a party or by which it or any of its properties is bound, or any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to the Manager or its businesses or properties.

iv) Offer of Membership Units. Neither the Company nor anyone acting on its behalf has taken any action that would subject the issuance and sale of the Membership Units to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

v) Investment Company Act. The Company is not required to register as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Manager is not required to register as an "investment adviser" under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

vi) Company Liabilities; Litigation. Prior to the date hereof, the Company has not incurred any material liabilities other than liabilities in respect of organizational expenses. There is no action, proceeding or investigation pending or, to the knowledge of the Manager or the Company, threatened against the Manager or the Company.

vii) Disclosure. The Offering Memorandum, when read in conjunction with this Agreement and the Operating Agreement, does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

b) Survival of Representations and Warranties. All representations and warranties made by the Company shall survive the execution and delivery of this Agreement, any investigation at any time made by you or on your behalf and the issue and sale of Membership Units.

7) Representations and Warranties of the Purchaser.

a) The Representations and Warranties. You represent and warrant to the Manager, the Company and each other Person that is, or in the future becomes, a Member that each of the following statements is true and correct as of the Closing Date:

i) Accuracy of Information. All of the information provided by you to the Company and the Manager is true, correct and complete in all respects. Any other information you have provided to the Manager or the Company about you is correct and complete as of the date of this Agreement and at the time of Closing.

ii) Offering Memorandum; Advice. You have either consulted your own investment adviser, attorney or accountant about the investment and proposed purchase of an Interest and its suitability to you, or chosen not to do so, despite the recommendation of that course of action by the Manager. Any special acknowledgment set forth below with respect to any statement contained in the Offering Memorandum shall not be deemed to limit the generality of this representation and warranty.

(1) You have received a copy of the Offering Memorandum and the form of the Operating Agreement and you understand the risks of, and other considerations relating to, a purchase of Membership Units, including the risks set forth under the caption "Risk Factors" in the Offering Memorandum. You have been given access to, and prior to the execution of this Agreement you were provided with an opportunity to ask questions of, and receive answers from, the Manager or any of its principals concerning the terms and conditions of the offering of Membership Units, and to obtain any other information which you and your investment representative and professional advisors requested with respect to the Company and your investment in the Company in order to evaluate your investment and verify the accuracy of all information furnished to you regarding the Company. All such questions, if asked, were answered satisfactorily and all information or documents provided were found to be satisfactory.

iii) Investment Representation and Warranty. You are acquiring your Interest for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds of which you are trustee as to which you are the sole qualified professional asset manager within the meaning of Prohibited Transaction Exemption 84-14 (a "QPAM") for the assets being contributed hereunder, in each case not with a view to or for sale in connection with any distribution of all or any part of such Interest. You hereby agree that you will not, directly or indirectly, assign, transfer, offer, sell, pledge, hypothecate or otherwise dispose of all or any part of such Interest (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of all or any part of the Interest) except in accordance with the registration provisions of the Securities Act or an exemption from such registration provisions, with any applicable state or other securities laws, and with the terms of the Operating Agreement. If you are purchasing for the account of one or more pension or trust funds, you represent that (except to the extent you have otherwise advised the Company in writing prior to the date hereof) you are acting as sole trustee

or sole QPAM for the assets being contributed hereunder and have sole investment discretion with respect to the acquisition of the Interest to be purchased by you pursuant to this Agreement, and the determination and decision on your behalf to purchase such Interest for such pension or trust funds is being made by the same individual or group of individuals who customarily pass on such investments, so that your decision as to purchases for all such funds is the result of such study and conclusion.

iv) Representation of Investment Experience and Ability to Bear Risk. You (i) are knowledgeable and experienced with respect to the financial, tax and business aspects of the ownership of an Interest and of the business contemplated by the Company and are capable of evaluating the risks and merits of purchasing an Interest and, in making a decision to proceed with this investment, have not relied upon any representations, warranties or agreements, other than those set forth in this Agreement, the Offering Memorandum and the Operating Agreement, if any; and (ii) can bear the economic risk of an investment in the Company for an indefinite period of time, and can afford to suffer the complete loss thereof.

