

## OFFERING CIRCULAR

August 15, 2014

### WCR Fund I LP

WCR Fund I LP., a Texas limited partnership (“WCRLP”) is a partnership focusing primarily on the acquisition of single family residential rental properties.

- **WCRLP receives your proceeds (see “Risks Particular to LP Interests”)**
- **WCRLP uses all or a portion of your proceeds to fund a particular loan (inclusive of a note and deed of trust securing the loan – “Loans”) according to its investment criteria to WCR Management I LLC (WCRMgmt). See “Use of Proceeds” and “Risks Particular to the LP Interests”**
- **WCRMgmt works to collect the rental payments from the property and then pays the LP based on the Loans. See “Risks Particular to WCRMgmt” including “Cessation of Operations” and how these risks might affect you.**
- **WCRMgmt must be in operation to facilitate collecting the interest and principal, so, WCRMgmt must remain profitable in order to do so. In order for WCRMgmt to remain profitable, WCRMgmt’s management service fees and/or contracts may fluctuate which could impact its ability to pay on the Loans. See “Risks Particular to WCRMgmt”**
- **WCRLP forwards collected interest to you as specified in the WCRLP Operating Agreement. If WCRLP does not receive payments, it has no responsibility to forward payments to you. See “Risks Particular to the LP Interests”**
- **Some of your investment may be used to protect your LP Interests and additional investment may be needed. (See “Risks Particular to the LP Interests – Protecting Your Investment”)**
- **Some of your investment may be used as a fee directly to WCRMgmt’s or other affiliate’s benefit as compensation for coordinating the purchase, repair, marketing and/or selling of a property, and/or expenses related to WCRLP and/or WCRMgmt.**

The LP Interests offered under this private Offering Circular have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any jurisdiction. Until the LP Interests are registered, they may be transferred only in transactions that are exempt from registration under the Securities Act and the applicable securities laws of any other jurisdiction. See “Transfer Restrictions.”

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*Investing in the LP Interests involves significant risks.  
See “Risk Factors” beginning on page 9.*

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You should rely only on the information contained in this offering circular. We have not authorized anyone to provide you with information different from that contained in this offering circular. We are offering to sell, and seeking offers to buy, LP Interests only in jurisdictions where offers and sales are permitted. The information contained in this offering circular is accurate only as of the date of this offering circular, regardless of the time of delivery of this offering circular or of any offer or sale of our debt securities. In this offering circular, references to “WCRLP,” “we,” “our” and “us” refer to the activities of and the assets and liabilities of the business and operations of WCR Fund I LP.

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THE LP INTERESTS HAVE NOT BEEN REGISTERED UNDER 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 (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ADDITION, THE LP INTERESTS WILL BE SUBJECT TO THE TRANSFER RESTRICTIONS DESCRIBED IN THIS OFFERING CIRCULAR.

THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THIS OFFERING OF THE LP INTERESTS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

NO ACTION HAS BEEN TAKEN BY US THAT WOULD PERMIT AN OFFERING OF THE LP INTERESTS OR THE CIRCULATION OR DISTRIBUTION OF THIS OFFERING CIRCULAR OR ANY OFFERING MATERIAL IN RELATION TO US OR THE LP INTERESTS IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

THE APPROPRIATE CHARACTERIZATIONS OF THE LP INTERESTS UNDER VARIOUS LEGAL INVESTMENT RESTRICTIONS, AND THUS THE ABILITY OF INVESTORS SUBJECT TO THESE RESTRICTIONS TO PURCHASE THE LP INTERESTS, IS SUBJECT TO SIGNIFICANT INTERPRETIVE UNCERTAINTIES. NO REPRESENTATION OR WARRANTY IS MADE AS TO WHETHER OR THE EXTENT TO WHICH THE LP INTERESTS CONSTITUTE A LEGAL INVESTMENT FOR INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS. SUCH INVESTORS SHOULD CONSULT THEIR LEGAL ADVISORS REGARDING SUCH MATTERS.

