

**PRELIMINARY PRIVATE PLACEMENT  
MEMORANDUM AS OF APRIL 1, 2021**

**MOUNTX TOKEN LLC – SERIES #1**

**Offering of  
UP TO 390,000 SERIES #1 INTERESTS DELIVERABLE IN THE FORM OF  
CRYPTOGRAPHIC DIGITAL TOKENS (“MOUNTX TOKENS”)**

**Offering Price Per Series #1 Tokens: \$1.00**  
**The minimum investment amount for Series #1 Tokens is \$1,000**

This private placement memorandum (as it may be amended and supplemented from time to time, this “**Memorandum**”) has been prepared by MountX Token LLC, a Delaware series limited liability company (“**MountX**,” “**we**,” “**us**,” “**our**” or the “**Company**”) for use by certain qualified potential investors (“**Investors**”) to whom the Company is offering (this “**Offering**”) the opportunity to purchase up to a maximum of 390,000 limited liability company membership interests (“**Interests**”) of Series #1 of the Company (“**Series #1**”) in the form of cryptographic digital tokens (“**MXTs**”) which are a new series of blockchain-based smart contract digital tokens meeting the standard as modified to meet transfer restriction requirements under applicable U.S. securities laws. Purchases of the Series #1 MXTs will be paid for in U.S. dollars, though the Company, in its sole discretion, may determine to accept Bitcoin (“**BTC**”), Ethereum (“**ETH**”) or other cryptocurrencies as payment for MXTs. The offering price of a Series #1 MXT is \$1.00 (the “**Offering Price**”) and the maximum amount of the Offering (the “**Maximum Offering Amount**”) is \$390,000.

The Series #1 Tokens have not been, and will not be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Series #1 MXTs are being offered and sold only (i) to “accredited investors” (as defined in Rule 501 of Regulation D under the Securities Act) in reliance on Regulation D under the Securities Act and (ii) in offshore transactions to persons other than “U.S. persons” (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act. See “Plan of Distribution.” U.S. persons seeking to invest will be required to provide documentary evidence of their accredited investor status satisfactory to the Company.

Prospective Investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposition of the MXTs, and any foreign exchange restrictions and foreign qualification, filing and reporting obligations that may be relevant thereto.

**The date of this Memorandum is April, 1, 2021**

**NONE OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, ANY FOREIGN SECURITIES OR ANY OTHER FEDERAL, STATE OR FOREIGN AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SERIES #1 MXTS, NOR HAVE ANY OF THE FOREGOING PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The Series #1 MXTs are securities; they are not digital currency, cryptocurrency or commodities. The Series #1 MXTs are subject to substantial restrictions on transfer. No secondary market currently exists for trading in the Series #1 MXTs and there is no assurance that one will ever develop. Investors may be required to hold their Series #1 MXTs indefinitely.

Investing in the Series #1 MXTs involves a high degree of risk and is suitable only for Investors of substantial means and who have no need for liquidity in the foreseeable future with regard to this investment. Please carefully review the section of this Memorandum titled “RISK FACTORS.”

## IMPORTANT NOTICES

THE INTERESTS, OR MXTS (THE “SECURITIES”), OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION AND ARE BEING OFFERED AND ARE BEING SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH STATE OR FOREIGN JURISDICTION LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. OFFEREES SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY DOMESTIC OR FOREIGN, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE SECURITIES MAY BE SOLD ONLY TO “ACCREDITED” INVESTORS” OR TO NON-U.S. PERSONS AS DEFINED IN REGULATIONS.

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF THE DELIVERY OF THIS MEMORANDUM IS PROPERLY AUTHORIZED BY US. THIS MEMORANDUM HAS BEEN PREPARED BY US SOLELY FOR THE BENEFIT OF INVESTORS INTERESTED IN THE PROPOSED PURCHASE OF SERIES #1 MXTS, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, MAY NOT BE MADE WITHOUT OUR PRIOR WRITTEN CONSENT.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH RESPECT TO THE SERIES #1 MXTS EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

WE HAVE USED OUR BEST EFFORTS TO OBTAIN AND PROVIDE ACCURATE INFORMATION FOR THIS MEMORANDUM, BUT NO WARRANTY IS MADE WITH RESPECT TO THE ACCURACY OF SUCH INFORMATION. WE HAVE NOT KNOWINGLY MADE ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMITTED TO STATE ANY MATERIAL FACTS REQUIRED TO BE STATED IN ORDER TO MAKE THE STATEMENTS HEREIN NOT MISLEADING. NONETHELESS, FUTURE EVENTS MAY AFFECT THE CONTINUING ACCURACY OF THE FACTS AND CONCLUSIONS CONTAINED HEREIN. IN SUCH CASE, DURING THE CONTINUANCE OF THIS OFFERING, WE MAY, TO THE EXTENT THAT WE ARE AWARE OF SUCH EVENTS AND DEEM THEM MATERIAL, SUPPLEMENT THIS MEMORANDUM, AND PROVIDE COPIES OF SUCH SUPPLEMENTS TO ALL OFFEREES WHO HAVE EXPRESSED A POSITIVE INTEREST IN THE PURCHASE OF THE SERIES #1 MXTS, EXCEPT PERSONS WHO HAVE ALREADY BECOME INVESTORS, BY MAILING A COPY THEREOF TO THE ADDRESS PROVIDED BY SUCH OFFEREE FOR SUCH PURPOSES.

EACH INVESTOR IN THE SECURITIES OFFERED HEREBY MUST ACQUIRE SUCH SECURITIES SOLELY FOR INVESTOR’S OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER OR RESALE, EITHER IN WHOLE OR IN PART.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT LAWFUL OR AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL AND TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN OUR COMPANY. THE PURCHASE OF THE SECURITIES SHOULD BE CONSIDERED ONLY BY PERSONS WHO UNDERSTAND OR WHO HAVE BEEN ADVISED OF THE NATURE OF, THE TAX CONSEQUENCE OF, AND THE RISK FACTORS ASSOCIATED WITH, SUCH INVESTMENT AND CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT WITHOUT MATERIALLY ADVERSE CONSEQUENCES TO THEIR STANDARD OF LIVING. OFFEREES MUST RELY ONLY ON THE ADVICE OF THEIR OWN LEGAL, ECONOMIC AND TAX ADVISORS IN ANALYZING THE ACCURACY OF THE PRESENTATIONS, ESTIMATES, FORECASTS, AND LEGAL CONCLUSIONS CONTAINED IN THIS MEMORANDUM. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY, THIS MEMORANDUM AND EXHIBITS HERETO, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

ANY ESTIMATES AND FORECASTS CONTAINED IN THIS MEMORANDUM ARE BASED ON ASSUMPTIONS AND HYPOTHESES, THE ACCURACY OF WHICH IS SUBJECT TO SUBSTANTIAL RISKS AND CONTINGENCIES

BOTH INITIALLY AND THROUGHOUT THE EXISTENCE OF OUR COMPANY. THEY ARE ILLUSTRATIVE ONLY AND EACH OFFEREE IS URGED TO CONSULT WITH HIS/HER OR ITS OWN LEGAL, ECONOMIC AND TAX ADVISORS WHO SHOULD, ON THE BASIS OF THEIR OWN EXPERTISE AND EXPERIENCE, RENDER THEIR ESTIMATES AND FORECASTS ON WHICH THE OFFEREE SHOULD RELY.

THIS OFFERING CAN BE WITHDRAWN AT ANY TIME BEFORE A CLOSING AND IS SPECIFICALLY MADE SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM AND SET FORTH IN THE DEFINITIVE TRANSACTION DOCUMENTS. WE RESERVE THE RIGHT TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SECURITIES SUBSCRIBED FOR BY SUCH PROSPECTIVE INVESTOR.

THE AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES LAWS FOR THE SALE OF THE SECURITIES HEREBY, DEPENDS IN PART UPON FULL COMPLIANCE WITH ALL PROVISIONS OF SECTION 4(a)(2) OF THE SECURITIES ACT AND/OR RULE 506 OF REGULATION D, OR REGULATION S, AS APPLICABLE. EACH INVESTOR WILL BE REQUIRED TO REPRESENT TO US THAT HE IS KNOWLEDGEABLE ABOUT AND EXPERIENCED IN INVESTMENTS OF THIS TYPE AND THAT HE IS ABLE TO BEAR THE ECONOMIC RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD.

NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION TO PERMIT A PUBLIC OFFERING OF THE SECURITIES. THERE IS NO PUBLIC MARKET FOR THE SECURITIES AND NONE IS EXPECTED TO DEVELOP IN THE FUTURE. ANY SUMS INVESTED IN THE COMPANY ARE ALSO SUBJECT TO SUBSTANTIAL RESTRICTIONS UPON WITHDRAWAL AND TRANSFER. THE SECURITIES OFFERED HEREBY SHOULD BE PURCHASED ONLY BY PURCHASERS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

NO LEGAL, ACCOUNTING OR BUSINESS ADVISORS RETAINED BY US FOR THE PREPARATION OF THIS MEMORANDUM SHALL BE LIABLE TO ANY INVESTOR FOR MALPRACTICE OR OTHERWISE, EXCEPT IN THE EVENT OF ACTIONABLE FRAUD. FURTHERMORE, SUBSIDIARIES, AFFILIATES, TRUSTEES, BENEFICIARIES, OFFICERS OR DIRECTORS THEREOF WILL NOT BE LIABLE TO INVESTORS FOR ANY REASON, EXCEPT IN THE EVENT OF SUCH PERSON'S MATERIAL: (1) MISREPRESENTATIONS; (2) INTENTIONAL OMISSIONS; OR (3) RECKLESSNESS.

OFFEREEES ARE HEREBY INVITED TO ARRANGE FOR MEETINGS WITH OUR MANAGING MEMBER OR ITS DULY AUTHORIZED REPRESENTATIVES TO DISCUSS THE TERMS OF THIS OFFERING OR ANY OF THE MATTERS DISCUSSED HEREIN. AT ANY SUCH MEETING, REPRESENTATIVES OF OUR MANAGING MEMBER WILL ALSO ANSWER ANY MATERIAL QUESTIONS RAISED BY PROSPECTIVE INVESTORS. OFFEREEES ARE INVITED TO REQUEST FROM OUR MANAGING MEMBER COPIES OF ANY DOCUMENTS OR INSTRUMENTS WHICH AN OFFEREE DEEMS MATERIAL TO HIS, HER OR ITS INVESTMENT DECISION.

INVESTING IN THE MXTS INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE RISKS SUMMARIZED UNDER "RISK FACTORS" IN THIS MEMORANDUM FOR A DISCUSSION OF IMPORTANT FACTORS YOU SHOULD CONSIDER BEFORE PURCHASING MXTS.

THIS MEMORANDUM CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE DOCUMENTS ASSOCIATED WITH INVESTMENT IN THE SECURITIES AND SUMMARIES OF VARIOUS PROVISIONS OF RELEVANT STATUTES AND OF REGULATIONS PROMULGATED THEREUNDER. WHILE OUR MANAGEMENT BELIEVES THAT THESE SUMMARIES FAIRLY REFLECT THE SUBSTANCE OF SUCH DOCUMENTS, STATUTES OR REGULATIONS, THE SUMMARIES DO NOT PURPORT TO BE COMPLETE, OR, IN LIGHT OF THE DYNAMIC NATURE OF GOVERNMENT STATUTES OR REGULATIONS, PURPORT TO REFLECT ACCURATELY EITHER CURRENT STATUTES OR REGULATIONS, OR CORRECT BINDING INTERPRETATIONS THEREOF.

CONSEQUENTLY, ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS.

PROSPECTIVE INVESTORS ARE EXPECTED TO CONDUCT THEIR OWN INQUIRIES INTO THE COMPANY, AND ITS MANAGING MEMBER, OFFICERS, AFFILIATES AND BUSINESS AND OPERATIONS. EACH OFFEREE MAY, IF HE OR SHE SO DESIRES, MAKE INQUIRIES OF APPROPRIATE MEMBERS OF MANAGEMENT OF OUR COMPANY WITH RESPECT TO OUR BUSINESS OR ANY OTHER MATTERS SET FORTH HEREIN, AND MAY OBTAIN ANY ADDITIONAL INFORMATION WHICH SUCH PERSON DEEMS TO BE NECESSARY IN ORDER TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM (TO THE EXTENT THAT WE POSSESS SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE). IN CONNECTION WITH SUCH INQUIRY, ANY DOCUMENTS THAT ANY OFFEREE WISHES TO REVIEW WILL BE MADE AVAILABLE FOR INSPECTION AND COPYING.

### **JURISDICTIONAL NOTICES**

Appendix A to this Memorandum contains several important legends that we are required to disclose to investors under the various jurisdictional laws where different investors may reside. It is important that you review applicable jurisdictional legends contained in Appendix A carefully so that you are informed of your rights and other important information relating to your investment decision.

### **CURRENCY EXCHANGE RATES**

The underlying asset (as defined below) may be purchased for Canadian dollars ("C\$"). The offering hereunder is being made in and for US dollars ("US\$"). All Canadian dollar amounts have been converted to US\$ based on the conversion rate from US\$ to CDN of 0.83 as of June 1, 2021. The actual cost of the Company to purchase the underlying assets and expenses relating to the management of the Company which are to be paid in C\$, may vary based on the exchange rate. In the event that the amount to be paid in C\$ exceeds the funds raised, the Managing Member will make a loan to Company of such excess required amount.

### **CONFIDENTIALITY AND RELATED MATTERS**

Each recipient hereof agrees by accepting this Memorandum that the information contained herein is of a confidential nature and that such recipient will treat such information in a strictly confidential manner and that such recipient will not, directly or indirectly, disclose or permit its affiliates or representatives to disclose, any information to any other person or entity, or reproduce such information, in whole or in part, without our prior written consent. The recipient of this Memorandum further agrees to use the information solely for the purpose of analyzing the desirability of an investment in our company to such recipient and for no other purpose whatsoever.

The foregoing obligation will not apply to information that: (i) at the time of disclosure by us is, or thereafter becomes, generally available to the public, other than as a direct result of a breach by you of the above confidentiality obligations; (ii) prior to or at the time of disclosure by us, was already in your possession; or (iii) at the time of disclosure by us or thereafter, is obtained by you or any of your affiliates from a third party whom you reasonably believe to be in possession of the information not in violation of any contractual, legal or fiduciary obligation to the us or our affiliates with respect to that information.

### **CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS**

This Memorandum contains forward-looking statements, including statements relating to the Company's operations, financial results, business and products. Other statements in this Memorandum, including words such as "anticipate," "may," "believe," "could," "should," "estimate," "expect," "intend," "plan," "predict," "potential," "forecasts," "project," and other similar expressions, also are forward-looking statements. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such forward-looking statements are not guarantees of future performance. The following important factors, and those important factors described elsewhere in this offering memorandum, including the matters set forth under the section entitled "Risk Factors," could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from estimates or expectations reflected in such forward-looking statements:

- the use of the net proceeds of this Offering;
- our goals and strategies;
- our future business development, financial condition and results of operations;
- our future capital needs and costs of acquiring and maintaining our underlying assets;

- our expectations regarding demand for our MXTs; market trends in the rental and investment real estate industry and related changes;
- trends in the market value of cryptocurrencies;
- general economic and business conditions in the United States and in local real estate markets in which the MountX intends to invest;
- MountX transactions may be irreversible and losses due to fraudulent or accidental transactions may not be recoverable;
- there is no assurance that purchasers of the MXTs will receive a return on or of their investments;
- the lack of operational secondary markets or market makers for our MXTs and for digital securities in general;
- the slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the MXTs;
- the popularity of cryptocurrencies and digital securities offerings may decrease in the future, which could have a material impact on the Company's operations and financial conditions;
- MountX has limited operating history, which makes it hard to evaluate its ability to generate revenue through operations; and
- cybersecurity breaches and attacks.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition, prospects and opportunities could differ materially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, including the ability to raise sufficient capital to continue our company's operations. These statements may be found under "Management's Discussion and Analysis" and "Business," as well as in this Memorandum generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors" and matters described in this Memorandum generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this Memorandum will in fact occur.

Potential investors should not place undue reliance on any forward-looking statements. Except as required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

The specific discussions herein about our Company include financial projections and future estimates and expectations about our Company's business. The projections, estimates and expectations are presented in this Memorandum only as a guide about future possibilities and do not represent actual amounts or assured events. All the projections and estimates are based exclusively on our company management's own assessment of its business, the industry in which it works and the economy at large and other operational factors, including capital resources and liquidity, financial condition, fulfillment of contracts and opportunities. The actual results may differ significantly from the projections.

Potential investors should not make an investment decision based solely on our Company's projections, estimates or expectations.

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## COMMUNICATIONS AND INQUIRIES

ALL COMMUNICATIONS AND INQUIRIES RELATED TO THIS MEMORANDUM SHOULD BE DIRECTED TO THE AUTHORIZED OFFICERS OF THE COMPANY AS INDICATED BELOW. THE INDIVIDUALS BELOW WILL MAKE THEMSELVES AVAILABLE AT A REASONABLE TIME PRIOR TO YOUR PURCHASE TO ANSWER YOUR QUESTIONS AND PROVIDE INFORMATION IN ADDITION TO WHAT IS IN THIS MEMORANDUM.

**Managing Member**  
**MountX US LLC**  
 Name: Enrique Suarez  
 Title: CEO  
 Telephone: +525530189999

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## SUMMARY

*The following summary is qualified in its entirety by the more detailed information appearing elsewhere herein. You should read the entire Memorandum and carefully consider, among other things, the matters set forth in the section captioned “Risk Factors.” You are encouraged to seek the advice of your attorney, tax consultant, and business advisor with respect to the legal, tax, and business aspects of an investment in the Interests. All references in this Memorandum to “\$” or “dollars” are to United States dollars.*

## THE COMPANY

### Overview

MountX US LLC has created a platform and model for tokenizing interests in real property which allows token holders to hold an actual interest in an entity that owns real property. MountX Token LLC is a Delaware series limited liability company (“LLC” or “**MountX**”), which serves as an intermediary entity between a token-owning individual and a piece of real estate property. Ownership of a series of the LLC (each, a “**Series**”) is divided into a specific number of units (or such other amount determined by the Managing Member) of membership interests, or Interests, and the Interests are represented by the same number of unique cryptographic digital tokens, or MXTs, on the blockchain. As digital representations of Interests, the MXTs embody the legal characteristics of the Interests and carry all of the rights and obligations associated with the Interests. The MXTs, like the Interests, are securities for purposes of U.S. securities laws and they are designed to be compliant with applicable U.S. federal and state securities laws and regulations. See “Securities Being Offered – The MXTs” for further details.

Each Series of the LLC will purchase and own one or more discrete real property asset or assets. Ownership of the MXTs of a particular Series gives an individual ownership and limited governing rights over the Series which has issued the MXTs and, therefore, over the discrete property owned by the Series. The Series, and the real property asset that it holds, are managed and maintained by the Managing Member with little-to-no engagement from any MXT holding individuals, while the MXT holding individuals themselves retain full economic ownership rights in the property.

MountX itself will be taxed as a partnership, with pass-through to its members of profits and losses. We intend, however, to elect that each Series will be treated as an association taxable as a corporation. Holders of the Interests in a Series, therefore, will receive a Form 1099 report each year reciting the dividends, if any, paid to the holder and certain other tax information appropriate for an interest in a corporation.

MountX will focus on the purchase by each series of real property, either pre-constructions, under construction or currently income-producing properties. Any rents from tenants in these properties will be collected by a third-party property management service under the direction of a property manager.

Our business approach is discussed in more detail below.

### Series #1

The Interests and related MXTs described in this Memorandum are being offered and sold by the first Series of MountX, Series #1.

### History and Structure

MountX is a series limited liability company formed on November 9, 2020 pursuant to Section 18-215 of the Delaware Limited Liability Company Act (the “**LLC Act**”).

As a series limited liability company, title to MountX’s underlying assets will be held by, or for the benefit of, the applicable series of interests. We intend that each series of interests will own its own underlying asset, which will be a real estate property. A new series of interests will be issued for future real estate properties to be acquired by MountX.

Section 18-215(b) of the LLC Act provides that, if certain conditions are met (including that certain provisions are in the formation and governing documents of the series limited liability company, and if the records maintained for any such series account for the assets associated with such series separately from the assets of the limited liability company, or any other series), then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable only against the assets of such series and not against the assets of the limited liability company generally or any other series. As such, the assets and liabilities of a series include only the real estate property associated with that series and other related assets (e.g., cash reserves) and liabilities.

On November 4, 2020, we established the Series #1 membership interests of MountX.

## The Underlying Asset

The real property asset to be associated with Series #1 is a two bedroom condominium apartment located in the West Tower of the Concord Canada House Project in Toronto, Canada (the “**Apartment**” or the “**Underlying Asset**”). The Concord Canada House Project is a new condominium development by Concord Adex located at Front St. and Spadina Ave in downtown Toronto. The Apartments are part of the Concord City Place, which has 45 acres of space including residential units, retail, offices, and parks.

The Underlying Asset is currently under construction and MountX has an offer to purchase the Apartment for CAD \$1,201,000 (or US \$938,941 based on the exchange rate as of **June 1, 2021**) (the “**Purchase Price**”). It is not anticipated that the Series would own any assets other than the Underlying Asset, plus cash reserves for maintenance, insurance and other expenses pertaining to the Underlying Asset and amounts earned by the Series from the monetization of the Underlying Asset, if any. See “Description of Business—The Underlying Asset” for further details.

In the event that the Apartment, as referred to above is no longer available upon the completion of the Offering, the Managing Member, in its discretion, may purchase a similar apartment at a price that is equal to or less than the Purchase Price and the terms Apartment and Underlying Asset shall refer such similar apartment.

The proceeds of the Offering will be used to pay the required initial payment for the Apartment of CAD 420,350 (or approximately US \$328,420, based on the exchange rate as of December 11, 2020), with the balance due upon completion of the Apartment. Accordingly, the Series does not anticipate that investors would benefit from rental income from the Apartment.

It is intended that the Series would sell its interests in the Apartment before they are completed and before the Series becomes obligated to pay the remainder of the Purchase Price. In the event that the Managing Member determines not to sell the Apartment at such time, the Series may borrow funds from a bank, financial institution or other lender in order to pay the remainder of the purchase price. The Managing Member agrees to provide a loan for any closing costs not otherwise payable from the proceeds of this Offering, which shall be repaid upon exit.

## Managing Member

MountX US LLC, a Delaware limited liability company formed on November 9, 2020, is the Managing Member (the “**Managing Member**”) of MountX and of the Series. The Managing Member also owns and operates a web-based investment platform called MountX Real Estate Capital (the MountX Real Estate website and any successor platform used by MountX for the offer and sale of MXTs interests, the “**MountX Website**”) through which the Interests and other Series interests will be sold, in the form of MXTs. The address of the MountX Website is [www.mountx.io](http://www.mountx.io). The Managing Member’s offices are located at Av. Magnocentro No. 5 – 102, Col. Magnocentro, Huixquilucan, Mexico, and the telephone number is +525564143939

## Operating Expenses

After the initial Closing, the Series will be responsible for the following costs and expenses attributable to the activities of MountX related to the Series (together, the “**Operating Expenses**”):

- any and all fees, costs and expenses incurred in connection with the management of an Underlying Asset, including real estate taxes, security, Home Ownership Association fees, valuation, income taxes, marketing, security, maintenance and utilization of the Underlying Asset;
- any fees, costs and expenses incurred in connection with preparing any reports and accounts of each Series, including any blue sky filings required in order for a Series to be made available to investors in certain states and any annual audit of the accounts of such Series (if applicable);
- any and all insurance premiums or expenses, including directors and officers insurance of the directors and officers of the Managing Member or a Property Manager, in connection with the Underlying Asset;
- any withholding or transfer taxes imposed on the Company or a Series or any of the Members as a result of its or their earnings, investments or withdrawals;
- any governmental fees imposed on the capital of the Company or a Series or incurred in connection with compliance with applicable regulatory requirements;
- any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the the Series or a Property Manager in connection with the affairs of the Series;
- the fees and expenses of any administrator, if any, engaged to provide administrative services to a Series;
- any fees, costs and expenses of a third-party registrar and transfer agent appointed by the Managing Member in connection with a Series;
- the cost of any audit of the Series annual financial statements, the fees, costs and expenses incurred in connection with making of any tax filings on behalf of the Series and circulation of reports to Members;
- the fees and expenses of the Series' counsel in connection with advice directly relating to the Series' legal affairs;
- the costs of any other outside appraisers, valuation firms, accountants, attorneys or other experts or consultants

- engaged by the Managing Member in connection with the operations of the Series; and
- any similar expenses that may be determined to be Operating Expenses, as determined by the Managing Member in its reasonable discretion.