v) Accredited Investor. You are an "Accredited" investor within the meaning of Section 501 of Regulation D promulgated under the Securities Act.

vi) No Investment Company Issues. If you are an entity, (i) you were not formed, and are not being utilized, primarily for the purpose of making an investment in the Company and (ii) either (A) all of your outstanding securities (other than short-term paper) are beneficially owned by one Person, (B) you are not an investment company under the Investment Company Act or a "private investment company" that avoids registration and regulation under the Investment Company Act based on the exclusion provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, or (C) you have delivered to the Manager a representation and covenant as to certain matters under the Investment Company Act satisfactory to the Manager.

vii) Certain ERISA Matters. You represent that:

(1) except as described in a letter to the Manager dated at least five (5) days prior to the date hereof, no part of the funds used by you to acquire an Interest constitutes assets of any "employee benefit plan" within the meaning of Section 3(3) of ERISA, either directly or indirectly through one or more entities whose underlying as sets include plan assets by reason of a plan's investment in such entities (including insurance company separate accounts, insurance company general accounts or bank collective investment funds, in which any such employee benefit plan (or its related trust) has any interest); or

(2) if an Interest is being acquired by or on behalf of any such plan (any such purchaser being referred to herein as an "ERISA Member"), (A) such acquisition has been duly authorized in accordance with the governing holding of the Interest do not and will not constitute a "non-exempt prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (i.e., a transaction that is not subject to an exemption contained

in ERISA or in the rules and regulations adopted by the U.S. Department of Labor (the "DOL") thereunder). The foregoing representation shall be based on a list of the Other Purchasers to be provided by the Manager to each ERISA Member prior to the Closing. You acknowledge that the manager of the Company, is not registered as an "investment adviser" under the Investment Advisers Act and that as a Member you will have no right to withdraw from the Company except as specifically provided in the Operating Agreement. If, in the good faith judgment of the Manager, the assets of the Company would be "plan assets" (as defined in DOL Reg. § 2510.3-101 promulgated under ERISA, as it may be amended from time to time) of an employee benefit plan (assuming that the Company conducts its business in accordance with the terms and conditions of the Operating Agreement and as described in the Offering Memorandum), then the Company and each ERISA Member will use their respective best efforts to take appropriate steps to avoid the Manager's becoming a "fiduciary" (as defined in ERISA) as a result of the operation of such regulations. These steps may include (x) selling your Interest (if you are an ERISA Member) to a third party which is not an employee benefit plan, or (y) making any appropriate applications to the DOL, but the Manager shall not be required to register as an "investment adviser" under the Advisers Act.

(a) If you are an ERISA member, you further understand, agree and acknowledge that your allocable share of income from the Company may constitute "unrelated business taxable income" ("UBTI") within the meaning of section 512(a) of the Code and be subject to the tax imposed by section 511(a)(1) of the Code. You further understand, agree and acknowledge that the Company neither makes nor has made any representation to it as to the character of items of income (as UBTI or otherwise) allocated (or to be allocated) to its members (including ERISA Members) for federal, state, or local income tax purposes. You (prior to becoming a member of the Company) have had the opportunity to consider and discuss the effect of your receipt of UBTI with independent tax counsel of your choosing, and upon becoming a member of the Company voluntarily assume the income tax and other consequences resulting from the treatment of any item of the Company's income allocated to you as UBTI. The Company shall not be restricted or limited in any way, or to any degree, from engaging in any business, trade, loan, or investment that generates or results in the allocation of UBTI to you or any other ERISA Member, nor shall the Company have any duty or obligation not to allocate UBTI to you or any other ERISA Member. You hereby release the Company and all of its other members from any and all claims, damages, liability, losses, or taxes resulting from the allocation to you by the Company of UBTI.