THIS OFFERING CIRCULAR HAS BEEN PREPARED BY US ON A CONFIDENTIAL BASIS SOLELY FOR THE PURPOSE OF OFFERING THE LP INTERESTS. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE, AND SHALL NOT BE CONSTRUED AS, ANY REPRESENTATION OR WARRANTY AS TO THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH HEREIN, AND NOTHING CONTAINED IN THIS OFFERING CIRCULAR IS, OR SHALL BE RELIED

UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

THIS OFFERING CIRCULAR IS PERSONAL TO THE OFFEREE TO WHOM IT HAS BEEN DELIVERED AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR THE PUBLIC GENERALLY TO SUBSCRIBE FOR, OR OTHERWISE ACQUIRE, THE LP INTERESTS OR ANY OTHER OF OUR OTHER SECURITIES. THE RECEIPT OF THIS OFFERING CIRCULAR CONSTITUTES AN AGREEMENT ON THE PART OF THE OFFEREE HEREOF: (1) TO MAINTAIN THE CONFIDENTIALITY OF THE INFORMATION CONTAINED HEREIN, AS WELL AS ANY SUPPLEMENTAL INFORMATION PROVIDED TO THE OFFEREE BY US OR ANY OF OUR AUTHORIZED REPRESENTATIVES, EITHER ORALLY OR IN WRITING; AND (2) THAT ANY REPRODUCTION OR DISTRIBUTION OF THIS OFFERING CIRCULAR OR OF ANY SUPPLEMENTAL INFORMATION PROVIDED BY US OR ANY OF OUR AUTHORIZED REPRESENTATIVES, IN WHOLE OR IN PART, OR ANY DISCLOSURE OF ANY OF THE CONTENTS THEREOF TO ANY OTHER PERSON OR ANY USE OF SUCH MATERIALS FOR ANY PURPOSE OTHER THAN TO EVALUATE PARTICIPATION IN THE OFFERING DESCRIBED HEREIN IS STRICTLY PROHIBITED. THE UNDERTAKINGS AND PROHIBITIONS SET FORTH IN THE PRECEDING SENTENCE ARE INTENDED FOR OUR BENEFIT AND MAY BE ENFORCED BY US.

THE ACTUAL OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS CONTEMPLATED HEREIN ARE SET FORTH IN, AND WILL BE GOVERNED BY, CERTAIN DOCUMENTS DESCRIBED HEREIN, AND ALL OF THE STATEMENTS AND INFORMATION CONTAINED HEREIN ARE QUALIFIED IN THE ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. THIS OFFERING CIRCULAR CONTAINS SUMMARIES OF CERTAIN OF THESE DOCUMENTS. FOR COMPLETE DESCRIPTIONS OF THE RIGHTS AND OBLIGATIONS SUMMARIZED HEREIN, REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH ARE AVAILABLE FROM US. ANY DOCUMENTS RELATING TO THIS OFFERING WILL BE MADE AVAILABLE BY US TO THE PROSPECTIVE INVESTOR UPON REQUEST.

## **NOTICE TO INVESTORS**

### **Investor Restrictions**

The LP Interests offered under this offering circular have not been registered under the Securities Act or the securities laws of any jurisdiction. Until our LP Interests are registered, they may be transferred only in transactions that are exempt from registration under the Securities Act and the applicable securities laws of any other jurisdiction. Accordingly, we are offering and selling the LP Interests only to the following purchasers, each of which will be referred to hereafter as an “Accredited Investor”:

- to “accredited investors” (as defined in Rule 501(a)(1),(2), (3), (7) or (8) under the Securities Act).

The representations and warranties of a purchaser will include a representation and warranty that either (i) no part of the assets to be used to purchase our LP Interests constitutes assets of any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code, or (ii) part of the assets to be used to purchase the LP Interests constitute assets of one or more

employee benefit plans subject to Title I or ERISA or Section 4975 or the Internal Revenue Code and such purchase is eligible for coverage under one or more statutory or administrative exemptions from the prohibited transaction rules of ERISA and the Internal Revenue Code. Each subsequent transferee of our LP Interests shall be deemed to have provided such representations and warranties.

### **Transfer Restrictions**

The LP Interests being offered pursuant to this offering circular are subject to restrictions on resale and transfer and have not been registered under the Securities Act or the securities laws of any other jurisdiction and, accordingly, may not be resold or transferred except as permitted under the Securities Act and the applicable securities laws of any other jurisdiction. You should be aware that you may be required to bear the financial risk of an investment in the LP Interests for an indefinite period of time.

Generally, any holder of the LP Interests may offer, sell, pledge or otherwise transfer such LP Interests only with the prior written consent of WCRMgmt and only (i) to us or any of our subsidiaries, (ii) to a person that it reasonably believes is a qualified institutional buyer that purchases such LP Interests for its own account or for the account of a qualified institutional buyer that purchases such LP Interests for its own account or for the account of a qualified institutional buyer to whom notice is given that the offer, sale, pledge or other transfer is being made in reliance upon Rule 144A of the Securities Act, (iii) pursuant to an effective registration statement under the Securities Act, or (iv) pursuant to offers and sales that occur outside of the United States within the meaning of Regulation S under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. We may refuse to consent to any transfer at our discretion. As a result of these restrictions, an investor that purchases the LP Interests in this offering may not be able to readily resell such LP Interests. Further, an Accredited Investor that purchases our LP Interests in this offering and subsequently sells such LP Interests may not be able to repurchase LP Interests.