The Managing Member, also acting in its capacity as Managing Member of the Series, will bear its own expenses of an ordinary nature, including, all costs and expenses on account of rent, supplies, secretarial expenses, stationery, charges for furniture, fixtures and equipment, payroll taxes, remuneration and expenses paid to employees and utilities expenditures (excluding utilities expenditures in connection with the operation of the Underlying Asset).

If the Operating Expenses exceed the amount of revenues generated from the Underlying Asset and cannot be covered by any Operating Expense reserves on the balance sheet of the Underlying Asset, the Managing Member will loan the amount of the Operating Expenses to the Series, on which the Managing Member may impose a reasonable rate of interest, and be entitled to reimbursement of such amount from future revenues generated by the Underlying Asset (an “**Operating Expenses Reimbursement Obligation(s)**”).

We believe that the funds raised should cover Operating Expenses but if they are insufficient, the Series would incur Operating Expenses Reimbursement Obligations.

### **Expenses**

The Series shall bear the expenses of organization of the Company and the preparation of the legal structure and documentation and the costs of marketing the Offering. Such amounts shall be paid from the proceeds of the Offering or the Managing Member shall be reimbursed for any costs advanced by the Managing Member.

### **Management Fees**

As compensation for the services provided by the Managing Member, the Managing Member will be paid, upon the closing of the Offering, a cash fee equal to 4.5% of the gross proceeds of the Offering (the “**Management Fee**”). For tax and accounting purposes the Management Fee will be accounted for as an expense on the books of the Series.

Additionally, the Managing Member will receive a fee equal to 10.0% of the gross proceeds received by the Series resulting from the sale or disposition of the Apartment.

### **Distribution Rights**

The Managing Member has sole discretion in determining what distributions of cash generated by the Series, if any, are made to holders of the Interests (the “**Interest Holders**”).

See “Securities Being Offered—Distribution Rights.”

### **Timing and Form of Distributions**

The Manager may make semi-annual distributions of Free Cash Flow, to Interest Holders subject to it having the right, in its sole discretion.

The Manager may change the timing of potential distributions in its sole discretion.

### **Distributions upon Liquidation and sale of the Underlying Asset**

Upon the occurrence of a liquidation event relating to MountX as a whole or any series, the Manager (or a liquidator selected by the Manager) is charged with winding up the affairs of the series of interests or MountX as a whole, as applicable, and liquidating its assets. Upon the liquidation of a series of interests or MountX as a whole, as applicable, the Underlying Asset will be liquidated and ten percent (10.0%) of the gross proceeds from the sale of the Underlying Asset will be distributed to the Manager. Any after-tax proceeds will then be distributed: (i) first, to any third party creditors, (ii) second, to any creditors that are the Manager or its affiliates, and thereafter, 100% to the interest holders of the relevant series of interests, allocated pro rata based on the number of interests held by each interest holder (which distribution within a series will be made consistent with any preferences which exist within such series). See “Securities Being Offered—Liquidation Rights.”

### **Transfer Restrictions**

The Manager may refuse a transfer by an Interest Holder of its Interest(s) for any reason in its sole discretion, including if such transfer would result in (a) there being more than 2,000 beneficial owners in the Series or more than 500 beneficial owners that are not “accredited investors,” (b) the assets of the Series being deemed “plan assets” for purposes of the Employee Retirement Income Security Act of 1974 and regulations thereunder, as amended (“**ERISA**”), (c) a change of U.S. federal income tax treatment of MountX and/or the Series, or (d) MountX, the Series or the Manager being subject to

additional regulatory requirements. Furthermore, as the Interests are not registered under the Securities Act, transfers of Interests into or within the United States may only be effected pursuant to exemptions under the Securities Act and if permitted by applicable state securities laws. See “Securities Being Offered—Transfer Restrictions” for more information

## THE OFFERING

|                                  |  |
|----------------------------------|--|
| <b>The Series:</b>               | Series #1 (“ <b>Series #1</b> ”) is a newly formed series of MountX LLC, a Delaware series limited liability company (the “ <b>Company</b> ”).   |
| <b>Securities being offered:</b> | <p>We are offering a maximum of 390,000 Interests in the Series for a maximum aggregate amount of \$390,000.</p> <p>The Interests are intended to be of a separate series of MountX for purposes of assets and liabilities accounting. See “Securities Being Offered” for further details. The purchase of the Interests is an investment only in the Series and not an investment in MountX as a whole.</p>   |
| <b>Series #1 MXTs:</b>           | <p>The Interests will be issued in the form of cryptographic digital tokens referred to herein as “<b>Series #1 MXTs</b>.” The Series #1 MXTs are a new series of blockchain-based smart contract digital tokens on the blockchain.</p> <p>The software code of the Series #1 MXT Smart Contract will be based on open source code but will be proprietary and will not be published at this time. The Series #1 MXT will be coded with a “restricted security” legend as a token attribute. The Series #1 MXT will generally have a one (1) year holding period before U.S. holders may freely trade such digital Tokens on a Designated Token Exchange (as defined below).</p> |
| <b>Token Identifier</b>          | MXT-1  |
| <b>Offering Price per MXT-1:</b> | The Offering Price per MXT-1 is \$1.00_____.   |
| <b>Investment Minimum:</b>       | The minimum investment amount by an Investor is one (1) MXT-1.   |
| <b>Escrow Agent:</b>             | North Capital Private Securities Corporation (“ <b>North Capital</b> ”) will serve as escrow agent and will hold all contributed funds until the consummation of the Offering.   |

**Form of Payment for Series #1 MXTs:**

The Offering Price of the Series #1 MXTs will be designated in U.S. Dollars. Purchases of the Series #1 MXTs will be paid for in U.S. dollars, although the Series, in its sole discretion, may determine to accept Bitcoin (“BTC”), Ethereum (“ETH”) or other cryptocurrencies as payment for Series #1 MXTs.

If an Investor pays in ETH, BTC or another cryptocurrency, such amount shall be valued at the applicable exchange rate to U.S. dollars published on the Coinbase Pro (or comparable exchange) at the time the cryptocurrency is delivered to the Escrow Agent by the investor.

Investors in this Offering will receive a number of Series #1 MXTs equal in number to the amount or value in U.S. dollars they have tendered, divided by the price per Series #1 MXTs.

Funds collected in BTC, ETH or other cryptocurrencies shall be valued in U.S. dollars at the applicable exchange rate to U.S. dollars published on the Coinbase Pro (or comparable exchange) at the time the cryptocurrency is delivered to the Escrow Agent by the Investor. If a subscription is rejected, the subscription payment will be returned to the Investor in the number of U.S. dollars received by the Escrow Agent upon conversion of the original cryptocurrency payment.

Any payments made for Series #1 MXTs in the form of BTC or ETH will have fluctuating value due to volatility in the cryptocurrencies market. While the USD price per Series #1 MXT in this Offering is set at \$1.00 per Series #1 MXTs, fluctuations in the BTC and ETH value may result in some price discrepancies. Should there be a significant change in BTC or ETH value between the date of submission by an Investor of a subscription agreement indicating the purchase of a certain number of Series #1 MXTs and the date the payment for those Series #1 MXTs is made in BTC or ETH, the Series reserves the right to change the number of Series #1 MXTs delivered per BTC or ETH contribution. The amount of Series #1 MXTs actually delivered shall be determined within five (5) business days of the respective purchase. All Series #1 MXT sales are final, irrespective of the BTC or ETH to Series #1 MXTs price, and no refunds will be made after Series #1 MXT delivery.

In the event we terminate this Offering, or we do not accept a particular purchase, any dollars or BTC, ETH or other cryptocurrency tendered by potential Investors will be promptly returned to such investors without interest and net of any outgoing wire or other fees applied to such transmission. In such event, for investors that previously tendered amounts of any BTC, ETH or other cryptocurrency to the Series, such investors shall be returned an amount of such cryptocurrency valued in U.S. dollars at the applicable exchange rate to U.S. dollars published on the Coinbase Pro (or comparable exchange) at the time of such remittance as determined by MountX in the exercise of its discretion without interest and net of any fees discussed in the preceding sentence.

**Investor Wallets:**

MountX will create secure and encrypted keyless wallets on behalf of each investor where their tokenized assets can live. This produces a simple and familiar user experience where investors can login to their accounts using an email address and password rather than registering and managing private keys. The MountX wallet creates a more user-friendly experience for those investors who may be reluctant or feel intimidated by the need to create their own digital wallet.

Investors may also have their Series \$1 MXTs transferred to their own crypto-wallets; provided that such Investor provides an accurate digital address associated with such digital wallet or other storage mechanism and prove ownership of that wallet, for KYC/AML purposes. The Series is not responsible for any delays, losses, costs, non-delivery or refunds of Series #1 MXTs or other issues arising from a holder of any Series #1 MXTs failing to provide a Digital Asset Receipt Address, or providing an inaccurate or incomplete Digital Asset Receipt Address. Failure to follow the above procedures will result in failure to receive Series #1 MXTs. The Series reserves the right to impose additional requirements with respect to a storage mechanism for the Series #1 MXTs. See “Subscription Procedures.”

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| <b>Divisibility: Best Efforts:</b>     | <p>Following issuance of the Series #1 MXTs, the Series may determine to allow the Series #1 MXTs to be divisible (or fractionalized).</p> <p>This Offering is being made on a “best-efforts” basis. The Series does not warrant that all 390,000 Series #1 MXTs will be sold and reserves the right to terminate the Offering prior to the sale of all of the Series #1 MXTs.</p>   |
| <b>Fees</b>                            | <p>A cash management fee equal to 4.50% of the gross proceeds of the Offering (the “<b>Management Fee</b>”).</p> <p>A cash fee equal to 10.0% of the gross proceeds received by the Series resulting from the sale or disposition of the Underlying Asset (the “<b>Asset Disposition Fee</b>”).</p>  |
| <b>Purchasers; Eligibility:</b>        | <p>Each Investor: (a) if in the United States, or a U.S. Person (as defined in Regulation S under the Securities Act), must be a verified “accredited investor” (as defined in Regulation D under the Securities Act) or (b) if outside of the United States, must be an investor excluded from the Regulation S definition of a “U.S. Person” who is not purchasing for the account or benefit of a U.S. Person (as defined under Regulation S) and who is eligible to purchase and hold Series #1 MXTs under the applicable laws of the Investor’s jurisdiction. In the United States, the Offering is being conducted pursuant to Rule 506(c) of Regulation D under the Securities Act.</p> |
| <b>Closings; Offering Termination:</b> | <p>MountX may hold a series of Closings on a rolling basis as funds and investment documents are received. This Offering will terminate on the earlier of (i) the date at which the maximum offering dollar amount in this Offering has been sold, (2) September 30, 2021, or the date at which the offering is earlier terminated by MountX in our sole discretion</p>  |
| <b>Use of proceeds:</b>                | <p><i>Down Payment for the Underlying Asset:</i> The down payment for the purchase of the Underlying Asset to be paid to the Developer: US\$328,419</p> <p><i>Offering Expenses:</i> The cost of legal, accounting and other advisors and consultants in respect of the offering. US\$ 20,670</p> <p><i>MountX Management Fee:</i> The payment of management fee for the entire period until exit. US\$ 17,550</p> <p><i>Marketing Expenses:</i> Costs of marketing the Offering, including advertising and brokers US\$ 23,361</p> <p>Total: US\$390,000</p>  |
| <b>Offering Expenses</b>               | <p>The Series will bear all Offering Expenses. The Closing Costs for a particular Series will be built into the Purchase Price of the Underlying Asset for that Series. The Series may, however, incur certain post-Closing acquisition related expenses. See “Use of Proceeds to Issuer” and “Plan of Distribution— Fees and Expenses” sections for further details.</p>  |

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| <b>Rights of Series #1 MXTs:</b> | <p>The Series #1 MXTs will carry such rights as described in the operating agreement of MountX (the “<b>Operating Agreement</b>”), a copy of which is attached hereto as <u>Exhibit A</u>, and the Series Designation of Series #1 of MountX (the “<b>Series #1 Designation</b>”), a copy of which is attached hereto as <u>Exhibit B</u>, and summarized below:</p> <p><u>Voting</u>: Each Record Holder of a Series #1 MXT will be entitled to those certain, limited voting rights allocated to the Interests as set forth in the Operating Agreement and Series #1 Designation. See the “Securities Being Offered – Limited Voting Rights” section for further details. These voting rights include one vote for each Series #1 MXT on all matters submitted to a vote of Series #1 MXT’s Members. All Record Holders of Series #1 Interests shall be entitled to one vote per Interest for all matters submitted for the consent or approval of the Members of Series #1.</p> <p><u>Distributions</u>: Holders of Series #1 MXTs will be entitled to receive distributions as may be declared from time to time by the Manager.</p> <p><u>Liquidation</u>: In the event of our liquidation, dissolution, or winding up, after the payment of all of our debts and other liabilities, including payment to the Managing Member of ten percent (10%) of the gross proceeds from the sale of the Underlying Asset, the holders of Series #1 MXTs will be entitled to share ratably in the net assets legally available for distribution to the Interest Holders.</p> |
| <b>Documentation:</b>            | <p>To purchase Series #1 MXTs, each Investor will be required to complete such documentation as may be requested by or on behalf of the Series, which may include, without limitation: (1) the execution and delivery of a Subscription Agreement, (2) completion of Purchaser qualification requirements and (3) completion of any anti-money laundering (AML) and know-your-customer (KYC) forms or documents.</p>   |
| <b>Governing Law:</b>            | <p>The Subscription Agreement will be governed by the laws of Delaware.</p>  |
| <b>Risk factors:</b>             | <p>Investing in the Series #1 MXTs involves risks. See the section entitled “Risk Factors” in this Memorandum and other information included in this Memorandum for a discussion of factors you should carefully consider before deciding to invest in the Series #1 MXTs.</p>   |

## RISK FACTORS

*The Interests, in the form of Series #1 MXTs, offered hereby are highly speculative in nature, involve a high degree of risk and should be purchased only by persons who can afford to lose their entire investment. There can be no assurance that the Company's investment objectives will be achieved or that a secondary market would ever develop for the Interests, whether via the MountX website, via third party registered broker-dealers or otherwise. The risks described in this section should not be considered an exhaustive list of the risks that prospective Investors should consider before investing in the Series #1 MXTs. Prospective Investors should obtain their own legal and tax advice prior to making an investment in the Series #1 MXTs and should be aware that an investment in the Series #1 MXTs may be exposed to other risks of an exceptional nature from time to time. The following considerations are among those that should be carefully evaluated before making an investment in the Series #1 MXTs.*

### **Risks Related to the Structure, Operation and Performance of MountX**

***An investment in the Offering constitutes only an investment in the Series and not in MountX or the Underlying Asset.***

A purchase of the Interests does not constitute an investment in either MountX or the Underlying Asset directly. This results in limited voting rights of the Investor, which are solely related to the Series. Investors will have voting rights only with respect to certain matters, primarily relating to amendments to the Operating Agreement that would adversely change the rights of the Interests. The Managing Member thus retains significant control over the management of MountX and the Underlying Asset. Furthermore, because the Interests do not constitute an investment in MountX as a whole, holders of the Interests will not receive any economic benefit from, or be subject to the liabilities of, the assets of any other series of interest. In addition, the economic interest of a holder in the Series will not be identical to owning a direct undivided interest in the Underlying Asset because, among other things, the Series will be required to pay corporate taxes before distributions are made to the holders, and the Managing Member will receive a fee in respect of its management of the Underlying Asset.

***MountX and the Series were recently formed, have no track record and no operating history from which you can evaluate MountX or this investment.***

MountX and the Series were recently formed and have not generated any revenues and have no operating history upon which prospective Investors may evaluate their performance. No guarantee can be given that MountX and the Series will achieve their investment objectives, the value of the Underlying Asset will increase or the Underlying Asset will be successfully monetized or tokenized.

***Given our start-up nature, investors may not be interested in making an investment and we may not be able to raise all of the capital we seek for the initial Series or any future series and this could have a material adverse effect upon our Company and the value of your Interests.***

Due to the start-up nature of MountX, there can be no guarantee that we will reach our funding target from potential Investors with respect to the Series or future proposed series of interests. In the event we do not reach a funding target, we may not be able to achieve our investment objectives by acquiring additional underlying assets through the issuance of further series of interests and monetizing them together with the Underlying Asset to generate distributions for Investors. If we are unable to raise funding for additional series of interests, this may impact any investors already holding interests as they will not see the benefits which arise from economies of scale following the acquisition by other series of interests of additional underlying assets and other monetization opportunities. Additionally, our failure to fund this or additional Series could cause us to terminate the business without having achieved our business objectives, and you may experience difficulties in realizing a return on, or of, your investment.

***There are few, if any, businesses that have pursued a strategy or investment objective similar to MountX's which may make it difficult for MountX and the Interests to gain market acceptance.***

There only a few businesses that crowd funds tokenized real property assets or propose to run a platform for crowd funding of tokenized interests in real property. MountX and the Interests may not gain market acceptance from potential Investors or service providers within the real estate industry, including insurance companies, appraisers, and strategic partners. This could result in an inability of the Managing Member to consummate the investment in the Underlying Asset. This could impact the issuance of further series of interests and additional underlying assets being acquired by us. This would further inhibit market acceptance of MountX and if we do not acquire any additional underlying assets, Investors would not receive any benefits which arise from economies of scale such as more efficient administration, service provider expenses, and access to sufficient deal-flow. Additionally, the failure of our business model being accepted by investors could lead us to terminate the business which may make it difficult for you to receive any distributions on, or return of, your investment in the Series.

***Operating Expenses that are incurred after the initial Closing will reduce potential distributions, if any, and the potential return on investment resulting from the appreciation of the Underlying Asset, if any.***

Operating Expenses incurred post-initial Closing shall be the responsibility of the Series. The proceeds of the Offering are

expected to generate proceeds sufficient to cover Operating Expenses. However, if the Operating Expenses exceed the amount reserved, the Managing Member will loan the amount of the Operating Expenses to the Series, on which the Managing Member may impose a reasonable rate of interest, and be entitled to Operating Expenses Reimbursement Obligations.

If there is an Operating Expenses Reimbursement Obligation, this reimbursable amount between related parties would be taken out of the cash flows from the Series and could reduce the amount of any future distributions payable to Investors. If additional Interests are issued, this would dilute the current value of the Interests held by existing Investors and the amount of any future distributions payable to such existing Investors.

***Our success depends in large part upon our Managing Member and its ability to execute our business plan.***

The successful operation of MountX (and therefore, the success of the Interests) is in part dependent on the ability of the Managing Member to source, acquire and, if applicable, manage the underlying assets. As the Managing Member has only been in existence since November 9, 2020 and is an early-stage startup company, it has no significant operating history within the real estate sector, which evidences its ability to source, acquire, manage and utilize the underlying assets. Failure of the Managing Member to successfully operate and build our business could result in your losing your investment in the Series.

The success of MountX (and therefore, the Interests) will be highly dependent on the expertise and performance of the Managing Member and its team, its expert network and other investment professionals (which include third party experts) to source, acquire and manage the underlying assets. There can be no assurance that these individuals will continue to be associated with the Managing Member. The loss of the services of one or more of these individuals could have a material adverse effect on the underlying assets, in particular, their ongoing management and use to support the investment of the Interest Holders.

Furthermore, the success of MountX and the value of the Interests are dependent on there being critical mass from the market for the Interests and also MountX being able to acquire a number of underlying assets. In the event that we are unable to source additional underlying assets due to, for example, competition for such underlying assets or lack of underlying assets available in the marketplace, this could materially impact the success of MountX and its objectives of acquiring additional underlying assets through the issuance of further series of interests and monetizing them together with the Underlying Asset.

***The power of attorney provisions of the Operating Agreement could act to negatively impact an Investor's investment in the Interests.***

Investors who purchase Interests will be bound by the provisions of the Operating Agreement including those provisions pursuant to which the Investor grants to the Managing Member of a power of attorney to, among other things, execute and file documents required for MountX's qualification, continuance or dissolution. This power of attorney also includes a provision pursuant to which the Investor waives any and all defenses that may be available to contest, negate or disaffirm the action of the Managing Member taken in good faith under the power of attorney. This power of attorney and waiver may limit the ability of an Investor to take certain actions the Investor deems prudent and could result in outcomes unfavorable to the Investor.

***If MountX's series limited liability structure is not respected, then Investors may have to share in any liabilities of MountX with all investors and not just those who hold the same series of interests as them.***

MountX is structured as a Delaware series limited liability company that issues different series of interests for each underlying asset. Each series of interest will merely be a separate series and not a separate legal entity. Under the LLC Act, if certain conditions (as set forth in Section 18-215(b) of the LLC Act) are met, the liability of investors holding one series of interests is segregated from the liability of investors holding another series of interests and the assets of one series of interests are not available to satisfy the liabilities of other series of interests. Although this limitation of liability is recognized by the courts of Delaware, there is no guarantee that if challenged in the courts of another U.S. State or a foreign jurisdiction, such courts will uphold a similar interpretation of Delaware corporation law, and in the past certain jurisdictions have not honored such interpretation. If our series limited liability company structure is not respected, then Investors may have to share any liabilities of MountX with all investors and not just those who hold the same series of interests as them. Furthermore, while we intend to maintain separate and distinct records for each series of interests and account for them separately and otherwise meet the requirements of the LLC Act, it is possible a court could conclude that the methods used did not satisfy Section 18-215(b) of the LLC Act and thus potentially expose the assets of the Series to the liabilities of another series of interests. The consequence of this is that Investors may have to bear higher than anticipated expenses which would adversely affect the value of their Interests or the likelihood of any distributions being made by the Series to the Investors. In addition, we are not aware of any court case that has tested the limitations on inter-series liability provided by Section 18-215(b) in federal bankruptcy courts and it is possible that a bankruptcy court could determine that the assets of one series of interests should be applied to meet the liabilities of the other series of interests or the liabilities of MountX generally where the assets of such other series of interests or of MountX generally are insufficient to meet our liabilities.

If any fees, costs and expenses of MountX are not allocable to a specific series of interests, they will be borne

proportionately across all of the series of interests. Although the Managing Member will allocate fees, costs and expenses acting reasonably and in accordance with its allocation policy (see “Description of Business—Allocations of Expenses”), there may be situations where it is difficult to allocate fees, costs and expenses to a specific series of interests and therefore, there is a risk that a series of interests may bear a proportion of the fees, costs and expenses for a service or product for which another series of interests received a disproportionately high benefit.

***If a Series cannot be treated as a corporation for tax purposes, Investors may be taxed as partners in a tax partnership.***

The rule that a separate series of a Series LLC is an eligible entity that may elect to be treated as a corporation for federal tax purposes is contained in proposed Treasury regulations not yet technically in force (Prop. Treas. Reg. section 301.7701-1(a)(5)) and could be subject to change if and when those regulations are issued in final form. If such a change were to occur, Investors in the Series would likely be treated as partners in a tax partnership and would be subject to current federal income tax on their proportional share of the income of the Series or of the Company.