viii) Suitability. You have evaluated the risks involved in investing in the Units and have determined that the Units are a suitable investment for you. Specifically, the aggregate amount of the investments you have in, and your commitments to, all similar investments that are illiquid is reasonable in relation to your net worth, both before and after the subscription for and purchase of the Membership Units pursuant to this Agreement.

ix) Transfers and Transferability. You understand and acknowledge that the Membership Units have not been registered under the Securities Act or any state securities laws and are being offered and sold in reliance upon exemptions provided in

the Securities Act and state securities laws for transactions not involving any public offering and, therefore, cannot be resold or transferred unless they are subsequently registered under the Securities Act and such applicable state securities laws or unless an exemption from such registration is available. You also understand that the Company does not have any obligation or intention to register the Membership Units for sale under the Securities Act, any state securities laws or of supplying the information which may be necessary to enable you to sell Membership Units; and that you have no right to require the registration of the Membership Units under the Securities Act, any state securities laws or other applicable securities regulations. You also understand that sales or transfers of Membership Units are further restricted by the provisions of the Operating Agreement.

(1) You represent and warrant further that you have no contract, understanding, agreement or arrangement with any person to sell or transfer or pledge to such person or anyone else any of the Membership Units for which you hereby subscribe (in whole or in part); and you represent and warrant that you have no present plans to enter into any such contract, undertaking, agreement or arrangement.

(2) You understand that the Membership Units cannot be sold or transferred without the prior written consent of the Manager, which consent may be withheld in its sole and absolute discretion and which consent will be withheld if any such transfer could cause the Company to become subject to regulation under federal law as an investment company or would subject the Company to adverse tax consequences.

(3) You understand that there is no public market for the Membership Units; any disposition of the Units may result in unfavorable tax consequences to you.

(4) You are aware and acknowledge that, because of the substantial restrictions on the transferability of the Units, it may not be possible for you to liquidate your investment in the Company readily, even in the case of an emergency.

x) Residence. You maintain your domicile at the address shown in the signature page of this Subscription Agreement and you are not merely transient or temporarily resident there.

xi) Publicly-Traded Company. By the purchase of a Membership Unit in the Company, you represent to the Manager and the Company that (i) you have neither acquired nor will you transfer or assign any Unit you purchase (or any interest therein) or cause any such Membership Units (or any interest therein) to be marketed on or through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704(b)(1) of the Code, including, without limitation, an over the-counter-market or an interdealer quotation, system that regularly disseminates firm buy or sell quotations; and (ii) you either (A) are not, and will not become, a partnership, Subchapter S corporation, or grantor trust for U.S. Federal income tax purposes, or (B) are such an entity, but none of the direct or indirect beneficial owners of any of the

Membership Units in such entity have allowed or caused, or will allow or cause, 80 percent or more (or such other percentage as the Manager may establish) of the value of such Membership Units to be attributed to your ownership of Membership Units in the Company. Further, you agree that if you determine to transfer or assign any of your Interest pursuant to the provisions of the Operating Agreement you will cause your proposed transferee to agree to the transfer restrictions set forth therein and to make the representations set forth in (i) and (ii) above.

xii) Awareness of Risks; Taxes. You represent and warrant that you are aware (i) that the Company has limited operating history; (ii) that the Membership Units involve a substantial degree of risk of loss of its entire investment and that there is no assurance of any income from your investment; and (iii) that any federal and/or state income tax benefits which may be available to you may be lost through the adoption of new laws or regulations, to changes to existing laws and regulations and to changes in the interpretation of existing laws and regulations. You further represent that you are relying solely on your own conclusions or the advice of your own counsel or investment representative with respect to tax aspects of any investment in the Company.

xiii) Capacity to Contract. If you are an individual, you represent that you are over 21 years of age and have the capacity to execute, deliver and perform this Subscription Agreement and the Operating Agreement. If you are not an individual, you represent and warrant that you are a corporation, partnership, association, joint stock company, trust or unincorporated organization, and were not formed for the specific purpose of acquiring an Interest.