There is currently limited or no secondary market for the LP Interests and, because of transfer restrictions we have implemented with regard to the LP Interests, we do not anticipate that a secondary market will develop. If a secondary market for the LP Interests does develop, we cannot assure you that it will continue.

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## **CAUTIONARY STATEMENTS FOR PURPOSES OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

Certain statements in this Offering Circular under the captions “Summary,” “Risk Factors,” “Business,” and elsewhere, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. When used in this offering circular, the words “anticipate,” “believe,” “estimate,” “expect” and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- our limited operating history;
- our practice of renting to tenants with little or no reserves;
- our dependence on key personnel;
- changes in laws and regulations affecting the residential rental industry;
- economic conditions in our principal markets;
- our inability to identify suitable tenants;
- current risks of terrorist activity and acts of war;
- conflicts of interest of some of our key personnel and affiliates;
- tax risks related to the possible treatment of the LP Interests;
- liabilities we may incur as a result of ongoing business operations;
- a possible lack of FDIC insurance on funds not invested (funds awaiting investment) in LP Interests such as when you initially provide funds, or, when funds have not been distributed;
- a possible adjustment of the annual fee charged on the LP Interests to assist in Company operations.

This list of factors is not exhaustive and should be read with the other cautionary statements that are included in this offering circular. See “Risk Factors.”

These forward-looking statements are based on our current beliefs, assumptions and expectations, taking into account information that we reasonably believe to be reliable. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectation with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## **AVAILABLE INFORMATION**

We are not currently required to file reports with the Securities and Exchange Commission, or SEC, or to deliver an annual report to holders of our LP Interests pursuant to the Securities Exchange Act of 1934, as amended. We will provide without charge, upon your request, a copy of any of the documents referred to in this offering circular. Any such request should be addressed to us at WCR Fund I L.P., 401 W. President Geo Bush Hwy, Suite 109, Richardson, Texas 75080, Attention: Investor Relations.

## SUMMARY

*The following summary does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this offering circular, including the information in "Risk Factors."*

### **The Company**

WCRLP (the "Company") is a newly formed entity that will engage in the business of lending funds to WCRMgmt secured primarily by

- single-family residences rented at a 30% gross annual yield against the purchase price. The gross annual yield will be deemed compliant if at least one month has been collected

WCRMgmt acquisition activities will include purchasing residential rentals from companies or individuals that have performing residential rental properties.

WCRLP and WCRMgmt were formed in 2014 and will operate out of 401 W. Pres Geo Bush Hwy, Suite 109, Richardson, Texas 75081. The telephone number is 972-421-1990. The Manager of WCRMgmt is Mr. Craig Pettit.

WCRLP and WCRMgmt were initially formed by individuals that were seeking to find long-term funding for rentals currently owned to provide additional capital for future purchases not part of the Offering. Those individuals formed WCRLP/WRCMgmt in order to provide that facility.

### **Litigation**

From time to time, the Company will likely be a defendant (actual or threatened) in lawsuits encountered in the ordinary course of its business, the resolution of which may or may not have a material adverse effect on the Company's financial position.

### ***Our Headquarters***

Our principal executive offices are located at 401 W. Pres Geo Bush Hwy, Suite 109, Richardson, Texas. Our main office telephone number is 972-421-1990.

### **Subsidiaries and Divisions**

The Company has no subsidiaries or divisions.

### **The LP Interests**

Investor Suitability Standards:

This Offering is made solely to "accredited investors," as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Use of Proceeds:

Loan originations, acquisition and repair, loan protection (taxes, insurance, legal fees, etc.) and fund expenses. See "Use of Proceeds."

Closing:

LP Interests will be sold when subscribed. There is no minimum offering.

Expenses:

6% of capital raised

High Risk:

This Offering involves a high degree of risk, and the Note Interests should not be purchased by investors who cannot afford the loss of their entire investment. Prospective investors are advised to consult their own professional advisors as to legal, financial, tax, accounting and other matters relating to the purchase of LP Interests. See "Risk Factors."