***Potential breach of the security measures of the MountX website could have a material adverse effect on MountX, each series and the value of your investment.***

The highly automated nature of the MountX website through which potential investors acquire or transfer interests may make it an attractive target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. The MountX website processes certain confidential information about investors and the underlying assets. While we intend to take commercially reasonable measures to protect our confidential information and maintain appropriate cybersecurity, the security measures of the MountX website, MountX, the Managing Member or our service providers could be breached. Any accidental or willful security breaches or other unauthorized access to the MountX website could cause confidential information to be stolen and used for criminal purposes or have other harmful effects. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity, or loss of the proprietary nature of the Managing Member’s and MountX’s trade secrets. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in the MountX website software are exposed and exploited, the relationships between MountX, investors and users could be severely damaged, and MountX or the Managing Member could incur significant liability or have their attention significantly diverted from utilization of the underlying assets, which could have a material negative impact on the value of interests or the potential for distributions to be made on the interests.

Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, MountX, the third-party hosting used by the MountX website and other third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, federal regulators and many federal and state laws and regulations require companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause investors or service providers within the industry, including insurance companies, to lose confidence in the effectiveness of the secure nature of the MountX website. Any security breach, whether actual or perceived, would harm our reputation and the MountX website and we could lose investors. This would impair our ability to achieve our objectives of acquiring additional underlying assets through the issuance of further series of interests and monetizing them together with the Underlying Asset.

***The Managing Member may sell its interests post-final Closing which may result in a reduction in value of your interests if there are too many series interests available and not enough demand for those interests.***

The Managing Member may arrange for some of the interests that it may purchase in a specific series of interests to be sold in regulatory compliant resale transactions. There is a risk that this may result in too many interests being available for resale and the price of the relevant series of interests decreasing as supply outweighs demand.

***Non-compliance with regulations may result in the abrupt cessation of business operations, rescission of any contracts entered into, an early termination of any series of interests sold or, if MountX were deemed to be subject to the Investment Advisers Act, the liquidation and winding up of any series of interests sold.***

The Interests are being sold by the Managing Member, which is not a registered broker-dealer under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and which will not be registered in each state where the Offering and sale of the Interests will occur. If a regulatory authority determines that the Managing Member, who is not a registered broker-dealer under the Exchange Act or any state securities laws, has itself engaged in brokerage activities, the Managing Member may need to stop operating and, therefore, MountX may not have an entity managing the Underlying Asset. In addition, if the Managing Member is required to register as a “broker-dealer,” there is a risk that any series of interests offered and sold while the Managing Member was not registered may be subject to a right of rescission, which may result in the early termination of the Series.

Furthermore, MountX is not registered and will not be registered as an investment company under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and the Managing Member is not and will not be registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “**Investment Advisers Act**”), and thus

the Interests do not have the benefit of the protections of the Investment Company Act or the Investment Advisers Act. MountX and the Managing Member have taken the position that the underlying assets are not “securities” within the meaning of the of the Investment Company Act or the Investment Advisers Act, and thus MountX’s assets will comprise of less than 40% investment securities under the Investment Company Act and the Managing Member will not be advising with respect to securities under the Investment Advisers Act. This position, however, is based upon applicable case law that is inherently subject to judgments and interpretation. If MountX were to be required to register under the Investment Company Act or the Managing Member were to be required to register under the Investment Advisers Act, it could have a material and adverse impact on the results of operations and expenses of the Series or any other series of interests and the Managing Member may be forced to liquidate and wind up the Series or rescind the Offering of the Interests or the offering for any other series of interests.

***The Company will be raising funds in U.S. dollars and the investment will be made in Canadian dollars, which will subject the Company to the risks of changes to the USD-CAD exchange rate.***

MountX is raising funds in U.S. dollars and will be converting such funds into Canadian dollars in order to invest in the underlying asset. If you pay for the MXTs in U.S. dollars, the exchange rate used for conversion of your U.S. dollar payment into the Canadian dollars for purposes of purchasing the underlying asset and paying for certain expenses will be the rate received by the MountX at the time of such exchange. We cannot assure you that the exchange rate at which MountX exchanges US\$ for C\$ will be favorable to the MountX and if MountX is required to obtain additional loans as a result, the return on your investment could be negatively affected.

***Distributions upon disposition of the Underlying Asset and from rental income, if any, are exposed to currency exchange risk with respect to the Canadian dollar relative to the U.S. dollar.***

The sale price for the Underlying Asset and rental income, if any, will likely be received by MountX in Canadian dollars, but will be mandatorily converted and paid to you in USD at the CAD/USD exchange rate on or about the date of payment. A depreciation in the CAD relative to the USD on the final valuation date relative to its value at the time of your initial investment, would mean you may receive at maturity less, and possibly significantly less, than the USD amount of your initial investment in the MXTs. As a result of this currency exchange risk, you could lose some or a substantial portion of your investment.

### **Risks Related to the Real Estate Industry**

***The Series is expected to invest only in the Underlying Asset; therefore, your investment will not be diversified and will appreciate or depreciate based on the value of the Underlying Asset regardless of market conditions.***

It is not anticipated that the Series would own any assets other than the Underlying Asset, plus potential cash reserves for management fees, insurance and other expenses pertaining to the Underlying Asset and amounts earned by the Series from the monetization of the Underlying Asset, if any. Investors looking for diversification will have to create their own diversified portfolio by investing in other opportunities in addition to the Series.

***Each series of MountX is expected to invest in real estate property. If there is a downturn in this industry or the economy in general, then the value of the underlying assets is likely to decrease.***

Given the concentrated nature of the underlying assets (i.e., only real estate properties) any downturn in the real estate industry is likely to impact the value of the underlying assets, and consequently the value of the Interests. Furthermore, the value of such investment property may be impacted if an economic downturn occurs and there is less disposable income for individuals to invest in products such as real estate related securities. In the event of a downturn in the industry, the value of the underlying assets is likely to decrease.

***The geographic concentration of MountX's investment properties and fluctuations in local markets may adversely impact MountX's financial condition and results of operations.***

MountX will own a relatively small number of properties, located in a few geographic areas, principally, the Toronto, Ontario area. As a result of this geographic concentration, if a local investment property market performs poorly, the income from the investment property in that market could decrease. The performance of the economy in each of these areas affects occupancy, market rental rates and expenses, and consequently impacts the ability of MountX to resell its projects to third parties on a timely basis and at a profit. Accordingly, economic downturns in the local markets in which MountX owns investment properties could have a negative impact on MountX's cash flow and its ability to satisfy its financial obligations to Investors.

***If MountX invests in income-producing properties, it may be adversely affected by increases in real estate operating costs.***

Residential investment properties are subject to increases in operating expenses such as maintenance, insurance and administrative costs, and other general costs associated with security, landscaping, repairs and maintenance. If operating expenses increase, competition in the local rental markets may limit the extent to which rents may be increased to meet

increased expenses without decreasing occupancy rates, consequently impacting the ability of MountX to resell its properties to third parties on a timely basis and at a profit.

***Discovery of previously undetected environmentally hazardous conditions may adversely affect MountX's operating results.***

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or regulated substances on, under, in or about such property. The costs of investigation, removal or remediation of such substances could be substantial. Those laws may impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the substances.

Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and compliance with those restrictions may require substantial expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles govern the presence, maintenance, removal and disposal of certain building materials, including mold, asbestos and lead-based paint.

The cost of defending against such claims of liability, of compliance with environmental requirements, of remediating any contaminated property, or of paying personal injury claims could materially adversely affect MountX's business, assets or results of operations and, consequently, its ability to satisfy its financial obligations to MountX.

***There are inherent risks with real estate investments.***

Investments in real estate assets such as the MXT Series #1 are subject to varying degrees of risk, including:

- Delays in construction;
- Construction which is lower quality than anticipated;
- General economic conditions;
- Rising level of interest rates;
- Changes in senior management or key personnel;
- Costs of complying with changes in governmental regulations;
- Our inability to repay or refinance indebtedness we incur; and
- Natural disasters or similar events.

In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect us.

***Condemnation of Land***

The Property or a portion thereof could become subject to an eminent domain or inverse condemnation action. Any such action could have a material adverse effect on the value or marketability of the Property as well as the amount received on ultimate sale.

***Increases in Property Taxes***

Each Series of MountX will be subject to property taxes that may increase as tax rates change and as the asset is assessed or reassessed by taxing authorities. Failure to pay any taxes may result in a lien being placed on the asset and the asset may be subject to a tax sale.

***The costs of complying with environmental laws and other governmental laws and regulations may adversely affect us.***

We must comply with various federal, state and local laws and regulations relating to environmental protection and human health and safety. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, and the remediation of contamination associated with disposals. We also are required to comply with various local, state and federal fire, health, life-safety and similar regulations. Some of these laws and regulations may impose joint and several liability on owners or operators for the costs of investigating or remediating contaminated properties. These laws and regulations often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. The cost of removing or remediating could be substantial. In addition, the presence of these substances, or the failure to properly remediate these substances, may adversely affect our ability to rent units or sell the MXTs.

Environmental laws and regulations also may impose restrictions on the manner that we use or operate the asset. These restrictions may require us to make substantial expenditures. Environmental laws and regulations provide for sanctions in the

event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with exposure to released hazardous substances. Compliance with new or more stringent laws or regulations or stricter interpretations of existing laws may require material expenditures by us. For example, various federal, regional and state laws and regulations have been implemented or are under consideration to mitigate the effects of climate change caused by greenhouse gas emissions. Among other things, “green” building codes may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage and efficiency, and waste management. These requirements could increase the costs of maintaining or improving the asset.

### **Risks Related to the Underlying Asset**

***Potential damage to the Underlying Asset could adversely impact the value of the Underlying Asset, the Interests related to the Underlying Asset, or the likelihood of any distributions made by us to Investors.***

The Underlying Asset may be damaged by causes beyond our reasonable control. Any damage to the Underlying Asset, could adversely impact the value of the Underlying Asset or adversely increase the liabilities or Operating Expenses of its related Series. Although we intend for the Underlying Asset to be insured (subject to policy terms and conditions), in the event of any claims against such insurance policies, there can be no guarantee that any losses or costs will be reimbursed, that the Underlying Asset can be replaced on a like-for-like basis or that any insurance proceeds would be sufficient to pay the full market value (after paying for any outstanding liabilities including, but not limited to any outstanding balances under Operating Expenses Reimbursement Obligations), if any, of the Interests. In the event that damage is caused to the Underlying Asset, this will impact the value of the Underlying Asset, and consequently, the Interests related to the Underlying Asset, as well as the likelihood of any distributions being made by us to the Investors.

***We are subject to risks relating to development projects.***

Series #1 is investing, and other Series may invest, in development projects. Real estate development involves significant risks that could adversely affect the Series, including the following:

- the developer may not be able to complete construction on schedule;
- the developer may not have sufficient capital to proceed with the planned development activities;
- the developer may abandon development activities already underway; and
- the developer may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations.

If any of the foregoing occur, the value of the Series investment in the Underlying Asset may decline.

***Government regulations and legal challenges may delay the start or completion of the development of the Underlying Asset.***

Various governmental statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to and/or affect the real estate development industry. In addition, the ability of the developer to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond its control, such as changes in governmental policies, rules and regulations and their interpretations and application.

There is a variety of legislation being enacted, or considered for enactment, at all levels of government relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase the developer’s cost to construct buildings. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and become more costly to comply with. In addition, it is possible that some form of expanded energy efficiency legislation may be passed, which may, despite being phased in over time, significantly increase the costs of building for developers.

Any of the foregoing may result in an increase in the cost of development of or result in delays in completion of the Underlying Asset or another asset in which another Series may invest.

***Potential development and construction delays and resultant increased costs and risks may result in delays in realizing our investment in the Underlying Asset.***

The Underlying Asset is under construction. Investments in the Underlying Asset will be subject to the uncertainties

associated with the development and construction of real property, including those related to re-zoning land for development, environmental concerns of governmental entities and community groups and the builder's ability to build in conformity with plans, specifications, budgeted costs and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder's performance may also be affected or delayed by conditions beyond the builder's control. If our projections are inaccurate, we may pay too much for a property, and the return on our investment could suffer

***Potentially high maintenance and insurance costs for the underlying assets may adversely impact the value of the Interests and the amount of distributions made holders of Interests.***

In order to protect and care for the underlying assets that are completed, the Managing Member must ensure adequate maintenance work and insurance coverage. The cost of care may vary from year to year depending on the amount of maintenance performed on a particular underlying asset and changes in the insurance rates for covering the underlying assets. It is anticipated that as we acquire more underlying assets, the Managing Member may be able to negotiate a discount on the costs of maintenance and insurance due to economies of scale. These reductions are dependent on our acquiring a number of underlying assets and service providers being willing to negotiate volume discounts and, therefore, are not guaranteed.

If costs turn out to be higher than expected, this would impact the value of the Interests, the amount of distributions made to Investors holding the Interests, on potential proceeds from a sale of the Underlying Asset (if ever), and any capital proceeds returned to Investors after paying for any outstanding liabilities, including, but not limited to any outstanding balances under Operating Expenses Reimbursement Obligation.

***Restoration or repair of the Underlying Asset may result in a decrease in the value of the Underlying Asset.***

Although we do not intend to undertake restoration or repair of the Underlying Asset, there may be situations in the future that it is required to do so (e.g., due to natural wear and tear and through the use of such Underlying Asset). Where it does so, it will be dependent on the performance of third-party contractors and sub-contractors and may be exposed to the risks that a project will not be completed within budget, within the agreed timeframe or to the agreed specifications. While we will seek to mitigate our exposure by negotiating appropriate contracts, including appropriate warranty protection, any failure on the part of a contractor to perform its obligations could adversely impact the value of the Underlying Asset and therefore, the value of the Interests.

***Insurance may not cover all losses which may result in an operating loss and likelihood that distributions will not be made by us.***

Insurance of the Underlying Asset may not cover all losses. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, environmental considerations and other factors, including terrorism or acts of war, also might make insurance proceeds insufficient to repair or replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore our economic position with respect to any affected underlying assets. Furthermore, the series of interests related to such affected underlying assets would bear the expense of the payment of any deductible. Any uninsured loss could result in both the value of the affected underlying assets and, if applicable, loss of cash flow from and, consequently, the series of interests that relate to such underlying assets.

***We may be associated with third party liability and exposed to reputational harm as a result of wrongful actions by certain third parties.***

The Series will assume all of the ownership risks attached to its Underlying Asset, including third party liability risks. Therefore, the Series may be liable to a third party for any loss or damages incurred by it in connection with the Underlying Asset. This would be a loss to MountX and therefore deductible from any income or capital proceeds payable in respect of the Series from the Underlying Asset, in turn adversely affecting the value of the Series to which the Underlying Asset relates and the likelihood of any distributions being made by us.

***Title claims on an underlying asset may diminish value in the Underlying Asset as well as the Series that relate to the Underlying Asset.***

There is no guarantee that an underlying asset will be free of any claims regarding title, or that such claims may arise after acquisition of an underlying asset by a series of interests. We may not have complete ownership history for an underlying asset or a future underlying asset. In the event of a title claim against us, although we will have title insurance, we may not have recourse against seller of the asset and the value of the Underlying Asset and the Series, may be diminished.

***Forced sale of the Underlying Asset at a lower value than when the Underlying Asset was first acquired may diminish the value of the Series of Interests that relate to the Underlying Asset.***

We may be forced to sell the Underlying Asset (e.g., upon the bankruptcy of the Managing Member) and such a sale may

occur at an inopportune time or at a lower value than when the Underlying Asset was first acquired or at a lower price than the aggregate of costs, fees and expenses used to purchase the Underlying Asset. In addition, there may be liabilities related to the Underlying Asset, including, but not limited to Operating Expenses Reimbursement Obligations on the balance sheet of the Underlying Asset at the time of a forced sale, which would be paid off prior to Investors receiving any distributions from a sale. In such circumstances, the capital proceeds obtained for the Underlying Asset, and therefore, the return available to Investors, may be lower than could have been obtained if the Underlying Asset continued to be held by us and sold at a later date.

***Sale of the Underlying Asset prior to its completion may result in the Series of Interests that relate to the Underlying Asset receiving a lower price than the sale of completed asset.***

We intend to sell the Underlying Asset with respect to Series #1 prior to the completion and the date on which payment is due following completion of the property. Such a sale may occur at an inopportune time or at a lower value than when the Underlying Asset was first acquired or at a lower price that could otherwise be obtained. In addition, there may be liabilities related to the Underlying Asset on the balance sheet of the Underlying Asset at the time of a forced sale, which would be paid off prior to Investors receiving any distributions from a sale. In such circumstances, the capital proceeds obtained for the Underlying Asset, and therefore, the return available to Investors, may be lower than could have been obtained if the Underlying Asset continued to be held by us and sold at a later date.

### **Risks Related to Potential Conflicts of Interest**

***Our Operating Agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of the Managing Member.***

Our Operating Agreement provides that the Managing Member, in exercising its rights in its capacity as the manager, will be entitled to consider only such interests and factors as it desires, including its own interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any of our investors and will not be subject to any different standards imposed by our Operating Agreement, the LLC Act or under any other law, rule or regulation or in equity. These modifications of fiduciary duties are expressly permitted by Delaware law.

***We do not have a conflicts of interest policy.***

MountX, the Managing Member, and their affiliates will try to balance our interests with their own. However, to the extent that such parties take actions that are more favorable to other entities than Series #1, these actions could have a negative impact on our financial performance and, consequently, on distributions to Investors and the value of the Interests. MountX has not adopted, and does not intend to adopt in the future, either a conflicts of interest policy or a conflicts resolution policy.

***Conflicts may exist among the Managing Member and their respective employees or affiliates.***

The Managing Member will engage with, on behalf of MountX, a number of brokers, dealers, insurance companies, maintenance providers and other service providers and thus may receive in-kind discounts, for example, free servicing. In such circumstances, it is likely that these in-kind discounts may be retained for the benefit of the Managing Member and not particular series, apply disproportionately to other series of interests. The Managing Member may be incentivized to choose a broker or dealer based on the benefits it is to receive or all series of interests collectively are to receive rather than that which is best for the Series.

In the event that the Operating Expenses exceed the revenue from the Underlying Asset, if any, and any cash reserves, the Managing Member has the option to cause the Series to incur an Operating Expenses Reimbursement Obligation to cover such excess. As interest may be payable on such loan, the Managing Member may be incentivized to cause the Series to incur an Operating Expenses Reimbursement Obligation to pay Operating Expenses rather than look elsewhere for additional sources of income or to repay any outstanding Operating Expenses Reimbursement Obligation as soon as possible rather than make distributions to Investors.]

***Ownership of multiple series of interests may cause conflicts of interest.***

The Managing Member or its affiliates may acquire interests in each series of interests for their own accounts and may transfer these interests, either directly or through brokers, via the MountX website, or otherwise. Depending on the timing of the transfers, this could impact the interests held by the investors (e.g., driving price down because of supply and demand and over availability of interests). This ownership in each of the series of interests may result in a divergence of interests between the Managing Member and the investors who only hold one or certain series of interests (e.g., the Managing Member or its affiliates, once registered as a broker-dealer with the SEC, may disproportionately market or promote a certain series of interests, in particular, where they are a significant owner, so that there will be more demand and an increase in the price of such series of interests).

***Conflicts may arise from allocations of income and expenses as between series of interests.***

There may be situations when it is challenging or impossible to accurately allocate income, costs and expenses to a specific series of interests and certain series of interests may get a disproportionate percentage of the cost or income, as applicable. In such circumstances, the Managing Member would be conflicted between acting in the best interests of MountX as a whole or the individual series of interests. While we presently intend to allocate expenses as described in “Description of Business — Allocations of Expenses,” the Managing Member has the right to change this allocation policy at any time without further notice to Investors.

***There may be conflicting interests of the Managing Member and the Investors.***

The Managing Member will determine whether or not to liquidate the Underlying Asset, should an offer to acquire the whole Underlying Asset be received. As the Managing Member or its affiliates, if registered as a broker-dealer with the SEC, may receive fees on the trading volume in the interests connected with an underlying asset, they may be incentivized not to realize such underlying asset even though investors may prefer to receive the gains from any appreciation in value of such underlying asset. Furthermore, when determining to liquidate an underlying asset, the Managing Member will do so considering all of the circumstances at the time, this may include obtaining a price for an underlying asset that is in the best interests of a substantial majority but not all of the investors.

The Managing Member has the ability to unilaterally amend the Operating Agreement and allocation policy. As the Managing Member is party, or subject, to these documents, it may be incentivized to amend them in a manner that is beneficial to it as Managing Member of MountX or the Series or may amend it in a way that is not beneficial for all investors. In addition, the Operating Agreement seeks to limit the fiduciary duties that the Managing Member owes to its investors. Therefore, the Managing Member is permitted to act in its own best interests rather than the best interests of the investors. See “Securities Being Offered” for more information.

***Fees for arranging events or monetization in addition to the Management Fees may cause conflicts of interest.***

As the Managing Member may acquire a percentage of each series of interests, it may be incentivized to attempt to generate more earnings with those underlying assets owned by those series of interests in which it holds a greater stake. Any profits generated from the MountX website (e.g., through advertising) will be for the benefit of the Managing Member. In order to increase its revenue stream, the Managing Member may therefore be incentivized to issue additional series of interests and acquire more underlying assets rather than focus on monetizing any underlying assets already held by existing series of interests.

***Conflicts may exist between legal counsel, the Managing Member and MountX.***

The counsel of MountX is also counsel to the Managing Member and its affiliates, and may serve as counsel with respect to other series of interests. Because such legal counsel represents both MountX and such other parties, certain conflicts of interest exist and may arise. To the extent that an irreconcilable conflict develops between MountX and any of the other parties, legal counsel may represent such other parties and not MountX or the Series. Legal counsel may, in the future, render services to MountX or other related parties with respect to activities relating to MountX as well as other unrelated activities. Legal counsel is not representing any prospective Investors of the Series in connection with this Offering and will not be representing interest holders of MountX other than the Managing Member. Prospective Investors are advised to consult their own independent counsel with respect to the other legal and tax implications of an investment in the Interests.

***Risks Related to this Offering and Ownership of our Interests***

***Transfer restrictions imposed by our Operating Agreement may result in your not being able to sell your MXTs.***

The Interests represented by the MXTs are subject to restrictions on transferability. An Interest Holder may not transfer, assign or pledge its Interests without the consent of the Managing Member. The Managing Member may withhold consent in its sole discretion. As a result of these limitations, you may not be able to sell your MXTs when you want to, if at all.

***There is currently no public trading market for our securities.***

There is currently no public trading market for the Interests, and an active market may not develop or be sustained. If an active public trading market for the Interests does not develop or is not sustained, it may be difficult or impossible for you to resell your Interests at any price. Even if a public market does develop, the market price could decline below the amount you paid for your Interests.

***If a market ever develops for the Interests, the market price and trading volume of the Interests may be volatile.***

If a market develops for the Interests, the market price of the Interests could fluctuate significantly for many reasons, including reasons unrelated to our performance, the Underlying Asset<sup>23</sup> or the Series, such as reports by industry analysts, investor perceptions, or announcements by our competitors regarding their own performance, as well as general economic and industry

conditions.

In addition, fluctuations in operating results of a particular series of interest or the failure of operating results to meet the expectations of investors may negatively impact the price of our securities. Operating results may fluctuate in the future due to a variety of factors that could negatively affect revenues or expenses in any particular reporting period, including vulnerability of our business to a general economic downturn; changes in the laws that affect our operations; competition; compensation related expenses; application of accounting standards; seasonality; and our ability to obtain and maintain all necessary government certifications or licenses to conduct our business.