xiv) Power, Authority; Valid Agreement. (i) You have all requisite power and authority to execute, deliver and perform your obligations under this Agreement and the Operating Agreement and to subscribe for and purchase or otherwise acquire your Membership Units; (ii) your execution of this Agreement and the Operating Agreement has been authorized by all necessary corporate or other action on your behalf; and (iii) this Agreement and the Operating Agreement are each valid, binding and enforceable against you in accordance with their respective terms.

xv) No Conflict: No Violation. The execution and delivery of this Agreement and the Operating Agreement by you and the performance of your duties and obligations hereunder and thereunder (i) do not and will not result in a breach of any of the terms, conditions or provisions of, or constitute a default under (A) any charter, by-laws, trust agreement, partnership agreement or other governing instrument applicable to you, (B) (1) any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement or understanding, or (2) any license, permit, franchise or certificate, in either case to which you or any of your Affiliates is a party or by which you or any of them is bound or to which your or any of their properties are subject; (ii) do not require any authorization or approval under or pursuant to any of the foregoing; or (iii) do not violate any statute, regulation, law, order, writ, injunction or decree to which you or any of your Affiliates is subject.

xvi) No Default. You are not (i) in default (nor has any event occurred which with notice, lapse of time, or both, would constitute a default) in the performance of any obligation, agreement or condition contained in (A) this Agreement or the Operating Agreement, (B) any provision of any charter, by- laws, trust agreement, partnership agreement or other governing instrument applicable to you, (C) (1) any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or any lease or other agreement or understanding, or (2) any license, permit, franchise or certificate, in either case to which you or any of your Affiliates is a party or by which you or any of them is bound or to which your or any of their properties are subject, or (ii) in violation of any statute, regulation, law, order, writ, injunction, judgment or decree applicable to you or any of your Affiliates.

xvii) No Litigation. There is no litigation, investigation or other proceeding pending or, to your knowledge, threatened against you or any of your Affiliates which, if adversely determined, would adversely affect your business or financial condition or your ability to perform your obligations under this Agreement or the Operating Agreement.

xviii) Consents. No consent, approval or authorization of, or filing, registration or qualification with, any court or Governmental Authority on your part is required for the execution and delivery of this Agreement or the Operating Agreement by you or the performance of your obligations and duties hereunder or thereunder.

b) Survival of Representations and Warranties. All representations and warranties made by you in this Agreement shall survive the execution and delivery of this Agreement, as well as any investigation at any time made by or on behalf of the Company and the issue and sale of Membership Units.

c) Reliance. You acknowledge that your representations, warranties, acknowledgments and agreements in this Agreement will be relied upon by the Company in determining your suitability as a purchaser of Membership Units.

d) Further Assurances. You agree to provide, if requested, any additional information that may be requested or required to determine your eligibility to purchase the Membership Units.

e) Indemnification. You hereby agree to indemnify the Company and any Affiliates and to hold each of them harmless from and against any loss, damage, liability, cost or expense, including reasonable attorney's fees (collectively, a "Loss") due to or arising out of a breach or representation, warranty or agreement by you, whether contained in this Subscription Agreement (including the Suitability Statements) or any other document provided by you to the Company in connection with your investment in the Membership Units. You hereby agree to indemnify the Company and any Affiliates and to hold them harmless against all Loss arising out of the sale or distribution of the Membership Units by you in violation of the Securities Act or other applicable law or any misrepresentation or breach by you with respect to the matters set forth in this Agreement. In addition, you agree to indemnify

the Company and any Affiliates and to hold such Persons harmless from and against, any and all Loss, to which they may be put or which they may reasonably incur or sustain by reason of or in connection with any misrepresentation made by you with respect to the matters about which representations and warranties are required by the terms of this Agreement, or any breach of any such warranty or any failure to fulfill any covenants or agreements set forth herein or included in and as defined in the Offering Memorandum. Notwithstanding any provision of this Agreement, you do not waive any right granted to you under any applicable state securities law.