## **RISK FACTORS**

*An investment in the LP Interests offered by this Offering Circular involves a high degree of risk. You should carefully consider the following risk factors in addition to the remainder of this offering memorandum before making an investment decision. In addition, you should ask questions of and investigate us as you deem necessary to satisfy yourself that you understand the benefits and risks of an investment in the securities offered hereby. Although we describe below certain risks we currently believe are material, such risks and uncertainties are not the only ones we face. If any of the following risks actually occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, you may lose all or part of your investment.*

### **Risks Particular to the LP Interests**

***There is a high degree of risk associated with tenants with no significant reserves.*** Most of our tenants will be non-prime tenants, which means that they do not have good credit ratings. Non-prime tenants also do not have significant reserves to overcome even short-term financial challenges. While we believe that we effectively manage these risks with our underwriting policies and collection methods, no assurance can be given that these criteria or methods will be effective in the future. In the event that we underestimate the collection risk, our financial position, liquidity and results of operations would be adversely affected, possibly to a material degree which could result in the loss of all or part of your LP Interests. Even if your particular LP Interests were not affected, the Company's ability to provide any service or activities on behalf of your LP Interests could be impacted. See also "Risks Particular to WCRLP – Cessation of Operations".

***If we initiate eviction proceedings with regard to a greater percentage of our rentals than we currently expect, you may suffer losses.*** We generally expect to evict on tenants underlying on a small percentage of our rental pool. However, if we evict on a greater percentage of the underlying tenants than expected, such evictions may cause you to lose all or part of your LP Interests.

***Liabilities associated with property ownership.*** The owning of property invites risks such as tenants or vandals being injured on the property, weather related damage to the property, properties located in undesirable neighborhoods requiring personal attention, code violations, and, numerous other unknown risks. Being inattentive to the required activities associated with servicing and/or owning property could result in the loss of all or part of your investment.

***Evictions and vacancies come with liabilities associated with vacant property ownership.*** In the event we (or you – see "Risks Particular to WCRLP – Cessation of Operations") evict a tenant from a property, the property must then be repaired and re-rented. Being inattentive to the required activities associated with vacant property could result in the loss of all or part of your investment.

***Decreases in the value of the property may decrease the value of your LP Interests.*** The value of the each particular property is highly dependent on the global, national and local economies as well as the individual tenants or vacancy, and, negative issues may decrease the value of the property, and, consequently, the value of the LP Interests.

***To perfect (or protect) your security interests, you may need (or have the option) to become the owner of a mortgage or property.*** In the event that we are unable to undertake the activities with regard to servicing, evicting and disposing of properties, you may need to undertake these activities to protect and perfect your LP Interests. The owning of property or a mortgage invites additional risks such as vandals being injured on your property, weather related damage to the property, properties located in undesirable neighborhoods requiring your personal attention and numerous other unknown risks that could result in the loss of all or part of your LP Interests. Being inattentive to the required activities associated with servicing and/or owning property could result in the further loss of all or part of your LP Interests.

***Protecting Your Investment.*** To protect your LP Interests, the Company may sell other viable and performing LP Interests to provide funds for costs required (in the opinion of the Company) to protect other of the LP Interests including but not limited to such items as legal fees, repairs to property, insurance on the property, taxes assessed against the property, utilities accrued against the property, sales expenses, legal expenses, etc. Additionally, circumstances could exist that would cause a requirement for you to provide



additional funds to protect your investment. In the event such additional funds are necessary, all of the LP Interests being protected and the additional funds being provided could be lost.

**Generally, no appraisals and/or broker price opinions, but, leases are used in deciding to purchase a property.** Our decision to a property is based significantly upon the value of the lease agreements in place. We rely on varying sources of information to make these determinations that usually do not include appraisals, broker price opinions. In some markets we obtain a physical inspection of the subject property, while in other markets we review an internal property analysis based on our assessment of what is needed at that time. Consequently, we can not assure you that any or further evaluations, broker price opinions and/or appraisals will be accurate. We will purchase properties based on our opinion that a given lease will be sustainable well into the future, but, these opinions may not prove correct. If market conditions or other circumstances change following the time that we purchased a property, our valuation, or, future valuations may become inaccurate. If we rely on an opinion, the property that we purchase upon that opinion may be secured by property that is worth less than we anticipated which could result in the loss of all or part of your investment.

**In the event your proceeds are not invested in LP Interests (funds awaiting investment).** There are times when your proceeds may not be invested in properties such as (but not limited to) when funds have been provided but properties not yet purchased. In such times, there are innumerable risks to the proceeds. These risks include, but are not limited to, the funds not being protected by FDIC insurance because the funds in the bank account were over the insured limits. Such events could result in the loss of all or part of the capital contemplated by this Offering.

**Your purchase of LP Interests may provide liquidity to others or the Company.** Your investment will be used to purchase properties previously originated and/or previously financed by another's investment capital. Therefore, your investment capital may be used to provide liquidity to someone else, or, may be used on a loan or property that someone else did not want. This property could quickly go into default, or, in some other way, may be defective, and, these issues may, or may not, be known at the time your investment is placed in these loans or properties. While we strive to ensure that your investment is placed only in properties that the Company deems collectible, once your investment is placed into a particular property, you have accepted that property with all its flaws. Such flaws could result in the loss of all or part of your investment.