***There may be state law restrictions on an Investor's ability to sell the Interests making it difficult to transfer, sell or otherwise dispose of the Interests.***

Each state has its own securities laws, often called "blue sky" laws, which (1) limit sales of securities to a state's residents unless the securities are registered in that state or qualify for an exemption from registration and (2) govern the reporting requirements for broker-dealers and stock brokers doing business directly or indirectly in the state. Before a security is sold in a state, there must be a registration in place to cover the transaction, or it must be exempt from registration. Also, the broker must be registered in that state. We do not know whether the Interests will be registered, or exempt, under the laws of any states. A determination regarding registration will be made by the broker-dealers, if any, who agree to serve as the market-makers for the Interests. There may be significant state blue sky law restrictions on the ability of Investors to sell, and on purchasers to buy, the Interests. Investors should consider the resale market for the Interests to be limited. Investors may be unable to resell their Interests, or they may be unable to resell them without the significant expense of state registration or qualification.

***Investors lack voting rights and the Managing Member may take actions that are not in the best interests of Investors.***

The Managing Member has a unilateral ability to amend the Operating Agreement and the allocation policy in certain circumstances without the consent of the Investors, and the Investors only have limited voting rights in respect of the Series. Investors will therefore be subject to any amendments the Managing Member makes (if any) to the Operating Agreement and allocation policy and also any decision it takes in respect of MountX and the Series, which the Investors do not get a right to vote upon. Investors may not necessarily agree with such amendments or decisions and such amendments or decisions may not be in the best interests of all of the Investors as a whole but only a limited number.

Furthermore, the Managing Member can only be removed as Managing Member of MountX and as Managing Member of each series of interests in a very limited circumstance, following a non-appealable judgment of a court of competent jurisdiction to have committed fraud in connection with MountX or a series of interests. Investors would therefore not be able to remove the Managing Member merely because they did not agree, for example, with how the Managing Member was operating an underlying asset.

***This is a fixed price offering and the fixed Offering Price may not accurately represent the current value of MountX or our assets at any particular time. Therefore, the price you pay for the Interests may not be supported by the value of our assets at the time of your purchase.***

This is a fixed price offering, which means that the Offering Price for the Series #1 MXTs is fixed and will not vary based on the underlying value of our assets at any time. The Managing Member has determined the Offering Price in its sole discretion without the input of an investment bank or other third party. The fixed Offering Price for the Series #1 MXTs will be based on our assessment of the value of any assets we own or may own, or on the results of independent third-party appraisals which we may obtain. The fixed Offering Price established for the Series #1 MXTs, however, may not be supported by the current value of the Underlying Asset or our assets at any particular time.

***Possible changes in Federal/Local Tax Laws or the application of existing Federal/Local Tax Laws may result in significant variability in our results of operations and tax liability for the Investor.***

The Internal Revenue Code of 1986, as amended, is subject to change by Congress, and interpretations may be modified or affected by judicial decisions, by the Treasury Department through changes in regulations and by the Internal Revenue Service through its audit policy, announcements, and published and private rulings. Although significant changes to the tax laws historically have been given prospective application, no assurance can be given that any changes made in the tax law affecting an investment in any series of interest of MountX would be limited to prospective effect. Accordingly, the ultimate effect on an Investor's tax situation may be governed by laws, regulations or interpretations of laws or regulations which have not yet been proposed, passed or made, as the case may be. This analysis would apply as well to local property tax laws which are also subject to change on a periodic basis.

Furthermore, investors may reside in various tax jurisdictions throughout the world. To the extent that there are changes to tax laws or tax reporting obligations in any of these jurisdictions, such changes could adversely impact the ability and/or willingness of our clients to purchase interests in real estate property. Failure to assess or pay the correct amount of tax on a transaction may expose us to claims from tax authorities.

Furthermore, the Managing Member may reorganize or determine to change the tax status of MountX or a Series at any

time, including changing the tax status of a Series to a Real Estate Investment Trust (“REIT”). Such a change would have an impact as to how an investment would be treated for tax purposes.

### **Risks Related to Blockchain Technology, the Tezos Network, the Series #1 MXT, and Cryptocurrencies**

***The potential application of existing regulatory regimes governing blockchain technologies, cryptocurrencies, tokens, and token offerings such as the Series #1 MXT is not fully developed and so remains substantially uncertain in many respects. New regulations or policies may materially adversely affect the utility of Series #1 MXTs.***

Regulation of tokens (including Series #1 MXT) and token offerings such as this Offering, cryptocurrencies (such as BTC or ETH), financial intermediaries such as spot cryptocurrency exchanges, and blockchain networks (such as the Tezos Network on which the Series #1 MXTs are intended to be issued), currently is relatively undeveloped and is likely to rapidly evolve. Such regulation may vary and may conflict among international, federal, state and local jurisdictions and the potential applications of existing regulations remain subject to significant uncertainty in many respects. In addition, various legislative and executive bodies in the United States and other countries may in the future adopt new laws, regulations, guidance, or other actions (including applying existing laws and regulations in ways that are adverse), which may severely impact the ability to access marketplaces or exchanges on which to trade Series #1 MXTs, and the structure, rights, value and transferability of Series #1 MXTs. In addition, failure by us to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

***This Offering of Series #1 MXTs has been designed to comply with securities registration exemptions under U.S. federal law, and securities laws will limit the ability to resell Series #1 MXTs.***

This Offering has been structured in a manner designed to qualify for valid exemptions from registration under U.S. federal and state securities laws. Investors agree only to resell Series #1 MXTs in compliance with applicable securities laws and the restrictions on resale set forth in the subscription agreement and this Memorandum. In addition, no ATS or other exchange is currently committed to list Series #1 MXTs, and treatment of Series #1 MXTs as a security may limit or prevent their listing on certain exchanges in the future. Although we intend to list the MXTs on one or more ATSs or other exchanges, no assurance can be made that our attempts to list the Series #1 MXTs on any ATS or other exchange will be successful.

***The Company does not expect to have a cybersecurity audit performed on the MXY smart contract and holders of MXT could suffer losses if the MXT smart contract or the digital wallets in which the MXT are held are hacked.***

We do not expect to have a cybersecurity audit performed on the MXT smart contract. We believe that because all purchasers of the MXTs will be whitelisted and all transactions in the MXTs recorded, tracked, and reversible, the risk of loss from the possible hacking of a MXT smart contract or a digital wallet holding MXTs will be mitigated.

***If Series #1 MXTs are purchased using cryptocurrencies, our proceeds from this offering may be significantly reduced.***

We may allow investors to purchase Series #1 MXTs using BTC, ETH or other cryptocurrencies. We may need to convert the cryptocurrencies received from investors into U.S. dollars. It is expected that we shall use one or more digital currency exchanges or OTC desks for such conversions. Depending on the total sums of cryptocurrency received, the timing of our conversion of the cryptocurrency received and the liquidity of the applicable cryptocurrency markets, conversion may not be instantaneous. In such an event, we will be subject to risks related to fluctuations in the value of such cryptocurrency and U.S. dollars, as applicable, and may also be subject to fees from exchanges and intermediaries that vary with currency value and transaction volume, among other factors. Such risks and fluctuations could result in significantly lower proceeds to us in this Offering.

***The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, as well as blockchain-based assets such as BTC and ETH, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of Series #1 MXTs.***

The utilization and growth of the blockchain industry is subject to a high degree of uncertainty. The factors affecting the continuing utilization and further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth, or a decline, in the adoption and use of BTC or ETH and other blockchain assets as well as the decreasing use of blockchain technology;
- Government and quasi-government regulation of BTC or ETH and other blockchain assets and their use, or restrictions on, or regulation of access to and operation of blockchain networks (such as the Tezos

Network) or similar systems, including in jurisdictions outside the United States;

- The maintenance and development of the open-source software protocol of the Tezos Network;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using sovereign currencies (such as the U.S. dollar) or existing networks; or
- General economic conditions and the regulatory environment relating to cryptocurrencies.

The slowing or stopping of the development, general acceptance, adoption, and usage of blockchain networks (such as the Tezos Network) and blockchain assets may deter or delay the acceptance and adoption of the Series #1 MXTs.

***The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and Series #1 MXTs may also be subject to significant price volatility.***

The prices of blockchain assets such as BTC and ETH have historically been subject to dramatic fluctuations and are highly volatile, and the market price of Series #1 MXTs may also be highly volatile. Several factors may influence the market price of Series #1 MXTs, including, but not limited to:

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges, and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;
- Investors' expectations with respect to the rate of inflation;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of exchanges, such as an ATS or other exchange, on which Series #1 MXTs may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of exchanges on which Series #1 MXTs may be traded;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in Series #1 MXTs or other blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as Series #1 MXTs;
- The maintenance and development of the software protocol of the Tezos Network;
- Global or regional political, economic or financial events and situations; or
- Expectations among blockchain assets participants that the value of Series #1 MXTs or other blockchain assets will soon change.

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including Series #1 MXTs.

***Blockchain networks utilize code that is subject to change at any time. These changes may have unintended consequences for Series #1 MXTs.***

Series #1 MXTs are intended to be built on the Tezos blockchain (or similar) protocol as modified to meet transfer restriction requirements under applicable U.S. securities law. Changes, such as upgrades to Tezos's blockchain, may have unintended, adverse effects on all blockchains utilizing the Tezos tokens. This may adversely affect either the market value or the operational status of Series #1 MXTs.

Additionally, MountX, in its sole discretion may determine to issue the Series #1 MXTs on a blockchain other than Tezos,

which may adversely impact an investment in Series #1 MXTs.

***Only a few SEC-registered ATSs currently exist to trade blockchain-based security tokens; we may be unsuccessful in listing Series #1 MXTs on any ATS or, once listed, maintaining such listing; trading over a blockchain-capable ATS currently offers the only legal way to trade securities tokens such as Series #1 MXTs.***

Currently there are only a small number of SEC-registered ATSs which have the licenses and technological capabilities to permit the trading of securities tokens, such as the Series #1 MXTs. Because the Series #1 MXTs are intended to be issued on the Tezos blockchain, they currently cannot be traded using a conventional securities trading platform such as a national securities exchange (e.g., the New York Stock Exchange). However, because Series #1 MXTs are securities, they are not permitted to be traded on most spot cryptocurrency exchanges that are capable of handling blockchain assets (e.g., Coinbase), because most spot cryptocurrency exchanges are not registered with the SEC to offer trading securities. If we are unable to list on an SEC-registered ATS that is capable of handling blockchain tokens, our Series #1 MXTs may not legally be permitted to trade in the United States, which could result in a decrease in value of a Series #1 MXT.

***Banks and financial institutions may not provide banking services, or may cut off services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment.***

A number of companies that provide services relating to cryptocurrency or blockchain tokens (like the Series #1 MXTs) have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with cryptocurrencies and blockchain tokens may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions. Banks and other established financial institutions may refuse to process funds for cryptocurrency or blockchain token (including the Series #1 MXT) transactions, process wire transfers to or from cryptocurrency exchanges, cryptocurrency-related companies or service providers, or maintain accounts for persons or entities transacting in cryptocurrency.

***Cyber security threats could result in misappropriation, hacking, infection by malware, or other damage to Series #1 MXTs or the blockchain network on which it is issued which could adversely affect an investment in Series #1 MXTs.***

Security breaches, computer malware and computer hacking attacks have been a prevalent concern since the launch of blockchain networks. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and inadvertent or intentional infection by computer viruses, could harm or damage the software behind Series #1 MXTs, which are intended to use the Tezos blockchain, resulting in a loss of functionality, value, possession, or other damage to the holders of such Series #1 MXTs. Any breach of the software infrastructure supporting Series #1 MXTs could adversely affect an investment therein.

The security system and operational infrastructure supporting the Series #1 MXTs may be breached due to various causes, including, without limitation, the actions of outside parties, error or malfeasance of an employee or other third party service providers, or other reasons, and, as a result, an unauthorized party may obtain access to private keys, data, or the software infrastructure for the Series #1 MXTs, or BTC, ETH, or other cryptocurrencies. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of the security system or operational infrastructure supporting the Series #1 MXTs occurs, part or all of a tokenholder's Series #1 MXTs could be lost, stolen or destroyed, and the value of an investment in Series #1 MXTs may be adversely affect.

***Loss of private keys may render Series #1 MXTs worthless.***

If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, an investor will not be able to access the blockchain asset associated with the corresponding address. Any loss of private keys relating to digital wallets used to store Series #1 MXTs could result in an investor's complete loss of the Series #1 MXTs it holds.

***Smart contracts are subject to limitations.***

Smart contract technology is still in its early stages of development, and its application is experimental in nature. This carries significant operational, technological, regulatory, reputational, and financial risks. Smart contracts may not be fit for the purpose intended by Company and may contain flaws, vulnerabilities, or other issues, which may cause technical problems or the complete loss of Series #1 MXTs.

***Intellectual property rights claims may adversely affect the operation of blockchain networks.***

Third parties may assert intellectual property claims relating to the holding and transfer of blockchain tokens such as Series #1 MXTs, or BTC, ETH or other cryptocurrencies, and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Tezos Network's or the Series #1 MXTs' long-term viability or the ability of holders to hold and transfer Ether or Series #1 MXTs may adversely affect an investment

in the Series #1 MXTs, which are intended to use the Tezos blockchain. Additionally, a meritorious intellectual property claim could prevent us or our tokenholders from accessing the Tezos Network or Series #1 MXTs or holding or transferring their Ether or Series #1 MXTs. As a result, an intellectual property claim against us or against the Tezos Network could adversely affect an investment in the Series #1 MXTs.

## **PLAN OF DISTRIBUTION**

### **The Offering**

MountX is offering up to 390,000 Series #1 MXTs to persons who are “accredited investors” (as defined in Rule 501 under Regulation D promulgated under the Securities Act) in reliance upon Regulation D under the Securities Act, or in transactions outside the United States to persons who are not “U.S. Persons” (as defined in Regulation S under the Securities Act) pursuant to Regulation S under the Securities Act and who meet the other investor suitability standards established by MountX. In the future, MountX may offer Series #1 MXTs to persons who are not accredited investors under an exemption from the Securities Act.

The Offering Price of a Series #1 MXT is \$1.00 and the Offering Amount is \$390,000. Investors may purchase a minimum of one Series #1 MXTs.

The Offering began on April 1, 2021 and will last until the earlier of: (i) the date on which all the Maximum Offering Amount has been sold; (ii) the date on which the Managing Member terminates the Offering, or (iii) September 30, 2021 unless such date is extended by the Managing Member in its sole discretion for up to an additional 90 days. MountX may hold a series of Closings on a rolling basis as funds and investment documents are received. MountX reserves the right to terminate the Offering of the Series #1 MXTs at any time.

MountX will pay all of the expenses incurred in this Offering including fees to legal counsel, including fees for counsel or other advisors to the Investors and fees associated with the filing of a Form D sales report with the SEC and future blue-sky filings with state securities departments, as applicable. Any Investor desiring to engage separate legal counsel or other professional advisors in connection with this Offering will be responsible for the fees and costs of such separate representation.

### **Best Efforts Offering**

MountX has not engaged an underwriter for the Offering. No one has made a firm commitment to purchase or sell any Series #1 MXTs. As a “best efforts” offering, MountX cannot assure prospective Investors that MountX will sell any of the Series #1 MXTs. Investors have no right to obtain a return of their subscriptions unless MountX does not accept the subscription, or a Closing does not occur.

### **Rule 506(c) of Regulation D; Regulation S**

MountX is distributing this Memorandum and offering Series #1 MXTs in the U.S. pursuant to Rule 506(c) of Regulation D under the Securities Act. Accordingly, MountX may employ general solicitation and advertising in connection with the sale of the Series #1 MXTs.

All U.S. Investors who participate in the Offering must be accredited investors and we will take reasonable steps to verify that each Investor is accredited. Each Investor must provide any and all additional documentation that we may reasonably request, to confirm that the Investor meets any applicable minimum financial suitability standards. Investors will be asked or required to provide documentation to verify their accredited investor status. This documentation may be retained and reviewed by us and copies of this documentation may be provided to our affiliates. MountX may not accept an Investor’s subscription if the Investor is not able to provide documentation that is acceptable to MountX. For Investors in this Offering providing statements of assets to support accreditation via net worth, MountX may be required to run a credit score to determine a purchaser’s current offsetting liabilities.

MountX is also distributing this Memorandum and Offering Series #1 MXTs to prospective Investors who are not “U.S. persons,” as defined in Regulation S, in offshore transactions. Such non-U.S. Persons will be required to represent to MountX in writing that they are excluded from the Regulation S definition of “U.S. person” purchasing in an offshore transaction not for the account or benefit of a U.S. Person. They must also represent in writing that they are purchasing the Series #1 MXTs for their own account and not for the account of others and not with a view to reselling or distributing Series #1 MXTs.

### **Affiliates of MountX may Participate in the Offering**

MountX’s affiliates, including its officers, directors and significant interest owners, may purchase Series #1 MXTs in this Offering.

### **Investor Suitability Standards**

Only persons of adequate financial means who have no need for present liquidity with respect to this investment should consider purchasing the Series #1 MXTs offered hereby because: (i) an investment in the Series #1 MXTs involves a number of significant risks (See “Risk Factors”); and (ii) no market exists for the Series #1 MXTs and none is likely to develop in

the reasonably foreseeable future. This Offering is intended to be a private offering that is exempt from registration under the Securities Act and applicable state and foreign securities laws.

## **S. Purchaser Eligibility Requirements**

This Offering is limited in the U.S. solely to “accredited investors” as defined in Regulation D under the Securities Act, meaning only those persons or entities coming within any one or more of the following categories:

### For Individuals:

(a) an individual with a net worth<sup>1</sup>, or a joint net worth together with his or her spouse, in excess of \$1,000,000. (In calculating net worth, you may include equity in personal property and real estate (however, you cannot include your primary residence), cash, short term investments, stock and securities. Equity in personal property and real estate (excluding your primary residence) should be based on the fair market value of such property minus debt secured by such property.)

(b) an individual that had an individual income in excess of \$200,000 in each of the prior two years and reasonably expects an income in excess of \$200,000 in the current year. (In calculating net income, you may include earned income and other ordinary income, such as interest, dividends and royalties.)

(c) an individual that had with his/her spouse joint income in excess of \$300,000 in each of the prior two years and reasonably expects joint income in excess of \$300,000 in the current year. (In calculating net income, you may include earned income and other ordinary income, such as interest, dividends and royalties.)

(d) an individual holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status (currently includes solely holders in good standing of the Series 7, Series 65, and Series 82 licenses).

(e) an individual who is a “knowledgeable employee,” as defined in rule 3c-5(a)(4) under the Investment Company Act of 1940 of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of such act, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act;

### For Corporations, Partnerships and other Entities:

(a) an entity in which all of the equity owners are “accredited investors” because each equity owner meets one of the criteria set forth in paragraphs (a) through (c) in the Questionnaire for Individuals in Part B.1 of this Questionnaire above or paragraphs (b) through (p) below;

(b) a trust (other than an employee benefit or pension plan) with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring securities in connection with the proposed Investment, whose voting decision with respect to the proposed Investment would be directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the Investment and of the consideration that would be received in the Investment;

(c) any entity not formed for the specific purpose of acquiring securities in the Investment, with total assets in excess of \$5,000,000;

(d) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, not formed for the specific purpose of acquiring securities in the proposed Investment, with total assets in excess of \$5,000,000;

(e) a bank as defined in Section 3(a)(2) of the Act, whether acting in its individual or fiduciary capacity;

(f) a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in

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<sup>1</sup> The term “net worth” means the excess of total assets over total liabilities, exclusive of the value of your primary residence net of any mortgage debt and other liens. In determining income, you should add to your adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depreciation, contributions to an IRA or Keogh retirement plan, alimony payments and any amount by which income from long-term capital gains had been reduced in arriving at adjusted gross income.

its individual or fiduciary capacity;

(g) a broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended;

(h) an insurance company as defined in Section 2(13) of the Act;

(i) an investment company registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”);

(j) a business development company as defined in Section 2(a)(48) of the Investment Company Act;

(k) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(l) a 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, with total assets in excess of \$5,000,000;

(m) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), if the investment decision to vote in favor of an Investment is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

(n) an employee benefit plan within the meaning of ERISA with assets in excess of \$5,000,000;

(o) a self-directed employee benefit plan within the meaning of ERISA with investment decisions made solely by persons that are “accredited investors” as defined in Rule 501(a) of the Act; or

(p) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940

(q) a “family office,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 with assets under management in excess of \$5,000,000, that is not formed for the specific purpose of acquiring the securities offered, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; and

(r) a “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1)), of a family office meeting the requirements in paragraph (q) above and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (q) above.

As a U.S. person, you will be required to represent to the Series in writing that you are an accredited investor under Regulation D, as described above, and will be required to provide certain documentation in support of such representation. In addition to the foregoing requirement, you must also represent in writing that you are acquiring the Series #1 MXTs for your own account and not for the account of others and not with a view to resell or distribute such securities.

### **Non-U.S. Purchaser Eligibility Requirements**

Each Investor who is a Non-U.S. Person must represent in writing that it has satisfied and is in full observance of the laws of such Investor’s jurisdiction in connection with any invitation to purchase a Series #1 MXT, including:

(a) The legal requirements within the Investor’s jurisdiction for the purchase of Series #1 MXTs and the subsequent conversion in Series #1 MXTs;

(b) The purchase of Series #1 MXTs and subsequent ownership of Series #1 MXTs will not violate any applicable securities or other laws in the Investor’s jurisdiction;

(c) Any foreign exchange restrictions applicable to such purchase;

(d) Any governmental or other consents that may need to be obtained; and

(e) The income tax and other tax consequences, if any, that may be relevant to the purchase, holding, and sale of the Series #1 MXTs.

The following classes of Investors are specifically excluded from the Regulation S definition of “**U.S. Person**” by Rule 902(k)(2) under the Securities Act:

- Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a Non-U.S. person by a dealer or other personal fiduciary organized, incorporated, or (if an individual) resident in the United States;
- Any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (a) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and (b) the estate is governed by foreign law;
- Any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
- An employee benefit plan established and administered in accordance with the law of a country other than United States and customary practices and documentation of such country;
- An agency or branch of a U.S. Person located outside the United States if (a) the agency or branch operates for valid business reasons; and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

#### **Other Requirements**

In addition to submitting documentation to confirm their status as non “U.S. Persons,” all potential purchasers of the Series #1 MXTs will need to complete requisite know-your-customer and anti-money laundering procedures to execute a Subscription Agreement.

| <b>The USA PATRIOT Act</b>   | <b>What is money laundering?</b>  | <b>How big is the problem and why is it important?</b>  |
|--|---|---|
| The USA PATRIOT Act is designed to detect, deter and punish terrorists in the United States and abroad. The Act imposes anti- money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002, all United States brokerage firms have been required to have comprehensive anti-money laundering programs in effect. To help you understand these efforts, the Issuer wants to provide you with some information about money laundering and the Issuer’s efforts to help implement the USA PATRIOT Act. | Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering and terrorism. | The use of the United States financial system by criminals to facilitate terrorism or other crimes could taint its financial markets. According to the United States State Department, one recent estimate puts the amount of worldwide money laundering activity at \$1 trillion a year. |

Mount X reserves the right to request such information as is necessary to verify the identity of purchasers of the Series #1 MXTs, and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs or such information as may be required in order for MountX to discharge its obligations under Delaware law (including pursuant to the Proceeds of Crime Law (as revised)).

In the event of delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of the MXTs and the subscription monies relating thereto may be refused.