8) Certain Agreements and Acknowledgments of the Purchaser.

a) Agreements. You understand, agree and acknowledge that:

i) Acceptance. Your subscription for Membership Units contained in this Agreement may be accepted or rejected, in whole or in part, by the Manager in its sole and absolute discretion. No subscription shall be accepted or deemed to be accepted until you have been admitted as a Member in the Company on the Closing Date; such admission shall be deemed an acceptance of this Agreement by the Company and the Manager for all purposes.

ii) Irrevocability. Except as provided and under applicable state securities laws, this subscription is and shall be irrevocable, except that you shall have no obligations hereunder if this subscription is rejected for any reason, or if this offering is canceled for any reason.

iii) No Recommendation. No foreign, federal, or state authority has made a finding or determination as to the fairness for investment of the Membership Units and no foreign, federal or state authority has recommended or endorsed or will recommend or endorse this offering.

iv) No Disposal. You will not, directly or indirectly, assign, transfer, offer, sell, pledge, hypothecate or otherwise dispose of all or any part of your Interest (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of all or any part of the Interest) except in accordance with the registration provisions of the Securities Act or an exemption from such registration provisions, with any applicable state or other securities laws and with the terms of the Operating Agreement.

v) Update Information. If there should be any change in the information provided by you to the Company or the Manager (whether pursuant to this Agreement or otherwise) prior to your purchase of any Membership Units, you will immediately furnish such revised or corrected information to the Company.

9) General Contractual Matters.

a) Amendments and Waivers. This Agreement may be amended and the observance of any provision hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of you and the Company.

b) Assignment. You agree that neither this Agreement nor any rights, which may accrue to you hereunder, may be transferred or assigned.

c) Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given to any party when delivered by hand, when delivered by facsimile, or when mailed, first class postage prepaid, (a) if to you, to you at the address or telecopy number set forth below your signature, or to such other address or telecopy number as you shall have furnished to the Company in writing, and (b) if to the Company, to it c/o Grace Capital Partners, LLC, 1 Innwood Circle Suite 204, Little Rock, AR 72211, Attention: Investor Relations or to such other address or addresses, or telecopy number or numbers, as the Company shall have furnished to you in writing, provided that any notice to the Company shall be effective only if and when received by the Manager.

d) Governing law. This agreement shall be governed by and construed and enforced in accordance with the laws of the State of Arkansas without regard to principles of conflict of laws (except insofar as affected by the securities or "blue sky" laws of the State or similar jurisdiction in which the offering described herein has been made to you).

e) Descriptive Headings. The descriptive headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision of this Agreement.

f) Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement, and there are no representations, covenants or other agreements except as stated or referred to herein.

g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

h) Joint and Several Obligations. If you consist of more than one Person, this Agreement shall consist of the joint and several obligation of all such Persons.

i) Regulation D Resources Enterprises, Inc. ("RDR"), a North Carolina corporation, acted as an advisor to the Issuer in this Offering. The Purchaser agrees to, and hereby shall indemnify RDR and any RDR Affiliates, and shall hold each of them harmless from

and against any loss, damage, liability, cost or expense, including reasonable attorney's fees (collectively, a "Loss") due to the Purchaser's investment in this Offering. The Purchaser does hereby release and forever discharge RDR, their agents, employees, successors and assigns, and their respective heirs, personal representatives, affiliates, successors and assigns, and any and all persons, firms or corporations liable or who might be claimed to be liable, whether or not herein named, none of whom admit any liability to the undersigned, but all expressly denying liability, from any and all claims, demands, damages, actions, causes of action or suits of any kind or nature whatsoever, which the Purchaser may now have or may hereafter have, arising out of or in any way relating to any and all injuries, economic or emotional loss, and damages of any and every kind, to both person and property, corporately and individually, and also any and all damages that may develop in the future, as a result of or in any way relating to the Purchaser's investment in this Offering.

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