**You may not receive some or all of your payments.** WCRLP depends on WCRMgmt to collect rents from tenants to make payments to, and, for WCRLP to be able to forward payments to you, and, for WCRLP and WCRMgmt to continue operations (see "Risks Particular to WCRLP – Cessation of Operations"). In the event that WCRMgmt does not receive payments from its tenants, payments may not be forwarded to you.

**Properties may be harmed by our inability to comply with laws and regulations.** The underlying properties secured by your LP Interests may be harmed by laws and regulations affecting us for which compliance would not be economically feasible, including but not limited to mortgage laws, securities laws, code compliance laws, tenant laws and Internal Revenue Code applicable to the taxation of various entities. This could harm the Company and the business, or, these properties or your LP Interests, and, these events could potentially occur with retroactive effect. Such harm could result in the loss of all or part of your LP Interests.

**Properties may be harmed by unknown laws and regulations.** The underlying properties secured by your LP Interests may be harmed by laws and regulations affecting us for which we do not have knowledge, including but not limited to mortgage laws, securities laws tenant laws and Internal Revenue Code applicable to the taxation of various entities. This could harm the Company and the business, or, these properties or your LP Interests, and, these events could potentially occur with retroactive effect. Such harm could result in the loss of all or part of your LP Interests.

**Properties may be harmed by future changes in various laws and regulations.** These loans or properties may be harmed by future changes to the laws and regulations affecting us, including changes to mortgage laws, securities laws, tenant laws, local regulations and/or changes to the Internal Revenue Code applicable to the taxation of various entities. New legislation may be enacted into law or new interpretations, rulings or regulations could be adopted, any of which could harm us and our business, or, these loans or properties, potentially with retroactive effect. Such harm could result in the loss of all or part of your investment.

**Poor economic conditions in geographic areas where we are conducting business.** If general economic conditions in the geographic areas we own property or in the housing market in those geographic areas decline,

- we may not be able to identify profitable investments,

- WCRMgmt may experience a greater rate of default from tenants than originally anticipated, and
- WCRMgmt may not be able to avoid this risk by making investments related to property located in other, more economically strong geographic areas since we are not as familiar with the real estate markets in other geographic areas.

As a result, the value of your investment and our operating performance may suffer and harm the value of the loans or properties resulting in the loss of all or part of your investment.

***We may be exposed to environmental liabilities.*** Under some circumstances, an owner of real estate, may be liable for clean up costs or the obligation to take remedial actions under environmental laws, though we are not currently aware of any circumstances that would cause us to incur any such liability or obligations. If we evict a tenant, as the owner of that property, we may be subject to environmental liabilities associated with that property. While we intend to perform due diligence investigations prior to our acquisition of such property, it is possible that we or others may discover such property may contain hazardous substances or wastes, contaminants, pollutants or sources of hazardous substances, wastes, contaminants or pollutants. In such a case, may be required to remove those substances or sources and clean up the property. We cannot assure you that we would not incur full recourse liability for the entire cost of removal and clean up, that the cost of such removal and clean up would not exceed the value of the property or that we could recover any of these costs from anyone. We may also be liable to tenants and other users of the neighboring properties. Additionally, it may be difficult or impossible to sell the property following such discovery.

***Terrorist attacks and other acts of violence or war may affect the industry in which we operate, our operations and our profitability.*** Terrorist attacks may harm our results of operations and your investment. We cannot assure you that there will not be further terrorist attacks against the United States or U.S. businesses. These attacks or armed conflicts may directly impact the property. Losses resulting from these types of events are uninsurable. More generally, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the United States and worldwide financial markets and economy. They also could result in continuation of the current economic uncertainty in the United States or abroad. Adverse economic conditions resulting from terrorist activities could harm the value of the property underlying our mortgage loans, which would impair our security and decrease the value of our assets and the LP Interests.

***Changing advisory and management fees paid on LP Interests.*** In the event the company determines that market conditions or the business environment has changed such that continuing with normal Company operations is not feasible or desirable, WCRMgmt or its contractors may increase the amount of management fees. Such adjustments could reduce the amount you expected to receive on the LP Interests even though the underlying LP Interests seem fully collectible.