**Each Investor should check the Office of Foreign Assets Control (the “OFAC”) website at <http://www.treas.gov/ofac> before making the following representations:**

(i) the Investor represents that the amounts invested by it in this Offering were not and are not directly or indirectly derived from any activities that contravene Federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by the OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of the OFAC-prohibited countries, territories, individuals and entities can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by the OFAC (the “OFAC Programs”) prohibit dealing with individuals<sup>2</sup> or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list;

(ii) the Investor represents and warrants that none of: (1) the Investor; (2) any person controlling or controlled by the Investor; (3) if the Investor in a privately-held entity, any person having a beneficial interest in the Investor; or (4) any person for whom you are acting as agent or nominee in connection with this investment is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Issuer may not accept any subscription amounts from a prospective purchaser if such purchasers cannot make the representation set forth in the preceding sentence. The Investor will agree to promptly notify MountX should the Investor become aware of any change in the information set forth in any of these representations. The Investor is advised that, by law, MountX may be obligated to “freeze the account” of any purchaser, either by prohibiting additional subscriptions from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that MountX may also be required to report such action and to disclose such purchaser’s identity to the OFAC;

(iii) the Investor represent and warrant that none of: (1) the Investor; (2) any person controlling or controlled by the Investor; (3) if the Investor is a privately-held entity, any person having a beneficial interest in the Investor; or (4) any person for whom the Investor is acting as agent or nominee in connection with this investment is a senior foreign political figure<sup>3</sup>, or any immediate family<sup>4</sup> member or close associate<sup>5</sup> of a senior foreign political figure, as such terms are defined in the footnotes below; and

(iv) if the Investor is affiliated with a non-U.S. banking institution (a “**Foreign Bank**”), or if the Investor receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Investor represents and warrants to MountX that: (1) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

MountX is entitled to rely upon the accuracy of the Investors’ representations. MountX may, but under no circumstances will it be obligated to, require additional evidence that a prospective purchaser meets the standards set forth above at any time prior to its acceptance of a prospective purchaser’s subscription. The Investor is not obligated to supply any information so requested by MountX, but MountX may reject a subscription from you or any person who fails to supply such information.

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<sup>2</sup> These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

<sup>3</sup> A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure

<sup>4</sup> “immediate family” is defined as parents, siblings, spouse, children and in-laws.

<sup>5</sup> “close associate” shall mean a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

An investment in the Interests may involve significant risks. Only Investors who can bear the economic risk of the investment for an indefinite period of time and the loss of their entire investment should invest in the Interests. See “Risk Factors.”

## **Fees and Expenses**

### *Offering Expenses*

Each series of interests will generally be responsible for certain fees, costs and expenses incurred in connection with the offering of the interests associated with that series (the “**Offering Expenses**”). Offering Expenses consist of legal, accounting, compliance and marketing costs, as applicable, related to a specific offering (and excludes ongoing costs included in Operating Expenses). The Managing Member will be reimbursed for Offering Expenses incurred with respect to this Offering from the proceeds of the Offering.

### *Acquisition Expenses*

Each Series will incur costs and expenses in relation to the evaluation, discovery, investigation, repair and acquisition of the underlying asset related to such Series prior to a Closing, including brokerage and sales fees and commissions, appraisal fees, research fees, transfer taxes, third party industry and due diligence experts, bank fees and interest (if the underlying asset is acquired using debt prior to completion of an offering), travel and lodging for inspection purposes, and photography and videography expenses in order to prepare the profile for the underlying asset on the MountX website (the “**Acquisition Expenses**”). The Acquisition Expenses will be built into the Purchase Price of the Underlying Asset in each Series offering. The Series may incur, however, certain post-Closing acquisition related expenses such as property appraisal costs and title transfer costs.

### *Advisors/Brokers Fees*

MountX does not currently intend to engage advisors and brokers with respect to the Offerings hereunder. If MountX determines to engage advisors or brokers, information regarding the arrangements with such advisors or brokers will be provided in a supplement to this Memorandum.

## **Additional Information Regarding this Memorandum**

We have not authorized anyone to provide you with information other than as set forth in this Memorandum. Except as otherwise indicated, all information contained in this Memorandum is given as of the date of this Memorandum. Neither the delivery of this Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in our affairs since the date hereof.

From time to time, we may provide a “Memorandum Supplement” that may add, update or change information contained in this Memorandum. Any statement that we make in this Memorandum will be modified or superseded by any inconsistent statement made by us in a subsequent Memorandum Supplement. You should read this Memorandum and the related exhibits and any Memorandum Supplement.

## **How to Subscribe**

Potential Investors who are “accredited investors” or excluded from the Regulation S definition of “U.S. persons” may subscribe to purchase the Series #1 MXTs. Any potential Investor wishing to acquire the Series #1 MXTs must:

1. Carefully read this Memorandum, and any current supplement, as well as any documents described in the Memorandum and attached hereto or which you have requested. Consult with your tax, legal and financial advisors to determine whether an investment in the Interests is suitable for you.
2. Review the subscription agreement (including the “Accredited Investor Questionnaire” attached thereto), which was pre-populated following your completion of certain questions on the MountX website application and if the responses remain accurate and correct, sign the completed subscription agreement along with the related MountX Token LLC operating agreement member signature page using electronic signature. Additionally, you will need to provide entity information such as address and social security number or tax ID number to pass KYC (Know Your Customer) and AML (Anti Money Laundering) checks. Except as otherwise required by law, subscriptions may not be withdrawn or cancelled by subscribers.
3. If you are an Investor who is not a U.S. person and you will be purchasing Series #1 MountX pursuant to the securities registration exemption provided by Regulation S, you will be asked to make payment for your purchases of MXTs prior to the completion of the AML/KYC investor review process. For Investors who are U.S. persons and who will be purchasing Series #1 MXTs pursuant to the securities registration exemption provided by Regulation D, once the completed subscription agreement is signed and accreditation and KYC/AML steps are complete, you must follow the payment instructions provided with the subscription agreement to make payment to finalize your

purchase of the Series #1 MXTs. Funds collected from you as payment for the Series #1 MXTs will be transferred directly to a segregated Series bank account where they will be held until your subscription is either accepted or rejected.

4. The Managing Member will review the subscription documentation completed and signed by the Investor. The Investor may be asked to provide additional information. The Managing Member will contact you directly if required. We reserve the right to reject any subscriptions, in whole or in part, for any or no reason, and to withdraw the Offering at any time prior to a Closing.
5. Once the review is complete, the Managing Member will inform the Investor whether or not the application to subscribe for the Series #1 MXTs is approved or denied and if approved, the number of Series #1 MXTs the Investor is entitled to subscribe for. If the subscription is accepted, the subscription payment will then become available to the Series upon release from escrow when the offering is completed. If your subscription is rejected in whole or in part, then your subscription payments (being the entire amount if your application is rejected in whole or the payments associated with those subscriptions rejected in part), if any, will be refunded promptly, without interest or deduction. The Manager accepts subscriptions on a first-come, first served basis subject to the right to reject or reduce subscriptions.
6. If you make your subscription payment in BTC, ETH or other cryptocurrencies, your funds will be converted into U.S. dollars upon receipt. If your subscription is rejected, your subscription payment will be returned to you in the number of U.S. dollars received by the Series upon conversion of the original cryptocurrency payment.
7. If all or a part of your subscription is approved, then the number of Series #1 MXTs will be sold to you.

By executing the subscription agreement, you agree to be bound by the terms of the subscription agreement and Operating Agreement. MountX and the Managing Member will rely on the information you provide in the subscription agreement, including the “Accredited Investor Questionnaire” attached thereto and the supplemental information you provide in order for the Managing Member to verify your status as an “accredited investor.” If any information about your “accredited investor” status changes prior to you being issued the Series #1 MXTs, please notify the Managing Member immediately using the contact details set out in the subscription agreement.

For further information on the subscription process, please contact the Managing Member using the contact details set out in the “Where You Can Find Additional Information” section.

## USE OF PROCEEDS TO ISSUER

We estimate that the gross proceeds of this Offering will be approximately \$390,000, and will be used as follows:

| <b>Uses</b>   | <b>Dollar Amount</b> | <b>Percentage of Gross Cash</b> |
|---|----------------------|---------------------------------|
| Down Payment for Purchase Price of the Underlying Asset | \$328,419            | 84.21%                          |
| Offering Expenses <sup>(1)</sup>                        | \$20,670             | 5.30%                           |
| Management Fee <sup>(2)</sup>                           | \$17,550             | 4.50%                           |
| Marketing Expenses <sup>(3)</sup>                       | \$23,361             | 5.99%                           |
| <b>Total Fees and Expenses</b>                          | <b>\$61,581</b>      | <b>15.8%</b>                    |
| <b>Total Proceeds</b>                                   | <b>\$390,000</b>     | <b>100.00%</b>                  |

(1) The cost of legal, accounting and other advisors and consultants in respect of the offering.

(2) The cost of the management fee for the entire period until exit.

(3) Costs of marketing the Offering, including advertising and brokers.

The Underlying Asset is currently under construction and MountX has an offer to purchase the Apartment for CAD \$1,201,000 (or US \$938,341 based on the exchange rate as of December 11, 2020) (the “**Purchase Price**”). The remaining portion of the Purchase Price is payable upon completion of the Underlying Asset. The Series intends to sell the Underlying Asset prior to completion; provided, that if the Series is unable to do so, the Manager will arrange for a purchase of the rights.

If the Series does not raise sufficient funds in the Offering for the Apartment on or before September 30, 2021, the Offering shall be cancelled and any funds placed in escrow shall be returned.

Acquisition Expenses of Series #1 will be paid by the Series. See “Plan of Distribution—Fees and Expenses” for additional information.

The allocation of the net proceeds of this Offering set forth above represents our intentions based upon our current plans and assumptions regarding industry and general economic conditions, our future revenues, if any, and expenditures. The amounts and timing of our actual expenditures will depend upon numerous factors, including market conditions, cash generated by our operations, business developments, and related rate of growth. The Managing Member reserves the right to modify the use of proceeds based on the factors set forth above. Neither MountX nor the Series is expected to keep any of the proceeds from the Offering.

## DESCRIPTION OF BUSINESS

### Overview

MountX US LLC has created a system for tokenizing real property in the United States and worldwide that allows a token holder to purchase and retain all economic and legal rights and protections that are provided by traditional ownership of real estate. This system utilizes a series Delaware limited liability company, or LLC, as an intermediary entity between a token-owning individual and a piece of real estate property. Ownership of a series of the LLC, or Series, is divided into membership interests, or Interests, and the Interests are represented by the same number of unique cryptographic digital tokens, or MXTs, on the Tezos blockchain (or another blockchain determined by the Managing Member). As digital representations of Interests, the MXTs embody the legal characteristics of the Interests and carry all of the rights and obligations associated with the Interests. The MXTs, like the Interests, are securities for purposes of U.S. securities laws and they are designed to be compliant with U.S. federal and state applicable securities laws and regulations. See “Securities Being Offered – The MXTs” for further details.

Each Series of the LLC will purchase and own one or more similar real property assets. Ownership of any or all of the MXTs of a particular Series gives an individual ownership and governing rights over the Series which has issued the MXTs and, therefore, over the discrete property owned by the Series. Because the sole purpose of a Series is to own one or more similar real property assets, ownership of all of the MXTs issued by a Series is effectively ownership of the property held by that Series. Through the services of a property management company, the Series, and the real property asset that it holds, can be managed and maintained with little-to-no engagement from any MXT holding individuals, while the MXT holding individuals themselves retain full economic rights in the property.

Initially, MountX will focus on the purchase by each series of either condominium apartments that are in development or apartments that are income-producing in the Greater Toronto Area or such other area determined by the Managing Member. The apartments that are in development will be the subject of a contract under which the Series would pay the down payment and then complete the payment upon handover of the property. Rents from tenants in rental properties will be collected by a third-party property management service under the direction of the Managing Member.

### Market Opportunity

Despite the COVID-19 pandemic, the Greater Toronto Area (the “GTA”) real estate market continued to experience robust activity throughout 2020, as the latest numbers reveal the strong annual sales and price growth year to date, although condominium sales trailed behind. According to the latest data from the Toronto Regional Real Estate Board, home sales in the GTA soared 24.3% from November 2019 with a total of 8,766 transactions. The average home price also saw an aggressive uptick, increasing 13.3% to \$955,615 across the region. For both measures, it was the largest increase in the pace of growth experienced in 2019. Meanwhile, the number of new listings continued to drop by 6% putting increased pressure on a growing supply and demand gap. This is resulting in a faster pace of price growth, as well as greater competition among home buyers, leading to more instances of bidding wars and aggressive offer making. While condominium sales have been flat during 2020, the continuing support of the market is indicative of a return to growth with the return of tourism following the pandemic.

Real estate conditions for the GTA as a whole can be classified as a sellers’ market with a sales to new listings ratio of 81%, indicating just under 20% of all new listed homes remained on the market by the end of the month. This ratio, which measures the level of competition among buyers, is calculated by dividing the number of sales by the number of new listings over the course of the month. A ratio between 40 60% indicates a balanced market, while below and above that threshold indicate buyers’ and sellers’ markets, respectively.

The record pace of home sales in the fall continued with 8,766 sales reported in November 2020 by Greater Toronto Area REALTORS® through the Toronto Regional Real Estate Board’s (TRREB) MLS® System. This result was up by 24.3 per cent compared to November of last year. Generally speaking, year-over-year growth in sales was stronger for single-family homes in the GTA regions surrounding the City of Toronto, but annual single-family growth rates remained robust in the ‘416’ area code as well. The MLS® HPI Composite Benchmark was up by 10.6 per cent in November 2020 compared to November 2019. The average selling price for all home types combined was up by 13.3 per cent to \$955,615. Market conditions tightened in many single-family market segments in November, resulting in double-digit year-over-year increases in average selling prices for detached houses, semi-detached houses and townhouses. In contrast to the single-family market segments, buyers continued to benefit from much more choice in the condominium apartment market compared to last year, particularly in the City of Toronto. The number of new condominium apartment listings in November was almost double that reported in November of last year. More options in the condo apartment market translated into a small year-over-year decline in the average condominium apartment selling price in the ‘416’ area code. The report indicates that the condominium apartment market has more balanced than in previous years, with some buyers benefitting from lower selling prices compared to last year, however, the TRREB report indicates that the TRREB believes that this

is short-term and longer term, post-COVID, there will be increases in demand and prices will increase.

## **The Underlying Asset**

### ***The Asset***

The Series will enter into a purchase agreement with respect to the Underlying Asset concurrently with or immediately prior to the commencement of the Offering. The description and specifications of the Underlying Asset are set forth below.

The real property asset to be associated with Series #1 is a two bedroom condominium apartment located in the West Tower of the Concord Canada House Project in Toronto, Canada. The Concord Canada House Project is a new condominium development by Concord Adex located at Front St and Spadina Ave in downtown Toronto. The Apartments are part of the Concord City Place, which has 45 acres of space including residential units, retail, offices, and parks.

In the event that the Apartment, as referred to above, is no longer available for purchase upon the completion of the Offering, the Managing Member, in its discretion, may purchase a similar apartment at a price that is equal to or less than the Purchase Price and the terms Apartment and Underlying Asset shall refer such similar apartment.

## **Our Managing Member**

The Operating Agreement designates the Managing Member as the managing member of MountX. If the Managing Member decides to submit a matter to vote of the Interest Holders, the Managing Member will generally not be entitled to participate in the votes. The Managing Member will not have any distribution, redemption, conversion or liquidation rights by virtue of its status as the Managing Member.

In the event the Managing Member resigns as managing member of MountX, the holders of a majority of all interests of MountX may elect a successor managing member. Holders of interests in each series of MountX have the right to remove the Managing Member as Managing Member of the series, by a vote of two-thirds of the holders of all interests in each series of MountX (excluding the Managing Member), in the event the Managing Member is found by a non-appealable judgment of a court of competent jurisdiction to have committed fraud in connection with a series of interests or MountX. If so convicted, the Managing Member shall call a meeting of all of the holders of the series within 30 calendar days of such non-appealable judgment at which the holders may vote to remove the Managing Member as Managing Member of the series. If the Managing Member fails to call such a meeting, any interest holder will have the authority to call such a meeting. In the event of its removal from a series, the Managing Member shall be entitled to receive all amounts that have accrued and are due and payable to it. If the holders vote to terminate and dissolve the series, the liquidation provisions of the Operating Agreement shall apply (as described in “Securities Being Offered—Liquidation Rights”).

See “Directors, Executive Officers and Significant Employees” for additional information regarding the Managing Member.

## **Operating Expenses**

Upon the initial Closing, the Series will be responsible for the following Operating Expenses:

- any and all fees, costs and expenses incurred in connection with the management of an Underlying Asset, including real estate taxes, security, Home Ownership Association fees, valuation, income taxes, marketing, security, maintenance and utilization of the Underlying Asset;
- any fees, costs and expenses incurred in connection with preparing any reports and accounts of each Series, including any blue sky filings required in order for a Series to be made available to investors in certain states and any annual audit of the accounts of such Series (if applicable);
- any and all insurance premiums or expenses, including directors and officers insurance of the directors and officers of the Managing Member or a Property Manager, in connection with the Underlying Asset;
- any withholding or transfer taxes imposed on the Company or a Series or any of the Members as a result of its or their earnings, investments or withdrawals;
- any governmental fees imposed on the capital of the Company or a Series or incurred in connection with compliance with applicable regulatory requirements;
- any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the the Series or a Property Manager in connection with the affairs of the Series;
- the fees and expenses of any administrator, if any, engaged to provide administrative services to a Series;
- any fees, costs and expenses of a third-party registrar and transfer agent appointed by the Managing Member in connection with a Series;

- the cost of any audit of the Series annual financial statements, the fees, costs and expenses incurred in connection with making of any tax filings on behalf of the Series and circulation of reports to Members;
- the fees and expenses of the Series' counsel in connection with advice directly relating to the Series' legal affairs;
- the costs of any other outside appraisers, valuation firms, accountants, attorneys or other experts or consultants engaged by the Managing Member in connection with the operations of the Series; and
- any similar expenses that may be determined to be Operating Expenses, as determined by the Managing Member in its reasonable discretion.

The Managing Member has agreed to pay and to be reimbursed for Operating Expenses incurred prior to the initial Closing. The Managing Member will bear its own expenses of an ordinary nature, including, all costs and expenses on account of rent, supplies, secretarial expenses, stationery, charges for furniture, fixtures and equipment, payroll taxes, remuneration and expenses paid to employees and utilities expenditures.

If the Operating Expenses cannot be covered by any Operating Expense reserves on the balance sheet of the Underlying Asset, the Managing Member may (a) pay such Operating Expenses and seek reimbursement, (b) loan the amount of the Operating Expenses to the Series, on which the Managing Member may impose a reasonable rate of interest, and be entitled to the Operating Expenses Reimbursement Obligations, and/or (c) cause additional Interests to be issued in the Series in order to cover such additional amounts.

### **Limits to Liability; Indemnification of the Managing Member**

The Operating Agreement provides that none of any person who is or was an officer of MountX or associated with a Series, any person who is or was a Managing Member or liquidator, together with its officers, directors, members, shareholders, employees, managers, partners, controlling persons, agents or independent contractors, or any person who is or was acting at the request of MountX in certain capacities with respect to other entities (collectively, the “Indemnified Parties”) will be liable to MountX, or any Series for any acts or omissions by any of the Indemnified Parties arising from the exercise of their rights or performance of their duties and obligations in connection with MountX or any Series, the Operating Agreement or any investment made or held by MountX or any Series, including with respect to any acts or omissions made while serving at the request of MountX or on behalf of any Series as an officer, director, member, partner, fiduciary or trustee of another Person, other than such acts or omissions that have been determined in a final, non-appealable decision of a court of competent jurisdiction to constitute fraud, willful misconduct or gross negligence.

The Company and, to the extent liabilities are associated with any Series, each such series in each case, to the fullest extent permitted by law, will indemnify the Indemnified Parties out of its assets against all liabilities and losses (including amounts paid in respect of judgments, fines, penalties or settlement of litigation, including legal fees and expenses) to which they become subject arising from the performance of any of their duties or obligations in connection with their service to Mount or each such Series or the Operating Agreement, or any investment made or held by the Company, each such Series, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such Person may hereafter be made party by reason of being or having been a manager of the Company or such Series under Delaware law, an officer of the Company or associated with such Series, or an officer, director, member, partner, fiduciary or trustee of another person; provided that this indemnification shall not cover expenses and liabilities that arise out of the acts or omissions of any Indemnified Party that have been determined in a final, non appealable decision of a court, arbitrator or other tribunal of competent jurisdiction to have resulted primarily from such Indemnified Persons fraud, willful misconduct or gross negligence.

### **Management Fees**

As consideration for managing the Series investment in the Underlying Asset, including monitoring the development of the Underlying Asset, the Managing Member will be paid a cash fee pursuant equal to 4.50% of the amount raised with respect to the Underlying Asset.

### **Asset Disposition Fee**

Upon a successful disposition of the Underlying Asset, with respect to Series #1, the Managing Member will receive 10.0% of the gross proceeds from the sale of the Underlying Asset upon its disposition by the Series.

### **Employees**

The Managing Member is owned and controlled by Operadora MountX Real Estate Capital, SAPI de CV, a Mexican company (“**MountX Mexico**”). MountX Mexico has 4 employees and 4 consultants.

### **Allocations of Expenses**

To the extent relevant, Offering Expenses, Acquisition Expenses, Operating Expenses, revenue generated from underlying assets and any indemnification payments made by the Managing Member will be allocated among the various Series interests in accordance with the Managing Member's allocation policy set forth below. The allocation policy requires the Managing Member to allocate items that are allocable to a specific Series to be borne by, or distributed to (as applicable), the applicable Series of interests. If, however, an item is not allocable to a specific Series but to MountX in general, it will be allocated pro rata based on the value of underlying assets or the number of interests, as reasonably determined by the Managing Member or as otherwise set forth in the allocation policy. By way of example, as of the date hereof it is anticipated that revenues and expenses will be allocated as follows:

| <b>Revenue or</b>        | <b>Details</b>   | <b>Allocation Policy (if revenue or expense is not clearly allocable to a specific</b>                        |
|--------------------------|--|---|
| <i>Revenue</i>           | MXT that has monthly Rental Income from the Underlying                                     | Allocable directly to the applicable underlying asset   |
| <i>Acquisition</i>       | Appraisal and valuation fees (if incurred pre-Closing)                                     | Not allocable; to be borne by the seller of the underlying assets   |
|                          | Appraisal and valuation fees (if incurred post-Closing)                                    | Allocable directly to the applicable underlying asset   |
| <i>Offering Expenses</i> | Legal expenses related to the preparation of regulatory documentation (offering materials) | Allocable to the applicable underlying asset, Managing Member to be reimbursed upon completion of an offering |
|                          | Audit and accounting work related to the regulatory paperwork or a                         | Allocable directly to the applicable underlying asset   |
|                          | Insurance of Underlying Asset as at time of acquisition                                    | Allocable directly to the applicable underlying asset   |
| <i>Operating Expense</i> | Property Management Fees   | Allocable directly to the applicable underlying   |
|                          | Audit and accounting work related to the regulatory paperwork or a                         | Allocable pro rata to the number of underlying assets   |
|                          | Security (e.g., surveillance and   | Allocable pro rata to the value of each underlying  |
|                          | Insurance  | Allocable directly to the applicable underlying   |
|                          | Maintenance  | Allocable directly to the applicable underlying   |
|                          | Audit, accounting and bookkeeping related to the reporting requirements of a Series        | Allocable pro rata to the number of underlying assets   |
| <i>Indemnification</i>   | Indemnification payments under the Operating Agreement                                     | Allocable pro rata to the value of each underlying asset  |

Notwithstanding the foregoing, the Managing Member may revise and update the allocation policy from time to time in its reasonable discretion without further notice to the Investors.

## **DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES**

### **The Managing Member**

MountX operates under the direction of the Managing Member, which is responsible for directing the operations of our business, directing our day-to-day affairs, and implementing our investment strategy. The Managing Member will make decisions with respect to all asset acquisitions and dispositions. The Managing Member and its officers and directors are not required to devote all of their time to our business and are only required to devote such time to our affairs as their duties require. The Managing Member is responsible for determining how to monetize the underlying assets in order to generate profits and evaluating potential sale offers, which may lead to the liquidation of the underlying asset or other series as the case may be.

MountX will follow guidelines adopted by the Managing Member and implement policies set forth in the Operating Agreement unless otherwise modified by the Managing Member. The Managing Member may establish further written policies and will monitor our administrative procedures, investment operations and performance to ensure that the policies are fulfilled. The Managing Member may change our objectives at any time without approval of our interest holders. The Managing Member itself has no track record and is relying on the track record of its individual officers, directors and advisors.

The Managing Member performs its duties and responsibilities pursuant to the Operating Agreement. The Managing

Member maintains a contractual, as opposed to a fiduciary relationship, with us and our interest holders. Furthermore, we have agreed to limit the liability of the Managing Member and to indemnify the Managing Member against certain liabilities.

The responsibilities of the Managing Member with respect to MountX include the following:

*Asset Sourcing and Disposition Services*

- define and oversee the overall underlying asset sourcing and disposition strategy;
- manage our asset sourcing activities including, creating the asset acquisition policy, organizing and evaluating due diligence for specific asset acquisition opportunities, and structuring partnerships with collectors, brokers and dealers who may provide opportunities to source quality assets;
- negotiate and structure the terms and conditions of acquisitions of assets with sellers of assets;
- evaluate any potential asset takeover offers from third parties, which may result in asset dispositions, sales or other liquidity transactions;
- structure and negotiate the terms and conditions of transactions pursuant to which underlying assets may be sold or otherwise disposed;

*Services in Connection with an Offering*

- create and manage all series of interest for offerings related to underlying assets on the MountX Website;
- develop offering materials, including the determination of its specific terms and structure and description of the underlying assets;
- prepare all marketing materials related to offerings;
- coordinate the receipt, collection, processing and acceptance of subscription agreements and other administrative support functions;
- create and implement various technology services, transactional services, and electronic communications related to any offerings;
- all other necessary offering related services;

*Asset Monetization Services*

- approve potential activities and joint ventures, limited partnerships and other such relationships with third parties related to asset monetization;

*Interest Holder Relationship Services*

- provide any appropriate updates related to underlying assets or offerings electronically or through the MountX Website;
- manage communications with interest holders, including answering e-mails, preparing and sending written and electronic reports and other communications;
- establish or procure technology infrastructure to assist in providing Interest Holder support and services;
- determine our distribution policy and determine amounts of and authorize distributions from time to time;
- maintain funds in deposit accounts or investment accounts for the benefit of a series;

*Administrative Services*

- manage and perform the various administrative functions necessary for our day-to-day operations;
- provide financial and operational planning services and collection management functions including determination, administration and servicing of any Operating Expenses Reimbursement Obligation made to MountX or any series by the Managing Member and cover any Operating Expense shortfalls;
- maintain all appropriate books and records for MountX and all the series of interests;

- oversee tax and compliance services and risk management services and coordinate with appropriate third parties, including independent accountants and other consultants, on related tax matters;
- supervise the performance of such ministerial and administrative functions as may be necessary in connection with our daily operations;
- provide all necessary cash management services;
- manage and coordinate with the transfer agent, if any, the process of making distributions and payments to interest holders or the transfer or re-sale of securities as may be permitted by law;
- evaluate and obtain adequate insurance coverage for the underlying assets based upon risk management determinations;
- provide timely updates related to the overall regulatory environment affecting MountX, as well as managing compliance with regulatory matters;
- evaluate our corporate governance structure and appropriate policies and procedures related thereto; and
- oversee all reporting, record keeping, internal controls and similar matters in a manner to allow us to comply with applicable law.

### **Directors, Executive Officers and Key Employees of the Managing Member**

The following table sets forth the name and position of each of the current executive officers and directors of the Managing Member.

| <b>Name</b>    | <b>Position</b>                      | <b>Age</b> |  |  |
|----------------|--------------------------------------|------------|--|--|
| Enrique Suarez | Chief Executive Officer and Director | 42         |  |  |
| Rony Matalof   | Chief Operating Officer and Director | 42         |  |  |

### **Officers and Directors of the Managing Member**

Enrique Suarez has been the co-founder and CEO of MountX Real Estate Capital since 2019. From 2014, he served in various roles with Leviton Mexico, including Commercial Director from 2017 to 2020. Prior to Leviton, from 2010 to 2014, he served as Commercial Manager of Electrodo Infra. From 2005 to 2010, he was the CEO and Founder of Carre International, based in Miami. Prior to 2005, he served as Sales Manager for Distribuidora de Aceros Coacalco. Enrique has a degree in business administration from Universidad Iberoamericana, a degree in international business from Harvard Extension School and a MBA from Universidad Antonio de Nebrija.

Rony Matalof has been the co-founder and COO of MountX Real Estate Capital since 2019. Since 2003, Rony has been the co-founders and director of Matfink Comunicaciones. Rony has a degree in business from Tel Aviv University, a degree in business administration from Universidad Iberoamericana and a degree from IPADE Business School.

Other than discussed herein, there are no family relationships between any director, executive officer, person nominated or chosen to become a director or executive officer or any significant employee of the Managing Member.

To the best of our knowledge, none of our directors or executive officers of the Managing Member has, during the past five years:

- been convicted in a criminal proceeding (excluding traffic violations and other minor offences); or
- had any petition under the federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing.

### **COMPENSATION OF MANAGING MEMBER AND AFFILIATES**

#### **Compensation of Executive Officers**

We do not currently have any employees nor do we currently intend to hire any employees who will be compensated directly by MountX. Each of the executive officers of the Managing Member manage our day-to-day affairs, oversee the review, selection and recommendation of investment opportunities, service acquired investments and monitor the performance of these investments to ensure that they are consistent with our investment objectives. Each of these individuals may receive compensation for his or her services, including services performed for us on behalf of the Managing Member, from the Managing Member. Although we may indirectly bear some of the costs of the compensation paid to these individuals, through fees we pay to the Managing Member, we do not intend to pay any compensation directly to these individuals.

### **Compensation of Managing Member**

The Managing Member, as Manager of the Series, will receive 4.50% of the gross proceeds of the offering for managing the development process. In addition, the Managing Member will receive 10.0% of the gross proceeds from the sale of the Underlying Asset upon its disposition by the Series. The Managing Member will also be reimbursed for costs incurred relating to this and other offerings (e.g., Offering Expenses). See “Description of Business—Management Fees” for additional information regarding the Management Fees. Neither the Managing Member nor its affiliates will receive any selling commissions or placement fees in connection with the offer and sale of the Interests.

### **INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS**

Since inception there have not been any transactions and there is no currently proposed transaction, in which we were or are to be a participant and the amount involved exceeded or exceeds \$50,000, and in which any related person had or will have a direct or indirect material interest (other than compensation described under “Compensation of Directors and Executive Officers”). We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm’s-length transactions.

Enrique Suarez or an affiliate may, in the future, be the owner of other real properties that are sold to future Series of MountX.

### **SECURITIES BEING OFFERED**

*The following is a summary of the principal terms of the Series, and is qualified by reference to, the Operating Agreement, attached hereto as Exhibit A, the Series Designation, attached hereto as Exhibit B, and the subscription agreement, attached hereto as Exhibit C, relating to the purchase of the Series #1 MXTs. This summary is qualified in its entirety by reference to the detailed provisions of those agreements, which should be reviewed in their entirety by each prospective Investor. In the event that the provisions of this summary differ from the provisions of the Operating Agreement or the subscription agreement (as applicable), the provisions of the Operating Agreement or the subscription agreement (as applicable) shall apply. Capitalized terms used in this summary that are not defined herein shall have the meanings ascribed thereto in the Operating Agreement.*

### **Description of the Interests**

MountX is a series limited liability company formed pursuant to Section 18-215 of the LLC Act. The purchase of the Interests is an investment only in the Series and not an investment in MountX as a whole. In accordance with the LLC Act, the Interests are, and any other series of interests if issued in the future will be, a separate series of limited liability company interests of MountX and not in a separate legal entity, although for purposes of accounting, taxation and liability, each Series is treated as a single legal entity. MountX has not issued, and will not issue, any class of series interests entitled to any preemptive, preferential or other rights that are not otherwise available to the Interest Holders purchasing Interest in connection with this Offering.

Title to the underlying assets will be held by, or for the benefit of, the applicable series of interests. We intend that each series of interests will own its own underlying asset or assets, which will be a single real estate property or multiple real estate properties. We do not anticipate that the Series will acquire any other real estate properties other than the Underlying Asset. A new series of interests will be issued for each future real estate asset to be acquired by MountX. An Investor who invests in this Offering will not have any indirect interest in any asset other than the Underlying Asset unless the investor also participates in a separate offering associated with that other underlying asset.

Section 18-215(b) of the LLC Act provides that, if certain conditions are met (including that certain provisions are in the formation and governing documents of the series limited liability company, and if the records maintained for any such series account for the assets associated with such series separately from the assets of the limited liability company, or any other series), then the debts, liabilities, obligations and expenses incurred, contracted for or

otherwise existing with respect to a particular series shall be enforceable only against the assets of such series and not against the assets of the limited liability company generally or any other series. Accordingly, MountX expects the Managing Member to maintain separate, distinct records for each series and its associated assets and liabilities. As such, the assets of a series include only the real estate property associated with that series and other related assets (e.g., cash reserves). As noted in the “Risk Factors” section, the limitations on inter-series liability provided by Section 18-215(b) have never been tested in federal bankruptcy courts and it is possible that a bankruptcy court could determine that the assets of one series of interests should be applied to meet the liabilities of the other series of interests or the liabilities of MountX generally where the assets of such other series of interests or of MountX generally are insufficient to meet MountX’s liabilities.

Section 18-215(c) of the LLC Act provides that a series of interests established in accordance with Section 18-215(b) may carry on any lawful business, purpose or activity, other than the business of banking, and has the power and capacity to, in its own name, contract, hold title to assets (including real, personal and intangible property), grant liens and security interests, and sue and be sued. MountX intends for each series of interests to conduct its business and enter into contracts in its own name to the extent such activities are undertaken with respect to a particular series and title to the relevant underlying asset will be held by, or for the benefit of, the relevant series.

All of the Interests offered by this Memorandum will be duly authorized and validly issued. Upon payment in full of the consideration payable with respect to the Interests, as determined by the Managing Member, the Interest Holders will not be liable to MountX to make any additional capital contributions with respect to the Series (except for the return of distributions under certain circumstances as required by Sections 18-215, 18-607 and 18-804 of the LLC Act). Holders of the Interests have no conversion, exchange, sinking fund, redemption or appraisal rights, no pre-emptive rights to subscribe for any Interests and no preferential rights to distributions.

In general, the Interest Holders (which may include the Managing Member and its affiliates) will not receive any dividends from the assets of the Series, but to the extent that there is Free Cash Flow, the Interest Holders will participate exclusively in 100% of the available Free Cash Flow derived from the Underlying Asset (as described in “—Distribution Rights” below). The Managing Member may acquire MXTs in the Offering for the same price as all other Investors. The Managing Member may sell its Interests purchased in the Offering from time to time after the final Closing of the Offering. The Managing Member has the authority under the Operating Agreement to cause MXTs to issue Interests to investors as well as to other persons for such cost (or no cost) and on such terms as the Managing Member may determine, subject to the terms set forth in the Series #1 Designation.

The Series will use the proceeds of the Offering to pay the down payment for the Property and pay certain fees and expenses related to the acquisition and the Offering (see the “Use of Proceeds to Issuer” section for further details).

An Investor in this Offering will acquire an ownership interest in the Series and not, for the avoidance of doubt, in (i) MountX, any other series of interests other than the Series, (iii) the Managing Member, (iv) the MountX website or (v) the Underlying Asset or any underlying asset owned by any other series of interest. Although our MXTs will not immediately be listed on a stock exchange or alternative trading system (“ATS”) and a liquid market in the MXTs cannot be guaranteed, we plan to create our own trading platform or partner with an existing website to allow for trading of the MXTs (please review additional risks related to liquidity in the “Risk Factors” section).

### **Further Issuance of Interests**

Only the Interests are being offered and sold pursuant to this Memorandum. The Operating Agreement provides that MountX may issue a maximum of 390,000 Interests to no more than 2,000 purchasers (no more than 500 of which may be non-accredited investors). The Manager has the option to issue additional Interests (in addition to those issued in connection with this Offering) on the same terms as the Interests offered hereunder as is required from time to time in order to pay any Operating Expenses which exceed revenue generated from the Underlying Asset.

### **Distribution Rights**

The Manager has sole discretion in determining what distributions of Free Cash Flow, if any, are made to Interest Holders except as otherwise limited by law or the Operating Agreement, MountX expects the Managing Member to distribute any Free Cash Flow on a semi-annual basis as set forth below. However, the Managing Member may change the timing of distributions or determine that no distributions shall be made in its sole discretion.

Any Free Cash Flow generated by the Series from the ownership and sale of the Underlying Asset shall be applied, with respect to the Series, in the following order of priority:

- repay any amounts outstanding under Operating Expenses Reimbursement Obligation plus accrued interest;
- thereafter, to create such reserves as the Manager deems necessary, in its sole discretion, to meet future

Operating Expenses; and

- thereafter, 100% (net of corporate income taxes applicable to the Series) by way of distribution to the Interest Holders or the Managing Member or any of its affiliates.

The LLC Act (Section 18-607) provides that a member who receives a distribution with respect to a series and knew at the time of the distribution that the distribution was in violation of the LLC Act shall be liable to the series for the amount of the distribution for three years. Under the LLC Act, a series limited liability company may not make a distribution with respect to a series to a member if, after the distribution, all liabilities of such series, other than liabilities to members on account of their limited liability company interests with respect to such series and liabilities for which the recourse of creditors is limited to specific property of such series, would exceed the fair value of the assets of such series. For the purpose of determining the fair value of the assets of the series, the LLC Act provides that the fair value of property of the series subject to liability for which recourse of creditors is limited shall be included in the assets of such series only to the extent that the fair value of that property exceeds the nonrecourse liability. Under the LLC Act, an assignee who becomes a substituted member of a company is liable for the obligations of the assignor to make contributions to MountX, except the assignee is not obligated for liabilities unknown to it at the time the assignee became a member and that could not be ascertained from the Operating Agreement.

### **No Redemption Provisions**

The Interests are not redeemable.

### **No Registration Rights**

There are no registration rights in respect of the Interests.

### **Limited Voting Rights**

The Managing Member is not required to hold an annual meeting of interest holders. The Operating Agreement provides that meetings of interest holders may be called by the Managing Member and a designee of the Managing Member shall act as chairman at such meetings. Interest holders do not have any voting rights as an interest holder in MountX or a series except with respect to:

- the removal of the Manager of a Series by a super majority (two-thirds ( $2/3^{\text{rds}}$ ) of the outstanding Interests in the Series) vote, in the event that an authorized adjudicator determines that the Managing Member committed fraud with respect to MountX or a Series;
- the dissolution of MountX upon the for-cause removal of the Managing Member; and
- an amendment to the Operating Agreement that would:
  - enlarge the obligations of, or adversely effect, an interest holder in any material respect;
  - reduce the voting percentage required for any action to be taken by the holders of interests in MountX under the Operating Agreement;
  - change the situations in which MountX and any series can be dissolved or terminated;
  - change the term of MountX (other than the circumstances provided in the Operating Agreement); or
  - give any person the right to dissolve MountX.

When entitled to vote on a matter, each interest holder will be entitled to one vote per interest held by it on all matters submitted to a vote of the interest holders of an applicable series or of the interest holders of all series of MountX, as applicable. The removal of the Managing Member as Managing Member of MountX and Managing Member of all series of interests must be approved by two-thirds of the votes that may be cast by all interest holders in any series of MountX. All other matters to be voted on by the interest holders must be approved by a majority of the votes cast by all interest holders in any series of MountX present in person or represented by proxy.

The consent of the holders of a majority of the Interests is required for any amendment to the Operating Agreement that would adversely change the rights of the Series, result in mergers, consolidations or conversions of the Series and for any other matter as the Managing Member, in its sole discretion, determines will require the approval of the Interest Holders voting as a separate class.

The Managing Member or its affiliates (if they hold interests of a series) may vote as an interest holder in respect of any matter put to the interest holders. The submission of any action of MountX or a series for a vote of the interest holders shall first be approved by the Managing Member and no amendment to the Operating Agreement may be made without the prior approval of the Managing Member that would decrease the rights of the Managing Member or increase the obligations of the Managing Member thereunder.

The Managing Member has broad authority to take action with respect to MountX and any series. See “Directors, Executive Officers and Significant Employees—The Managing Member” for more information. Except as set forth above, the Managing Member may amend the Operating Agreement without the approval of the interest holders to, among other things, reflect the following:

- the merger of MountX, or the conveyance of all of the assets to, a newly-formed entity if the sole purpose of that merger or conveyance is to effect a mere change in the legal form into another limited liability entity;
- a change that the Managing Member determines to be necessary or appropriate to implement any state or federal statute, rule, guidance or opinion;
- a change that the Managing Member determines to be necessary, desirable or appropriate to facilitate the trading of interests;
- a change that the Managing Member determines to be necessary or appropriate for MountX to qualify as a limited liability company under the laws of any state or to ensure that each series will continue to qualify as a corporation for U.S. federal income tax purposes;
- an amendment that the Managing Member determines, based upon the advice of counsel, to be necessary or appropriate to prevent MountX, the Managing Member, or the officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act, the Investment Advisers Act or “plan asset” regulations adopted under ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;
- any amendment that the Managing Member determines to be necessary or appropriate for the authorization, establishment, creation or issuance of any additional series;
- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of the Operating Agreement;
- any amendment that the Managing Member determines to be necessary or appropriate for the formation by MountX of, or its investment in, any corporation, partnership or other entity, as otherwise permitted by the Operating Agreement;
- a change in the fiscal year or taxable year and related changes; and
- any other amendments which the Managing Member deems necessary or appropriate to enable the Managing Member to exercise its authority under the Agreement.

In each case, the Managing Member may make such amendments to the Operating Agreement provided the Managing Member determines that those amendments:

- do not adversely affect the interest holders (including any particular series of interests as compared to other series of interests) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
- are necessary or appropriate to facilitate the trading of interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the interests may be listed for trading, compliance with any of which the Managing Member deems to be in the best interests of MountX and the interest holders;
- are necessary or appropriate for any action taken by the Managing Member relating to splits or combinations of interests under the provisions of the Operating Agreement; or
- are required to effect the intent expressed in this <sup>46</sup>Memorandum or the intent of the provisions of the Operating Agreement or are otherwise contemplated by the Operating Agreement.

Furthermore, the Managing Member retains sole discretion to create and set the terms of any new series and will have the sole power to acquire, manage and dispose of underlying asset of each series.

### **Liquidation Rights**

The Operating Agreement provides that MountX shall remain in existence until the earlier of the following: (i) the election of the Managing Member to dissolve it; (ii) the sale, exchange or other disposition of substantially all of the assets of MountX; (iii) the entry of a decree of judicial dissolution of MountX; and (iv) at any time that MountX no longer has any members, unless the business is continued in accordance with the LLC Act. Under no circumstances may MountX be wound up in accordance with Section 18-801(a)(3) of the LLC Act (i.e., the vote of members who hold more than two-thirds of the interests in the profits of MountX).

A series shall remain in existence until the earlier of the following: (i) the dissolution of MountX, (ii) the election of the Managing Member to dissolve such series; (iii) the sale, exchange or other disposition of substantially all of the assets of the series; or (iv) at any time that the series no longer has any members, unless the business is continued in accordance with the LLC Act. Under no circumstances may a series of interests be wound up in accordance with Section 18-801(a)(3) of the LLC Act (i.e., the vote of members holding more than two-thirds of the interests in the profits of the series of interests).

Upon the occurrence of any such event, the Managing Member (or a liquidator selected by the Managing Member) is charged with winding up the affairs of the series of interests or MountX as a whole, as applicable, and liquidating its assets. Upon the liquidation of a series of interests or MountX as a whole, as applicable, the underlying assets will be liquidated and any after-tax proceeds distributed: (i) first, to any third party creditors, (ii) second, to any creditors that are the Managing Member or its affiliates (e.g., payment of any outstanding Operating Expenses Reimbursement Obligation), and thereafter, 100% to the interest holders of the relevant series of interests, allocated pro rata based on the number of interests held by each interest holder (which may include the Managing Member and any of its affiliates and which distribution within a series will be made consistent with any preferences which may exist within such series). The Managing Member, however, will receive 10.0% of the gross proceeds from the sale of the Underlying Asset upon its disposition by the Series prior to any of the distributions listed in the previous sentence.

### **Transfer Restrictions**

The Interests are subject to restrictions on transferability. Generally, an Interest Holder may transfer, assign or pledge its Interests without the consent of the Managing Member; provided that the Managing Member may at any time reject any transfer. No Transfer of any Interests, whether voluntary or involuntary, shall be valid or effective and shall be void ab initio if the Managing Member, in its sole discretion, determines that such transfer has or may result in (a) there being more than 2,000 beneficial owners of the Series or more than 500 beneficial owners of the Series that are not “accredited investors,” (b) the assets of the Series being deemed “plan assets” for purposes of ERISA, (c) result in a change of US federal income tax treatment of MountX and the Series, or (d) MountX, the Series or the Managing Member being subject to additional regulatory requirements. The transferring interest holder is responsible for all costs and expenses arising in connection with any proposed transfer (regardless of whether such sale is completed) including any legal fees incurred by MountX or any broker or dealer, any costs or expenses in connection with any opinion of counsel and any transfer taxes and filing fees. The Managing Member may transfer all or any portion of the interests held by the Managing Member at any time and from time to time.

Additionally, unless and until the Interests of MountX are listed or quoted for trading, there are restrictions on the holder’s ability to the pledge or transfer the Interests. There can be no assurance that we will, or will be able to, register the Interests for resale. Therefore, Investors may be required to hold their Interests indefinitely. Please refer to the subscription agreement (Exhibit C) for additional information regarding these restrictions. The Series #1 MXT smart contracts, issued in this Offering to evidence the Interests, will incorporate a legend setting forth these restrictions on transfer and any legends required by state or foreign securities laws.

### **Agreement to be Bound by the Operating Agreement; Power of Attorney**

By purchasing Interests, the Investor will be admitted as a member of MountX and will be bound by the provisions of, and deemed to be a party to, the Operating Agreement. Pursuant to the Operating Agreement, each Investor grants to the Managing Member a power of attorney to, among other things, execute and file documents required for MountX’s qualification, continuance or dissolution. The power of attorney also grants the Managing Member the authority to make certain amendments to, and to execute and deliver such other documents as may be necessary or appropriate to carry out the provisions or purposes of, the Operating Agreement.

### **Duties of Officers**

The Operating Agreement provides that, except as may otherwise be provided by the Operating Agreement, the

property, affairs and business of each series of interests will be managed under the direction of the Managing Member. The Managing Member has the power to appoint the officers and such officers have the authority and exercise the powers and perform the duties specified in the Operating Agreement or as may be specified by the Managing Member. The Managing Member will be appointed as the Manager of each series of interests to manage the underlying assets.

MountX may decide to enter into separate indemnification agreements with the directors and officers of MountX and the Managing Member. If entered into, each indemnification agreement is likely to provide, among other things, for indemnification to the fullest extent permitted by law and the Operating Agreement against any and all expenses, judgments, fines, penalties and amounts paid in settlement of any claim. The indemnification agreements may also provide for the advancement or payment of all expenses to the indemnitee and for reimbursement to Mount X if it is found that such indemnitee is not entitled to such indemnification under applicable law and the Operating Agreement.

### **Books and Reports**

MountX will keep appropriate books of the business at its principal offices. The books will be maintained for both tax and financial reporting purposes on a basis that permits the preparation of financial statements in accordance with GAAP. For financial reporting purposes and tax purposes, the fiscal year and the tax year are the calendar year, unless otherwise determined by the Managing Member in accordance with the Internal Revenue Code.

Series #1 will elect and be qualified, and the Company intends that each future Series will elect and qualify, to be taxed as a corporation under the Internal Revenue Code of 1986. The Managing Member may, in its sole discretion, determine to change the tax status of any Series to a REIT.