***Contingent Risk of Real or Perceived Obligations—both in the past or in the future.*** In the ordinary course of its business, the Company may be subject to claims made against it by tenants and/or private investors and/or other contractual arrangements arising from, among other things, losses that are claimed to have been incurred as a result of alleged breaches of fiduciary obligations, misrepresentations, errors and omissions of employees, officers and agents of the Company (including its appraisers), incomplete documentation and failures by the Company to comply with various laws and regulations applicable to its business. In the event that any such claims are asserted, such claims could result in legal expenses or liabilities which could have a material adverse effect on the Company's results of operations and financial condition. See "Risks Pertaining to WCRLP – Cessation of Operations". Though the Company will attempt to have such claims rescinded or cured, there can be no assurance that individual defects will be cured, and, such claims could result in an impact to Operations (see "Risks Pertaining to WCRLP – Cessation of Operations") or, result in the loss of all or part of your LP Interests.

***Default Risk to LP Interests if a Tenant is Unable to Make the Payments.*** Should a tenant be unable to make his payments, the Company (or you) would be forced to evict the tenant and re-rent the property in an attempt to protect the investment. These actions or inactions could result in the loss of all or part of the your LP Interests.

### **Conflict of Interest Related Risks**

***Because certain individuals that are WCRMgmt key employees or partners and key employees and shareholders of entities supplying properties, there may be conflicts of interest.*** Certain individuals that are key employees of WCRMgmt are also employees, officers and shareholders of other entities. These multiple responsibilities may create conflicts of interest for these

individuals if they are presented with opportunities or decisions that may benefit WCRLP and their other affiliates. In determining which opportunities to allocate to WCRLP and to their other employers, these individuals will consider the investment strategy and guidelines of each entity. We believe it is impossible to predict the precise circumstances under which future potential conflicts may arise and therefore intend to address potential conflicts on a case-by-case basis, however, such conflicts may cause decisions to be made which may or may not be in the best interest of your investment, and, could result in the loss of all or part of your LP Interests.

## **Risks particular to WCRLP**

***Cessation of Operations.*** The Company plans to provide certain servicing and operational activities on behalf of the LP Interests through WCRMgmt and its contractors. The Company's ability to provide such activities is dependent on its profitability. In the event the Company is unable to provide these activities, you would need to begin such activities to protect your LP Interests, or, terminate the LP. These activities include, but are not limited to, the following:

- contacting underlying tenants and collecting required principal and interest payments
- contacting attorneys to evict if/when tenants do not pay as expected
- ensuring hazard insurance is maintained on properties for fire and extended coverage hazards
- securing and repairing properties in the event they are vacant

WCRLP does not accept any responsibility or liability for these activities or your LP Interests in the event it ceases operations. In the event you do not promptly and diligently perform these activities, you could lose all or part of your LP Interests.

***Limited Operational History; Operating Plan.*** The Company's success will depend in part on the extent to which its assumptions as to future revenues and costs prove to be correct. Those assumptions are based on management's knowledge and experience. Although many of the Company's managerial and supervisory personnel have had substantial rental management experience, the Company has only a limited operating history; those past results are not indicative of the future prospects of the Company. The Company's business plan also is based on existing market conditions for residential rentals in certain planned geographic markets. The Company's strategy could become uneconomical if the economies of its market areas or other parts of the United States or globally deteriorate. Accordingly, there is no firm basis, other than management's judgment, on which to estimate the volume of residential rentals or the amount of revenues the Company's planned operations will generate. In the event that such assumptions prove inaccurate, then the Company's ability to continue operations may be impacted. See "Risks Pertaining to WCRLP – Cessation of Operations".

***Accounting Irregularities or Computations.*** The company is not audited, therefore it is incumbent on you to monitor the accounting on your LP Interests. Failure to do so may affect the return of and the yield on your capital.

***Dependence on Key Personnel.*** The Company's success, and that of your investment, depends in large part on the efforts and abilities of its senior management, the loss of one or more of whom could adversely affect the Company's business. The Company believes that its future success depends in part on its ability to continue to attract and retain highly skilled employees. The Company does not carry key-man insurance on any of its executive officers.

The Company believes that its future success also depends significantly upon its ability to attract, train, retain and motivate technical, sales and management employees and consultants. There can be no assurance that the Company will be successful in these efforts, and if unsuccessful, the Company's business and operating results will be materially and adversely affected which could result in the loss of all or part of your LP Interests. See "Risks Particular to WCRLP – Cessation of Operations".