We will provide annual and semi-annual financial reports and periodic updates electronically through the MountX website. As documents and periodic updates become available, we will notify Interest Holders of this by sending the Interest Holders an email message or a message through the MountX website that will include instructions on how to retrieve the periodic updates and documents. If our email notification is returned to us as “undeliverable,” we will contact the Interest Holder to obtain an updated email address. We will provide Interest Holders with copies via email or paper copies at any time upon request. The contents of the MountX website are not incorporated by reference in or otherwise a part of this Memorandum.

### **Exclusive Jurisdiction**

Any dispute in relation to the Operating Agreement is subject to the exclusive jurisdiction of the Court of Chancery of the State of Delaware, and each Investor will covenant and agree not to bring any such claim in any other venue. If an Interest Holder were to bring a claim against MountX or the Managing Member pursuant to the Operating Agreement, it would have to do so in the Delaware Court of Chancery.

### **MountX; Series #1 MXTs**

In this Offering Interests will be issued in the form of MXTs, and the Series MXTs will be issued as Series #1 MXTs. The terms of the Series #1 MXTs are derived from the smart contracts and our Operating Agreement and Series Designation.

The Series Interests will be issued in the form of electronic, digital tokens, which are effectively digital limited liability company membership interests. The Series #1 MXTs will be issued as Tezos-based smart contracts on the Tezos Blockchain. The Series #1 MXTs will be a new series of Tezos-based smart contract digital tokens meeting the ERC-20 protocol standard as modified to meet transfer restriction requirements under applicable U.S. securities law. Although we are currently proposing that the Series #1 MXTs will use the Tezos Blockchain, we reserve the right, in our sole discretion, to issue Series #1 MXTs on another blockchain network under a different, smart contract token protocol.

As of the date of this Memorandum, no Series #1 MXTs have been issued. After giving effect to this Offering, it is expected that 390,000 Series #1 MXTs each representing 390,000 Interests will be issued and outstanding.

As the Series #1 MXTs are digital representations of our Interests. The rights of holders of our Series #1 MXTs come from two sources: our Operating Agreement and Series Designation, which sets out the terms of the Interests, whether held in token form or not, and the smart contract, as modified to meet transfer restriction requirements under applicable U.S. securities law, which establishes the terms upon which Series #1 MXT holders will hold the Series #1 MXTs. There is no substantive difference between the rights of Interests held as Series #1 MXTs and the rights of Interests held directly. Other than specifying the manner of holding and transfer of the Series #1 MXTs, the smart contract does not confer any rights or restrictions on the holders of Series #1 MXTs that differ from

those of investors not holding Interests in token form.

Each Series #1 MXT confers upon the Series #1 MXT holder the same rights conferred upon a holder of one Interests, that is:

- The limited right to one vote at a meeting of the Members of MountX or the Series or on any resolution of shareholders, as described in the Operating Agreement and Series Designation;
- The right to an equal share in any distribution paid by the Series; and
- The right to an equal share in the distribution of the surplus assets of MountX on its liquidation.

The Series #1 MXTs will be delivered to a keyless wallet provided by our partner Vertalo or a digital wallet such as MetaMask, Trust Wallet, MyEtherWallet, Coinbase and hardware wallets and governed by the MXT smart contracts.

The protocol, or code, for the MXT smart contracts has been developed to meet transfer restriction requirements under applicable U.S. securities law. The ownership of Interests recorded by the MXT smart contracts may be changed only by the Series. Investors who have lost access to their Series #1 MXTs (for a number of reasons) may have their Series #1 MXTs cancelled and re-issued upon providing the Series with information to be specified. The Series will make publicly available the number of securities issued on the TezosBlockchain.

We have partnered with Vertalo LLC, a leader in digital securities and registered transfer agent to provide the smart contracts and infrastructure. Vertalo will also initially serve as transfer agent with respect to the MXTs.

Because the Series #1 MXTs represent our Interests, there is no limitation embedded in the MXT smart contracts on the number of Series #1 MXTs that can be created. The overall potential number of Series #1 MXTs will be a function of applicable law and will be increased or fractionalized in accordance with laws of the State of Delaware and our Operating Agreement and Series #1 Designation.

Initially, under the terms of the MXT smart contracts, a single Series #1 MXT may not be divided into fractions of a token and only whole Series #1 MXTs may be transferred or accepted. We may in the future, however, determine to allow the Series #1 MXTs to be fractionalized up to ten (10) decimal places.

## **Listing**

The Interests, evidenced by the Series #1 MXTs, are restricted securities and are not currently listed or quoted for trading on any national securities exchange, ATS or national quotation system.

We intend to list Series #1 MXTs in the future on one or more ATSS or other exchanges which are registered with the SEC to trade unregistered securities and have the technological capability to handle security token trading. If Series #1 MXTs are listed on any such exchange, one or more of our affiliates (or other parties) may engage in market-making activities with respect to Series #1 MXTs. No assurance can be made that our attempts to list Series #1 MXTs on any such ATS or other exchange will be successful or that an active trading market for Series #1 MXTs will develop, or if one develops, be maintained. Currently, there is no public market for Series #1 MXTs and a market may never develop, which could cause Series #1 MXTs to trade at a discount and make it difficult for holders of Series #1 MXTs to sell them.

## **Securities Law Restrictions**

Series #1 MXTs have not been registered under the Securities Act or any securities laws of any state or any jurisdiction anywhere in the world, and, unless so registered, Series #1 MXTs may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other applicable securities laws. As a result, Series #1 MXTs are being offered and sold only in jurisdictions where such registration or qualification is not required, including pursuant to applicable exemptions that generally limit the investors who are eligible to purchase Series #1 MXTs and that restrict the resale of Series #1 MXTs. Accordingly, Series #1 MXTs are being initially offered and sold only (1) to “accredited investors” (as defined under Regulation D) in compliance with Regulation D, in each case, in a private transaction in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation D under the Securities Act, and (2) outside the United States to investors who are not “U.S. persons” in offshore transactions in reliance upon Regulation S under the Securities Act.

## **Digital Notices**

The Series #1 MXTs are digital instruments and, as such, will not contain legends. However, purchasers (including secondary purchasers) of Series #1 MXTs will be presented with the information regarding restrictions on transfer of the Series #1 MXTs, including the legends set forth below, and, at a minimum, must affirmatively signal their

understanding of the information and provide MountX with certain representations on their investor status and location. Each Series #1 MXT will incorporate legends substantially to the following effect:

THIS SECURITY, *I.E.*, THE TOKEN (THE “**TOKENS**”), HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY, NOR ANY INTEREST OR PARTICIPATION HEREIN, MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES. EACH HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF REPRESENTS THAT (A) IT IS AN “ACCREDITED INVESTOR” (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT) OR (B) IT IS NOT A “U.S. PERSON” AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH THE LAWS APPLICABLE TO IT IN THE JURISDICTION IN WHICH SUCH ACQUISITION IS MADE.

THE TOKENS WHEN ISSUED WILL BE ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)) EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. EXCEPT AS SET FORTH BELOW, THE TOKENS SHALL NOT BE EXCHANGEABLE FOR TOKENS THAT ARE NOT SUBJECT TO A LEGEND CONTAINING RESTRICTIONS ON TRANSFER UNTIL THE EXPIRATION OF THE APPLICABLE ONE-YEAR “**DISTRIBUTION COMPLIANCE PERIOD**” (WITHIN THE MEANING OF REGULATION S) AND THEN ONLY UPON CERTIFICATION IN A FORM REASONABLY SATISFACTORY TO ISSUER AND ITS TRANSFER AGENT, IF ANY, THAT SUCH TOKENS ARE OWNED EITHER BY NON-U.S. PERSONS OR U.S. PERSONS WHO PURCHASED SUCH INTERESTS IN A TRANSACTION THAT DID NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT. THE HOLDER OF ANY TOKENS AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH TOKENS, PRIOR TO THE EXPIRATION OF THE APPLICABLE ONE-YEAR HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT (THE “**RESALE RESTRICTION TERMINATION DATE**”), ONLY (A) TO ISSUER OR ANY OF ISSUER’S AFFILIATES, (B) PURSUANT TO A COMPLIANT REGULATION S SALE, OR (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, SUBJECT, IN EACH OF THE FOREGOING CASES, TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH PURCHASER ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE SECURITIES LAWS OF ANY APPLICABLE JURISDICTION. HEDGING TRANSACTIONS INVOLVING THE TOKENS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

All the material terms in the smart contracts have been disclosed in this section.

## MATERIAL UNITED STATES TAX CONSIDERATIONS

The following is a summary of the material United States federal income tax consequences of the ownership and disposition of the Interests to United States holders but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in United States federal income tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service (the “IRS”), with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any United States state or local or any non-United States jurisdiction or under United States federal gift and estate tax laws. In addition, this discussion does not address tax considerations applicable to an Investor’s particular circumstances or to Investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- certain former citizens or long-term residents of the United States;
- persons who hold the Interests as a position in a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction;
- persons who do not hold the Interests as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); or
- persons deemed to sell the Interests under the constructive sale provisions of the Code.

In addition, if a partnership, including any entity or arrangement, domestic or foreign, classified as a partnership for United States federal income tax purposes, holds Interests, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold Interests, and partners in such partnerships, should consult their tax advisors.

**You are urged to consult your tax advisor with respect to the application of the United States federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of the Interests arising under the United States federal estate or gift tax rules or under the laws of any United States state or local or any foreign taxing jurisdiction or under any applicable tax treaty.**

### Taxation of Each Series of Interests as a “C” Corporation

MountX, although formed as a Delaware series limited liability company eligible for tax treatment as a “partnership,” has affirmatively elected for each series of interests to be taxed as a “C” corporation under Subchapter C of the Code for all federal and state tax purposes. Thus, each series of interests will be taxed at regular corporate rates on its income before making any distributions to interest holders as described below.

### Taxation of Distributions to Investors

A “U.S. Holder” includes a beneficial owner of Interests that is, for U.S. federal income tax purposes, an individual citizen or resident of the United States.

Distributions to U.S. Holders out of the Series’ current or accumulated earnings and profits will be taxable as dividends. A U.S. Holder who receives a distribution constituting “qualified dividend income” may be eligible for reduced federal income tax rates on that distribution. U.S. Holders are urged to consult their tax advisors regarding the characterization of corporate distributions as “qualified dividend income.” Distributions in excess of the Series’ current and accumulated earnings and profits will not be taxable to a U.S. Holder to the extent that the distributions do not exceed the adjusted tax basis of the U.S. Holder’s Interests. Rather, such distributions will reduce the adjusted basis of such U.S. Holder’s Interests. Distributions in excess of current and accumulated earnings and profits that exceed the U.S. Holder’s adjusted basis in its Interests will be taxable as capital gain in the amount of such excess if the Interests are held as a capital asset. In addition, under Section 1411 of the Code, a U.S. Holder may be subject to an additional 3.8% tax (the “3.8% NIIT”) on certain investment income.

In general, in the case of individuals, this tax is equal to 3.8% of the lesser of (i) the taxpayer's "net investment income" or (ii) the excess of the taxpayer's adjusted gross income over the applicable threshold amount (\$250,000 for married taxpayers filing a joint return, \$125,000 for married individuals filing separate returns and \$200,000 for most other taxpayers). In the case of an estate or trust, the 3.8% tax will be imposed on the lesser of (x) the undistributed net investment income of the estate or trust for the taxable year, or (y) the excess of the adjusted gross income of the estate or trust for such taxable year over a beginning dollar amount (currently \$12,750) of the highest tax bracket for such year). Under Section 1411(c) of the Code, dividends are included as investment income in the determination of "net investment income."

Holders of Interests who are not U.S. Holders (for example, non-U.S. individuals or corporations) may be subject to U.S. withholding tax on dividend payments at 30 percent (or a lower rate fixed by treaty between the United States and the Holder's country of residence). The rules relating to taxation of non-U.S. persons holding interests in a U.S. corporation are highly complex, and non-U.S. holders are strongly urged to consult their own tax advisors as to the potential federal income tax consequences of ownership of the Interests.

### **Taxation of Dispositions of Interests**

Upon any taxable sale or other disposition of Interests, a U.S. Holder will recognize gain or loss for federal income tax purposes on the disposition in an amount equal to the difference between the amount of cash and the fair market value of any property received on such disposition; and the U.S. Holder's adjusted tax basis in the Interests. A U.S. Holder's adjusted tax basis in the Interests generally equals his or her initial amount paid for the Interests and decreased by the amount of any distributions to the Investor in excess of MountX's current or accumulated earnings and profits. In computing gain or loss, the proceeds that U.S. Holders receive will include the amount of any cash and the fair market value of any other property received for their Interests, and the amount of any actual or deemed relief from indebtedness encumbering their Interests. The gain or loss will be long-term capital gain or loss if the Interests are held for more than one year before disposition. Long-term capital gains of individuals, estates and trusts currently are taxed at a maximum rate of 20% (plus any applicable state income taxes) plus the 3.8% NIIT. The deductibility of capital losses may be subject to limitation and depends on the circumstances of a particular U.S. Holder; the effect of such limitation may be to defer or to eliminate any tax benefit that might otherwise be available from a loss on a disposition of the Interests. Capital losses are first deducted against capital gains, and, in the case of non-corporate taxpayers, any remaining such losses are deductible against salaries or other income from services or income from portfolio investments only to the extent of \$3,000 per year.

Dispositions of Interests by non-U.S. Holders are generally not subject to federal income tax, unless held in the conduct of a trade or business or through a U.S. office or other place of business. The rules relating to taxation of non-U.S. persons holding interests in a U.S. corporation are highly complex, and non-U.S. holders are strongly urged to consult their own tax advisors as to the potential federal income tax of any disposition of Interests.

### **Backup Withholding and Information Reporting**

Generally, MountX and/or the Series must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you.

Payments of dividends or of proceeds on the disposition of the Interests made to you may be subject to additional information reporting and backup withholding at a current rate of 28% unless you establish an exemption. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a United States person.

Backup withholding is not an additional tax; rather, the United States income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

### **REIT Tax Treatment**

The Managing Member may determine to treat one or more Series as a REIT for US tax purposes. In that case, different tax treatment would apply to MountX, the Series and the holders of Interests. The Company will provide additional information regarding the tax treatment of the MXTs prior to treating any series as a REIT.

**The preceding discussion of United States federal tax considerations is for general information only. It is not tax advice. Each prospective Investor should consult its own tax advisor regarding the particular United States federal, state and local and foreign tax consequences, if applicable, of purchasing, holding and disposing of the Interests, including the consequences of any proposed change in applicable laws.**

The statements contained in this Memorandum constitute only a brief summary of certain provisions of the documents referred to and the transactions contemplated. The statements contained in this document do not purport to be a complete description of every term and condition of such documents and are qualified in their entirety by reference to such documents. As with any summary, some details and exceptions have been omitted. If any of the statements made in this Memorandum are in conflict with any of the terms of any of such documents, the terms of such documents will govern. Reference is made to the actual documents for a complete understanding of what they contain. Copies of all documents in connection with the transaction described in this Memorandum are available from MountX at the address listed below. Each prospective Investor and his advisor are invited and encouraged to ask us questions with respect to the terms and conditions of the Offering, the structure and function of the Series #1 MXTs and our business and request additional information necessary to verify information in this Memorandum. We will seek to provide answers and such information to the extent possessed or obtainable without unreasonable effort or expense. Potential Investors may be required to execute non-disclosure agreements as a prerequisite to reviewing documents determined by us to contain proprietary, confidential or otherwise sensitive information. To obtain such information or to make arrangements to ask such questions of us, prospective Investors should contact us through the following address:

MountX US LLC  
Av. Magnocentro No. 5 – 102,  
Col. Magnocentro, Huixquilucan  
Telephone: +5530189999  
Email  
enrique@mountx.io  
Attention: Enrique Suarez

## APPENDIX A - JURISDICTIONAL NOTICES

### **NOTICE TO RESIDENTS OF THE UNITED STATES AND “U.S. PERSONS”**

THE OFFER AND SALE OF THE MXTS CURRENTLY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR UNDER THE SECURITIES LAWS OF ANY STATE THEREOF. THE MXTS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED WITHIN THE UNITED STATES OR TO A “U.S. PERSON” (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT), EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

### **NASAA UNIFORM LEGEND**

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 TOKENS 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 ARE 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. PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

### **NOTICE TO RESIDENTS OF AUSTRALIA**

THE MXTS ARE NOT “SECURITIES” FOR THE PURPOSES OF CHAPTER 6D OF THE CORPORATIONS ACT 2001 (CTH) (OR THE CORPORATIONS ACT). NO PROSPECTUS, PRODUCT DISCLOSURE STATEMENT OR OTHER DISCLOSURE DOCUMENT HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) IN RELATION TO THIS OFFERING OF MXTS. ANY OFFER IN AUSTRALIA OF THE MXTS MAY ONLY BE MADE TO “WHOLESALE CLIENTS” (WITHIN THE MEANING OF SECTIONS 761G AND 761GA OF THE CORPORATIONS ACT) AND ANY PERSONS IN AUSTRALIA WHO APPLY TO BE ALLOTTED MXTS UNDER THIS OFFERING WARRANT TO THE ISSUER OF THE MXTS THAT THEY ARE A “WHOLESALE CLIENT” (WITHIN THE MEANING OF SECTIONS 761G AND 761GA OF THE CORPORATIONS ACT). THE MXTS MUST NOT BE OFFERED FOR SALE IN AUSTRALIA IN THE PERIOD OF 12 MONTHS AFTER THE DATE OF ALLOTMENT OF THE MXTS UNDER THIS OFFERING TO ANY “RETAIL CLIENT” (WITHIN THE MEANING OF SECTIONS 761G AND 761GA OF THE CORPORATIONS ACT). ANY INVESTOR ACQUIRING THE MXTS MUST OBSERVE SUCH AUSTRALIAN ON-SALE RESTRICTIONS.

### **NOTICE TO RESIDENTS OF BRAZIL**

THE MXTS HAVE NOT BEEN AND WILL NOT BE ISSUED NOR PUBLICLY PLACED, DISTRIBUTED, OFFERED OR NEGOTIATED IN THE BRAZILIAN CAPITAL MARKETS. THE ISSUANCE OF THE MXTS HAS NOT BEEN NOR WILL BE REGISTERED WITH THE BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (“**CVM**”). ANY PUBLIC OFFERING OR DISTRIBUTION, AS DEFINED UNDER BRAZILIAN LAWS AND REGULATIONS, OF THE MXTS IN BRAZIL IS NOT LEGAL WITHOUT PRIOR REGISTRATION UNDER BRAZILIAN LAWS AND CVM REGULATIONS. DOCUMENTS RELATING TO THE OFFERING OF THE MXTS, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL (AS THE OFFERING OF THE MXTS IS NOT A PUBLIC OFFERING OF SECURITIES IN BRAZIL), NOR BE USED IN CONNECTION WITH ANY OFFER FOR PURCHASE OR SALE OF THE MXTS TO THE PUBLIC IN BRAZIL. THEREFORE, THE COMPANY HAS NOT OFFERED OR SOLD, AND WILL NOT OFFER OR SELL, THE MXTS IN BRAZIL, EXCEPT IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE A PUBLIC OFFERING, PLACEMENT, DISTRIBUTION OR NEGOTIATION OR AN UNAUTHORIZED DISTRIBUTION OF SECURITIES IN THE BRAZILIAN CAPITAL MARKETS REGULATED BY BRAZILIAN LEGISLATION.

PERSONS WISHING TO OFFER OR ACQUIRE THE MXTS WITHIN BRAZIL SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE APPLICABILITY OF REGISTRATION REQUIREMENTS OR ANY EXEMPTION THEREFROM.

#### **NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA**

WITH RESPECT TO PUBLIC OFFER SELLING RESTRICTIONS UNDER THE PROSPECTUS DIRECTIVE IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH A “**RELEVANT MEMBER STATE**”), WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE (THE “**RELEVANT IMPLEMENTATION DATE**”), THE COMPANY HAS NOT MADE AND WILL NOT MAKE AN OFFER OF MXTS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS MEMORANDUM TO THE PUBLIC IN THAT RELEVANT MEMBER STATE, EXCEPT THAT IT MAY, WITH EFFECT FROM AND INCLUDING THE RELEVANT IMPLEMENTATION DATE, MAKE AN OFFER OF SUCH MXTS TO THE PUBLIC IN THAT RELEVANT MEMBER STATE:

(A) QUALIFIED INVESTORS: TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;

(B) FEWER THAN 100 OFFEREEES: TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE; OR

(C) OTHER EXEMPT OFFERS: IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE; PROVIDED THAT NO SUCH OFFER OF NOTES SHALL REQUIRE THE ISSUER OR THE MANAGER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF MXTS TO THE PUBLIC” IN RELATION TO ANY MXTS IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE MXTS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE MXTS, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION “2010 PD AMENDING DIRECTIVE” MEANS DIRECTIVE 2010/73/EU.

#### **NOTICE TO RESIDENTS OF BRITISH VIRGIN ISLANDS**

THE MXTS AND ANY DOCUMENTS USED IN CONNECTION THEREWITH DO NOT CONSTITUTE A PUBLIC OFFER OF THE SECURITIES, WHETHER BY WAY OF SALE OR SUBSCRIPTION, IN THE BRITISH VIRGIN ISLANDS. THE COMPANY WILL NOT CARRY ON BUSINESS IN THE BRITISH VIRGIN ISLANDS. THE MXTS HAVE NOT BEEN OFFERED OR SOLD, AND WILL NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE BRITISH VIRGIN ISLANDS, EXCEPT AS MAY BE PERMITTED BY LAW WITHOUT CREATING AN OBLIGATION FOR THE COMPANY TO REGISTER IN THE BRITISH VIRGIN ISLANDS.

#### **NOTICE TO RESIDENTS OF CANADA**

THIS MEMORANDUM CONSTITUTES AN OFFERING OF THE MXTS IN ALL OF THE PROVINCES OF CANADA (THE “**CANADIAN JURISDICTIONS**”). NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THIS MEMORANDUM OR THE MERITS OF THE MXTS AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

THE DISTRIBUTION OF MXTS IN THE CANADIAN JURISDICTIONS IS BEING MADE ONLY ON A PRIVATE PLACEMENT BASIS AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES. ACCORDINGLY, ANY RESALE OF THE MXTS MUST BE MADE IN ACCORDANCE WITH APPLICABLE CANADIAN SECURITIES LAWS WHICH WILL VARY DEPENDING ON THE RELEVANT JURISDICTION AND WHICH MAY REQUIRE REALES TO BE MADE IN ACCORDANCE WITH PROSPECTUS AND DEALER REGISTRATION REQUIREMENTS OR EXEMPTIONS FROM THE PROSPECTUS AND DEALER REGISTRATION REQUIREMENTS. THESE RESALE RESTRICTIONS MAY UNDER CERTAIN CIRCUMSTANCES APPLY TO REALES OF MXTS OUTSIDE OF CANADA. CANADIAN INVESTORS ARE ADVISED TO SEEK LEGAL ADVICE PRIOR TO ANY RESALE OF MXTS, BOTH WITHIN AND OUTSIDE OF CANADA.

THE COMPANY IS NOT PRESENTLY, AND DOES NOT INTEND TO BECOME, A “REPORTING ISSUER,” AS SUCH TERM IS DEFINED UNDER APPLICABLE CANADIAN SECURITIES LAWS, IN ANY PROVINCE OR TERRITORY OF CANADA. CANADIAN INVESTORS ARE ADVISED THAT THE MXTS ARE NOT AND WILL NOT BE LISTED ON ANY STOCK EXCHANGE IN CANADA AND THAT NO PUBLIC MARKET PRESENTLY EXISTS OR IS EXPECTED TO EXIST FOR THE MXTS IN CANADA FOLLOWING THIS OFFERING. CANADIAN INVESTORS ARE FURTHER ADVISED THAT THE COMPANY IS NOT REQUIRED TO FILE, AND CURRENTLY DOES NOT INTEND TO FILE A PROSPECTUS OR SIMILAR DOCUMENT WITH ANY SECURITIES REGULATORY AUTHORITY IN CANADA QUALIFYING THE RESALE OF THE MXTS TO THE PUBLIC IN ANY PROVINCE OR TERRITORY OF CANADA IN CONNECTION WITH THIS OFFERING. ACCORDINGLY, THE MXTS MAY BE SUBJECT TO AN INDEFINITE HOLD PERIOD UNDER APPLICABLE CANADIAN SECURITIES LAWS UNLESS REALES ARE MADE IN ACCORDANCE WITH APPLICABLE PROSPECTUS REQUIREMENTS OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH PROSPECTUS REQUIREMENTS.

#### **REPRESENTATIONS OF CANADIAN INVESTORS**

EACH CANADIAN INVESTOR WHO PURCHASES MXTS WILL BE DEEMED TO HAVE REPRESENTED THAT: (I) SUCH INVESTOR IS RESIDENT IN A DESIGNATED CANADIAN JURISDICTION; (II) TO THE KNOWLEDGE OF SUCH INVESTOR, THE OFFER AND SALE OF MXTS WERE NOT ACCOMPANIED BY ANY ADVERTISEMENT OF THE MXTS IN ANY PRINTED MEDIA OF GENERAL AND REGULAR PAID CIRCULATION, RADIO, TELEVISION OR TELECOMMUNICATIONS, INCLUDING ELECTRONIC DISPLAY, OR ANY OTHER FORM OF ADVERTISING IN CANADA; (III) WHERE REQUIRED BY LAW, SUCH INVESTOR IS PURCHASING MXTS AS PRINCIPAL, OR IS DEEMED TO BE PURCHASING AS PRINCIPAL IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS OF THE APPLICABLE CANADIAN JURISDICTION, FOR ITS OWN ACCOUNT AND NOT AS AGENT FOR THE BENEFIT OF ANOTHER PERSON OR IS DEEMED TO BE SO PURCHASING, AND IS PURCHASING FOR INVESTMENT ONLY AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION; (IV) SUCH INVESTOR OR ANY ULTIMATE INVESTOR FOR WHICH SUCH INVESTOR IS ACTING AS AGENT IS ENTITLED UNDER APPLICABLE SECURITIES LAWS IN THE RELEVANT CANADIAN JURISDICTIONS TO SUBSCRIBE FOR MXTS WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER SUCH SECURITIES LAWS; AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, (A) SUCH INVESTOR IS AN “ACCREDITED INVESTOR” AS DEFINED IN SECTION 1.1 OF NATIONAL INSTRUMENT 45-106 – PROSPECTUS EXEMPTIONS (“**NI 45-106**”) AND SECTION 73.3 OF THE SECURITIES ACT (ONTARIO), AS APPLICABLE, AND, WHERE THE INVESTOR IS AN INDIVIDUAL “ACCREDITED INVESTOR”, HE OR SHE IS RELYING ON PARAGRAPH (J.1) OF THE DEFINITION OF “ACCREDITED INVESTOR”, AND (B) IS A “PERMITTED CLIENT” AS SUCH TERM IS DEFINED IN SECTION 1.1 NATIONAL INSTRUMENT 31-103 – REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS (“**NI 31-103**”) AND, IF APPLICABLE, IS PURCHASING THE MXTS FROM A DEALER PERMITTED TO RELY ON THE “INTERNATIONAL DEALER EXEMPTION” CONTAINED IN SECTION 8.18 OF NI 31-103; (V) SUCH INVESTOR IS NOT A PERSON CREATED OR USED SOLELY TO PURCHASE OR HOLD SECURITIES AS AN “ACCREDITED INVESTOR”; AND (VI) SUCH INVESTOR CERTIFIES THAT NONE OF THE FUNDS BEING USED TO PURCHASE THE MXTS ARE, TO ITS KNOWLEDGE, PROCEEDS OBTAINED OR DERIVED AS A RESULT OF ILLEGAL ACTIVITIES AND THAT: (A) THE FUNDS BEING USED TO PURCHASE THE MXTS DO NOT REPRESENT PROCEEDS OF CRIME FOR THE PURPOSE OF THE CRIMINAL CODE (CANADA) OR THE PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCIAL ACT (CANADA) OR ANY REGULATIONS ADOPTED UNDER THE SPECIAL ECONOMIC MEASURES ACT (CANADA) OR THE UNITED

NATIONS ACT (CANADA) (COLLECTIVELY, THE “**CANADIAN AML AND ECONOMIC SANCTIONS LEGISLATION**”) AND (B) THE COMPANY MAY IN THE FUTURE BE REQUIRED BY LAW TO DISCLOSE SUCH INVESTOR’S NAME AND OTHER INFORMATION RELATING TO THE INVESTOR, ON A CONFIDENTIAL BASIS, PURSUANT TO THE CANADIAN AML AND ECONOMIC SANCTIONS LEGISLATION OR AS OTHERWISE MAY BE REQUIRED BY APPLICABLE LAWS, REGULATIONS OR RULES.

IN ADDITION, EACH CANADIAN INVESTOR WHICH SUBSCRIBES FOR MXTS WILL BE DEEMED TO HAVE REPRESENTED TO THE COMPANY AND ANY DEALER WHICH SELLS THE MXTS TO SUCH INVESTOR THAT: (I) IT HAS BEEN NOTIFIED BY THE COMPANY (A) THAT THE COMPANY IS REQUIRED TO PROVIDE INFORMATION (THE “**PERSONAL INFORMATION**”) PERTAINING TO SUCH INVESTOR AS REQUIRED TO BE DISCLOSED IN SCHEDULE I OF FORM 45-106F1 UNDER NI 45-106 (INCLUDING ITS NAME, ADDRESS, TELEPHONE NUMBER AND THE NUMBER AND VALUE OF ANY MXTS PURCHASED); (B) SUCH PERSONAL INFORMATION WILL BE DELIVERED TO THE SECURITIES REGULATORY AUTHORITY OR REGULATOR IN ACCORDANCE WITH NI 45-106; (C) SUCH PERSONAL INFORMATION IS BEING COLLECTED INDIRECTLY BY THE SECURITIES REGULATORY AUTHORITY OR REGULATOR UNDER THE AUTHORITY GRANTED TO IT UNDER THE SECURITIES LEGISLATION OF THE APPLICABLE LEGISLATION; (D) SUCH PERSONAL INFORMATION IS BEING COLLECTED FOR THE PURPOSES OF THE ADMINISTRATION AND ENFORCEMENT OF THE SECURITIES LEGISLATION OF APPLICABLE LEGISLATION; AND (E) THE PUBLIC OFFICIAL IN ONTARIO WHO CAN ANSWER QUESTIONS ABOUT THE ONTARIO SECURITIES COMMISSION’S INDIRECT COLLECTION OF SUCH PERSONAL INFORMATION IS THE INQUIRIES OFFICER AT THE ONTARIO SECURITIES COMMISSION, 20 QUEEN STREET WEST, TORONTO, ONTARIO M5H 3S8, TELEPHONE: (416) 593-8314; AND (II) BY PURCHASING MXTS, SUCH INVESTOR HAS AUTHORIZED THE INDIRECT COLLECTION OF THE PERSONAL INFORMATION BY THE SECURITIES REGULATORY AUTHORITY OR REGULATOR. FURTHER, SUCH INVESTOR ACKNOWLEDGES THAT ITS, HIS OR HER NAME, ADDRESS, TELEPHONE NUMBER AND OTHER SPECIFIED INFORMATION, INCLUDING THE NUMBER OF MXTS IT, HE OR SHE HAS PURCHASED AND THE AGGREGATE PURCHASE PRICE TO INVESTOR, MAY BE DISCLOSED TO OTHER CANADIAN SECURITIES REGULATORY AUTHORITIES AND MAY BECOME AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE REQUIREMENTS OF APPLICABLE LAWS. BY PURCHASING THE MXTS, EACH CANADIAN INVESTOR CONSENTS TO THE DISCLOSURE OF SUCH INFORMATION.

SUMMARY OF RIGHTS OF ACTION FOR DAMAGES OR RESCISSION IN CERTAIN CANADIAN JURISDICTIONS SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A CANADIAN INVESTOR WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS MEMORANDUM (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY SUCH INVESTOR WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF SUCH INVESTOR’S PROVINCE OR TERRITORY. CANADIAN INVESTORS SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF SUCH INVESTOR’S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

#### **NOTICE TO RESIDENTS OF CAYMAN ISLANDS**

NO OFFER OR INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO PURCHASE THE MXTS. THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER, INVITATION OR SOLICITATION TO ANY MEMBER OF THE PUBLIC IN THE CAYMAN ISLANDS TO PURCHASE ANY MXTS. MXTS MAY BE BENEFICIALLY OWNED BY PERSONS RESIDENT, DOMICILED, ESTABLISHED, INCORPORATED OR REGISTERED PURSUANT TO THE LAWS OF THE CAYMAN ISLANDS. THE COMPANY, HOWEVER, WILL NOT UNDERTAKE BUSINESS WITH THE PUBLIC IN THE CAYMAN ISLANDS OTHER THAN SO FAR AS MAY BE NECESSARY FOR THE CARRYING ON OF THE BUSINESS OF THE COMPANY EXTERIOR TO THE CAYMAN ISLANDS. “**PUBLIC**” FOR PURPOSE OF THIS PROVISION DOES NOT INCLUDE (I) ANY LIMITED LIABILITY COMPANY REGISTERED UNDER THE LIMITED LIABILITY COMPANIES LAW (2018 REVISION), (II) ANY EXEMPTED OR ORDINARY NON-RESIDENT COMPANY REGISTERED UNDER THE COMPANIES LAW (2018 REVISION), (III) A FOREIGN COMPANY REGISTERED PURSUANT TO PART IX OF THE COMPANIES LAW (2018 REVISION), (IV) A FOREIGN LIMITED PARTNERSHIP REGISTERED UNDER SECTION 42 OF THE EXEMPTED LIMITED PARTNERSHIP LAW (2018 REVISION), (V) ANY COMPANY ACTING AS GENERAL PARTNER OF A PARTNERSHIP REGISTERED UNDER SECTION 9(1) OF THE EXEMPTED LIMITED

PARTNERSHIP LAW (2018 REVISION) OR (VI) ANY DIRECTOR OR OFFICER OF THE SAME ACTING IN THAT CAPACITY OR THE TRUSTEE OF ANY TRUST REGISTERED OR CAPABLE OF REGISTRATION UNDER SECTION 74 OF THE TRUSTS LAW (2018 REVISION) ACTING IN THAT CAPACITY.

#### **NOTICE TO RESIDENTS OF FRANCE**

THE MXTS ARE NOT BEING OFFERED TO THE PUBLIC IN FRANCE. DISTRIBUTION OF THIS MEMORANDUM AND THE ISSUANCE OF THE MXTS MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE MXTS OR RELATED DOCUMENTS AND ANY PERSON WISHING TO SUBSCRIBE FOR THE MXTS TO INFORM THEMSELVES OF AND OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. NO ACTION HAS BEEN TAKEN THAT WOULD, OR IS INTENDED TO, PERMIT A PUBLIC OFFER OF THE MXTS IN ANY COUNTRY OR JURISDICTION WHERE ANY SUCH ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE MXTS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DOCUMENT NOT ANY OTHER INFORMATION, FOR OF APPLICATION, ADVERTISEMENT OR OTHER DOCUMENT MAY BE DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. THE COMPANY IS NOT MAKING ANY REPRESENTATION OR WARRANTY TO ANY PROSPECTIVE PURCHASE REGARDING THE LEGALITY OF AN INVESTMENT IN THE MXTS BY SUCH PERSON UNDER APPROPRIATE SECURITIES OR SIMILAR LAWS. INVESTING IN THE MXTS INVOLVES CERTAIN RISKS. IN PARTICULAR, EACH PROSPECTIVE INVESTOR IN THE MXTS SHOULD PROCEED ON THE ASSUMPTION THAT A PURCHASER OF THE MXTS MUST BEAR ECONOMIC RISKS OF SUCH AN INVESTMENT. PURCHASERS SHOULD NOT TREAT THE CONTENT OF THESE DOCUMENTS AS ADVICE RELATING TO LEGAL, TAXATION OR INVESTMENT MATTERS AND ARE ADVISED TO CONSULT THEIR OWN PROFESSIONAL ADVISERS CONCERNING THE SUBSCRIPTION OF THE MXTS OR BOTH AND CONSEQUENCES THEREOF. ACCORDINGLY, PURCHASERS SHOULD INFORM THEMSELVES AS TO (A) THE POSSIBLE TAX CONSEQUENCES, (B) THE LEGAL REQUIREMENTS, AND (C) ANY FOREIGN EXCHANGE RESTRICTIONS OR EXCHANGE CONTROL REQUIREMENTS, WHICH THEY MIGHT ENCOUNTER UNDER THE LAWS OF THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE OR DOMICILE AND WHICH MIGHT BE RELEVANT TO THE SUBSCRIPTION, HOLDING OR DISPOSAL OF MXTS.

#### **NOTICE TO RESIDENTS OF GERMANY**

THE COMPANY DOES NOT INTEND TO OFFER THE MXTS TO THE PUBLIC IN GERMANY. THE MXTS AND ANY DOCUMENTS USED IN CONNECTION THEREWITH DO NOT CONSTITUTE A PUBLIC OFFER, OR AN INVITATION TO MAKE OFFERS, TO SELL, PURCHASE, EXCHANGE OR OTHERWISE TRANSFER THE MXTS IN OR TO GERMANY. THE MXTS HAVE NOT BEEN OFFERED OR SOLD, AND WILL NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, TO OR FOR THE BENEFIT OF ANY PERSON OR ENTITY RESIDENT, INCORPORATED, ESTABLISHED OR HAVING THEIR USUAL RESIDENCE IN GERMANY, EXCEPT AS MAY BE PERMITTED BY THE GERMAN SECURITIES TRADING ACT (WERTPAPIERHANDELSGESETZ - WPHG), THE EU PROSPECTUS REGULATION (REGULATION (EU) 2017/1129 OF 14 JUNE 2017, THE GERMAN SECURITIES PROSPECTUS ACT (WERTPAPIERPROSPEKTGESETZ - WPPG) AND GERMAN CAPITAL INVESTMENT ACT (VERMÖGENSANLAGEGESETZ – VERMANLG) WITHOUT THE COMPANY BECOMING SUBJECT TO ANY SUCH LAWS.

#### **NOTICE TO RESIDENTS OF HONG KONG**

THE COMPANY:

- (1) HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL MXTS IN HONG KONG, BY MEANS OF ANY DOCUMENT, OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG AND ANY RULES MADE UNDER THAT ORDINANCE; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) OF HONG KONG OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THAT ORDINANCE; AND

(2) HAS NOT ISSUED OR HAD IN ITS POSSESSION FOR THE PURPOSES OF ISSUING, AND WILL NOT ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUING, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE MXTS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO MXTS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE UNDER THAT ORDINANCE.

#### **NOTICE TO RESIDENTS OF INDIA**

THE MXTS AND ANY DOCUMENTS USED IN CONNECTION THEREWITH AND ANY RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO SELL TO OR AN OFFER TO BUY INTEREST FROM ANY PERSON OTHER THAN THE PERSON TO WHOM THIS DOCUMENT HAS BEEN SENT THE COMPANY OR ITS AUTHORIZED AGENTS. THE MXTS AND ANY DOCUMENTS USED IN CONNECTION THEREWITH SHOULD NOT BE CONSTRUED AS A PROSPECTUS. THE MXTS AND ANY DOCUMENTS USED IN CONNECTION THEREWITH ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED INVESTORS, AND PROSPECTIVE INVESTORS MUST OBTAIN LEGAL ADVICE THAT THEY ARE ENTITLED TO SUBSCRIBE FOR THESE INSTRUMENTS AND MUST COMPLY WITH ALL RELEVANT INDIAN LAWS IN THIS RESPECT.

#### **NOTICE TO RESIDENTS OF ISRAEL**

THE COMPANY DOES NOT INTEND TO OFFER THE MXTS TO THE PUBLIC IN ISRAEL WITHIN THE MEANING OF THE ISRAELI SECURITIES LAW, 1968, OR OFFER THE MXTS, WITHIN ANY SPECIFIC YEAR, TO MORE THAN 35 OFFEREEES RESIDENT IN ISRAEL. EACH PROSPECTIVE INVESTOR MUST AND HEREBY DOES WARRANT TO THE COMPANY THAT IT IS PURCHASING THE MXTS FOR INVESTMENT PURPOSES ONLY AND NOT FOR PURPOSES OF RESALE.

#### **NOTICE TO RESIDENTS OF ITALY**

THE MXTS MAY BE SUBSCRIBED BY INSTITUTIONAL INVESTORS PURSUANT TO ARTICLE 31, PARAGRAPH 2 OF THE CONSOB REGULATION NO. 11522 OF 1 JULY 1998, AS SUBSEQUENTLY AMENDED AND INTEGRATED ONLY. NEITHER THE MXTS NOR THIS MEMORANDUM CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY OF THE MXTS IN THE ITALIAN JURISDICTION TOWARDS PRIVATE INVESTORS. ACCORDINGLY, THE MXTS OR MEMORANDUM IS FOR INFORMATION PURPOSES ONLY, WHERE DIRECTED TO A PRIVATE INVESTOR WHICH IS AN ITALIAN RESIDENT. PURSUANT TO THIS MEMORANDUM, THE MXTS WILL ONLY BE OFFERED TO, AND SUBSCRIPTIONS WILL ONLY BE ACCEPTED FROM, ITALIAN INSTITUTIONAL INVESTORS AS DEFINED ABOVE. THE MXTS TO BE OFFERED PURSUANT TO THIS MEMORANDUM HAVE NOT BEEN OR WILL NOT BE REGISTERED UNDER THE RELEVANT SECURITIES LAWS OF ITALY TO BE OFFERED TO, AND TO BE SUBSCRIBED BY PRIVATE INVESTORS.

#### **NOTICE TO RESIDENTS OF JAPAN**

THE MXTS ARE BEING OFFERED TO A LIMITED NUMBER OF QUALIFIED INSTITUTIONAL INVESTORS (TEKIKAKU KIKAN TOSHIBA, AS DEFINED IN THE SECURITIES EXCHANGE LAW OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED)) OR A SMALL NUMBER OF INVESTORS, IN ALL CASES UNDER CIRCUMSTANCES THAT WILL FALL WITHIN THE PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN. AS SUCH, THE MXTS HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES EXCHANGE LAW OF JAPAN. THE PURCHASER OF THE MXTS AGREES NOT TO RE-TRANSFER OR RE-ASSIGN THE MXTS TO ANYONE OTHER THAN NON- RESIDENTS OF JAPAN EXCEPT PURSUANT TO A PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN.

## **NOTICE TO RESIDENTS OF NEW ZEALAND**

THE MXTS OFFERED OR SOLD TO INVESTOR IN NEW ZEALAND ARE ONLY AVAILABLE TO, AND MAY ONLY BE ACCEPTED BY, A WHOLESALE INVESTOR PURSUANT TO CLAUSE 3(2) AND 3(3) OF SCHEDULE 1 OF THE NEW ZEALAND FINANCIAL MARKETS CONDUCT ACT OF 2013 WHO HAS COMPLETED A WHOLESALE INVESTOR CERTIFICATE OR AN ELIGIBLE INVESTOR CERTIFICATE OR WHO INVESTS A MINIMUM AMOUNT OF NZ \$ 750,000 IN THE MXTS. PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER HAS NOT OFFERED OR SOLD, AND WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, THE MXTS; PURCHASER HAS NOT DISTRIBUTED AND WILL NOT DISTRIBUTE, DIRECTLY OR INDIRECTLY, THIS MEMORANDUM OR ANY OTHER OFFERING MATERIALS OR ADVERTISEMENTS IN RELATION TO ANY OFFER OF THE MXTS; IN EACH CASE IN NEW ZEALAND OTHER THAN TO A PERSON WHO IS A WHOLESALE INVESTOR; AND PURCHASER WILL NOTIFY ISSUER IF PURCHASER CEASES TO BE A WHOLESALE INVESTOR.

## **NOTICE TO RESIDENTS OF SINGAPORE**

THIS MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THE COMPANY HAS NOT OFFERED OR SOLD ANY MXTS OR CAUSED THE MXTS TO BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE AND WILL NOT OFFER OR SELL ANY MXTS OR CAUSE THE MXTS TO BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, AND HAS NOT CIRCULATED OR DISTRIBUTED, NOR WILL IT CIRCULATE OR DISTRIBUTE, THIS MEMORANDUM, OR ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE MXTS, WHETHER DIRECTLY OR INDIRECTLY, TO ANY PERSON IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE) (THE “SFA”)) PURSUANT TO SECTION 274 OF THE SFA, (II) TO A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA) PURSUANT TO SECTION 275(1) OF THE SFA, OR ANY PERSON PURSUANT TO SECTION 275(1A) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE THE MXTS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON WHICH IS:

- (A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR
- (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR, SECURITIES (AS DEFINED IN SECTION 239(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES’ RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE MXTS PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT:
  - (1) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON DEFINED IN SECTION 275(2) OF THE SFA, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(I)(B) OF THE SFA;
  - (2) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;
  - (3) WHERE THE TRANSFER IS BY OPERATION OF LAW;
  - (4) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR
  - (5) AS SPECIFIED IN REGULATION 32 OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005 OF SINGAPORE.

## **NOTICE TO RESIDENTS OF SWITZERLAND**

MXTS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE (“**SIX**”) OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. MXTS AND ANY RELATED DOCUMENTS HAVE BEEN PREPARED WITHOUT REGARD TO THE DISCLOSURE STANDARDS FOR ISSUANCE PROSPECTUSES UNDER ART. 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR THE DISCLOSURE STANDARDS FOR LISTING PROSPECTUSES UNDER ART. 27 FF. OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER MXTS NOR ANY RELATED MARKETING MATERIAL MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. MXTS AND ANY RELATED MARKETING MATERIALS HAVE NOT BEEN AND WILL NOT BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY, PARTICULARLY INCLUDING THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY, AND THEY HAVE NOT BEEN AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“**CISA**”). THE PROTECTIONS AFFORDED TO ACQUIRERS OF INTERESTS IN COLLECTIVE INVESTMENT SCHEMES UNDER THE CISA DOES NOT EXTEND TO PURCHASERS OF MXTS.

## **NOTICE TO RESIDENTS OF TAIWAN**

THE MXTS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE MXTS MAY NOT BE SOLD, ISSUED OR OFFERED WITHIN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES A REGISTRATION OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. NO PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORIZED TO OFFER, SELL, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING AND SALE OF THE MXTS IN TAIWAN.

## **NOTICE TO RESIDENTS OF THAILAND**

THE MXTS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OF THAILAND. THEREFORE, THE MXTS CANNOT BE OFFERED OR SOLD IN THAILAND AND NO INVITATION CAN BE MADE, WHETHER DIRECTLY OR INDIRECTLY, TO INVESTORS IN THAILAND TO PURCHASE THE MXTS. DISTRIBUTION OF THIS MEMORANDUM OR ANY DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER, SALE OR INVITATION FOR PURCHASE OF THE MXTS IN THAILAND, IS ALSO NOT ALLOWED, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE THAI LAWS AND REGULATIONS.

## **NOTICE TO RESIDENTS OF THE UNITED KINGDOM**

THE COMPANY HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“**FSMA**”) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE MXTS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE COMPANY AND IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE MXTS IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM

## **NOTICE TO RESIDENTS OF ALL OTHER JURISDICTIONS**

NO ACTION HAS BEEN TAKEN TO PERMIT THE OFFER, SALE, POSSESSION OR DISTRIBUTION OF THE MXTS OR ANY RELATED DOCUMENTS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. YOU ARE REQUIRED TO INFORM YOURSELF ABOUT, AND TO OBSERVE ANY RESTRICTIONS RELATING TO, THE MXTS AND ANY RELATED DOCUMENTS IN YOUR JURISDICTION.