***Reliance on Others.*** The Company and/or WCRMgmt may enter into agreements with contractors or other service providers, which may include firms providing residential management, repairs and leasing. There is no assurance that the Company will be able to contract for all of the facilities and services it may require on favorable financial terms. Additionally, even if the Company obtains such agreements, they may be subject to termination, or, subject to lack of due diligence, negligence, fraud, breaches of fiduciary obligations, misrepresentations, errors and omissions of employees, officers and agents of the Company (including its appraisers), incomplete documentation and failures by the Company to comply with various laws and regulations applicable to its business, or other unknown negative events which could result in the loss of all or part of the capital contemplated by the Offering. Additionally, the company depends on personnel employed by the company. Employees may also subject the Company to negative events such as lack of due diligence, negligence, fraud breaches of fiduciary obligations, misrepresentations, errors and omissions or other unknown negative events which could result in the loss of all or part of your LP Interests.

**Limited Liquidity.** The Company will have limited liquidity. This limited liquidity may make the Company more vulnerable to general downturns in the economy, or, other unanticipated events.

**Competition.** As a residential landlord, WCRMgmt faces intense competition from many fronts, including apartment complexes. Many of these competitors are substantially larger and have more capital and other resources than the Company. Competition can take many forms such as reduced deposit requirements, reduced move-in amounts or other incentives that impair the ability to find good tenants. Competition may be affected by fluctuations in interest rates and general economic conditions. During periods of rising interest rates, competitors which have "locked-in" low borrowing costs may have a competitive advantage. During periods of declining interest rates, competitors may be able to lower borrower costs providing them with a competitive advantage. During economic slowdowns or recessions, the Company's tenants may have new financial difficulties and may be receptive to offers by the Company's competitors.

**Safeguard of Customer's Financial Data.** The Company could be adversely affected if the Company is unable to satisfactorily safeguard the security and privacy of its customers' financial data. A significant barrier to the future growth of e-commerce and on-line communication is the concern over the security of confidential information transmitted over the Internet. The Company believes that it has taken adequate measures to ensure the privacy and confidentiality of its customers' financial information. Nevertheless, continuing consumer confidence in and usage of the Internet for mortgage loan origination and processing could be adversely affected by evidence of the inability of a mortgage loan originator, whether the Company or a competitor, to assure the privacy and confidentiality of customers' financial information. Additionally, the Company could be harmed by mistakes or misunderstandings by employees or other related parties with regard to federal, state or other statutes regarding the protection of customer data. Such events could seriously impact the Company's ability to continue its operations. See "Risks Pertaining to WCRLP – Cessation of Operations".

**Safeguard Against Internet Intruders and Hackers.** The Company's computer systems may be subject to break-in by hackers accessing its computer systems through the Company's Internet website. While we have taken measures to protect such data, we could be harmed by flaws in software, employees or other events which could impact the Company's ability to continue its operations. See "Risks Pertaining to WCRLP – Cessation of Operations".

**Because of market supply and demand, yields on this investment may fluctuate in any given month.** Because various market conditions, both in the supply of acceptable acquisitions and rental occupancy and repairs, the Company may change the yield paid on the investment.

**Lack of available financial information on the Company.** Because the Company is not required to provide financial information, financial information will not be made available. In the event that the Company is not profitable, it may not be able to sustain operations. See "Risks Pertaining to WCRLP – Cessation of Operations".

**Federal and State Securities Laws.** The LP Interests offered hereby have not been registered under the Securities Act, or under the provisions of any state securities laws and therefore may not be resold without registration or an applicable exemption. The LP Interests are being offered and will be sold without such registration by reason of specific exemptions provided by federal and state securities laws.

**Absence of Underwriter.** Under certain federal securities laws, underwriters of securities in public offerings and/or private placements may be expected to take various steps to ensure that information contained in the Offering documents is accurate and complete. Since there is no underwriter in this Offering, prospective investors must rely upon the Company regarding the accuracy and completeness of information contained in this Memorandum. The Company believes that the information contained herein is accurate and complete as of the date of this Memorandum.

**Limited Market for Securities; Lack of Liquidity.** The LP Interests are not listed on any national securities exchange or the NASDAQ Over-the-Counter Bulletin Board. The Company has no current plans to apply for a listing of the LP Interests on a national securities exchange or the NASDAQ Over-the-Counter Bulletin Board. Therefore, you cannot expect to be able to immediately liquidate such investment readily or at all.

**We cannot presently identify any of the properties we intend to purchase.** We have not yet identified any properties that we intend to purchase with the proceeds of this offering, so you may not be able to evaluate the properties. The properties we purchase will meet the underwriting criteria that we have established, or, will contain exceptions that we deem prudent based on other information. If we are unable to identify properties that satisfy our underwriting criteria and invest in those properties in a timely fashion, such issues

may result in an operating loss which could impair our ability to service and protect your LP Interests. See “Risks Pertaining to WCRLP – Cessation of Operations”.

**Regulatory Oversight.** The Company's business is (or may be) subject to extensive regulation, supervision and licensing by federal, state and local governmental authorities and is subject to various laws and judicial and administrative decisions imposing requirements and restrictions on part or all of its operations. These rules and regulations, among other things, may impose obligations on the Company for which it is not aware. While the Company seeks to understand and comply with these requirements, failure to do so could lead to demands for indemnifications or mortgage loan repurchases, certain rights of rescission for mortgage loans, class action lawsuits and administrative enforcement actions.

While the Company attempts compliance with the requirements of applicable local, state and federal laws, rules and regulations, there can be no assurance that they are (or will be), or that more restrictive laws, rules and regulations will not be adopted in the future that could make compliance more difficult or expensive. In the event compliance is not met, the result could be the loss of all or part of the capital contemplated by the Offering.

### **Risks Related to the Residential Rental Industry**

**Effect of General Economic Conditions.** The Company's business may be adversely affected by periods of economic slowdown or recession which may be accompanied by decreased demand for consumer credit and declining real estate values. Any material decline in real estate values may reduce the costs of competitors purchase of additional product, thereby weakening our collateral coverage and increasing the possibility of a loss due to reduced rental income. Further, evictions and vacancy factors generally increase during economic slowdowns or recessions.

Any sustained period of such increased delinquencies, foreclosures or losses could adversely affect the pricing of the Company's loan sales, or, could result in the loss of all or part of the Capital contemplated by the Offering. While the Company believes the underwriting criteria and collection methods it utilizes enable it to mitigate the higher risks, no assurance can be given that such criteria or methods will afford adequate protection against such risk.

**Regulatory Oversight.** Local governments generally have departments that monitor housing condition, and, tenants many times will not keep lawns mowed, park cars in yard, and other municipal violations. While we work to mitigate these issues, in the event a tenant or a vacancy or a vandal causes municipal violations and the violations are not corrected in a manner and time frame approved by the municipality or county, then, such violations may adversely affect the operations of the Company or the LP Interests and could result in the loss of all or part of the LP interests.

### **USE OF PROCEEDS**

Proceeds received by the Company from the Offering will be primarily:

- to fund expenses not to exceed 6%
- To purchase performing residential rentals grossing not less than 30% annually on a projected basis with a lease in place
- To protect said liens and purchases (expenses associated with legal fees, foreclosure fees, securing the property, taxes, insurance, repairs, utilities, labor, etc.)

THE FOREGOING ARE ONLY ESTIMATES OF THE TYPE AND AMOUNT OF EXPENDITURES FOR WHICH THE PROCEEDS OF THE OFFERING WILL BE USED. MANAGEMENT OF THE COMPANY RESERVES THE RIGHT TO CHANGE THE ACTUAL USE OF THE PROCEEDS IF, IN ITS SOLE JUDGMENT, THE BUSINESS OR AFFAIRS OF THE COMPANY OR THE PROPERTIES SO DICTATE.

**OFFICERS AND DIRECTORS**

The directors and executive officers of the Company and their ages as of the date of this Memorandum are:

<u>Name</u>	<u>Age</u>	<u>Position with Company</u>
Craig Pettit	54	President

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*Mr. Craig Pettit* is the founder and President of the Company. Mr. Pettit has over 30 years experience in the real estate markets having begun his investing just after graduating from high school. Mr. Pettit has held management positions in the information processing departments of two Fortune 100 companies. Additionally, Mr. Pettit has extensive technical expertise along with experience in startup public companies.

**SECURITY OWNERSHIP OF PRINCIPLE SHAREHOLDERS AND MANAGEMENT**

The following table sets forth, as of the date of this Memorandum, certain information with respect to the beneficial ownership of the Company by (i) each person known by the Company to beneficially own more than 5% of the voting stock of the Company, on a fully-diluted basis, (ii) each director of the Company, (iii) each of the Company's Named Executive Officers, and (iv) all directors and executive officers of the Company as a group. The Company believes that the beneficial owners listed below, based on the information furnished by such owners, have sole voting and investment power with respect to such shares, except as noted below.

<b><u>Name of Beneficial Owner</u></b>	<b><u>Number of Shares</u></b>	<b><u>Percent Beneficially Owned</u></b>
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None		
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**Financial Statements**

Financial statements for the company are not presented – see Risks - *Lack of available financial information on the Company*.

One time monthly, you should receive a statement called a **Note Inventory Statement** that reflects the properties that your capital is tied to (see Risks Particular to the LP Interests). These statements also reflect any cash that is currently not invested in a particular property. Such cash is subject to particular risks as well (See “Risks Particular to the LP Interests”). Additionally, you should always verify your statement for accuracy.

**Recipient**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

\_\_\_\_\_  
**Signature**